

	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception [^]
	%	%	%	%	% p.a.	% p.a.	% p.a.
Perennial Value Shares Wholesale Trust*	0.8	5.4	17.4	16.8	7.1	11.2	9.7
S&P/ASX 300 Accumulation Index	1.0	6.6	16.8	17.5	7.3	10.8	7.9
Value Added (Detracted)	-0.2	-1.2	0.6	-0.7	-0.2	0.4	1.8
Capital Growth	0.7	5.2	13.9	11.5	2.1	5.9	1.7
Income Distribution	0.0	0.0	2.6	4.3	4.1	4.3	7.2
Net Performance	0.7	5.2	16.5	15.8	6.2	10.2	8.9

*Gross Performance. ^Since inception: June 2001. Past performance is not a reliable indicator of future performance.

Perennial Value Shares Wholesale Trust

The Trust aims to grow the value of your investment over the long term via a combination of capital growth and tax effective income, by investing in a diversified portfolio of Australian shares, and to provide a total return (after fees) that exceeds the S&P/ASX 300 Accumulation Index measured on a rolling three-year basis.

Trust manager

John Murray

Risk profile

High

Trust FUM

AUD \$1.1 billion

Distribution frequency:

Half yearly

Team FUM

AUD \$6.9 billion

Minimum initial investment

\$25,000

Trust inception date

June 2001

APIR code

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- ▶ **The Perennial Value Shares Wholesale Trust (the Trust) has delivered a healthy total return of 16.8% for the last 12 months.**
- ▶ **The market continued its rally in April, with the S&P/ASX300 Accumulation Index (the Index) up 1.0%.**
- ▶ **Industrials rose 1.5%, while resources eased 1.6%.**

Market Review

Global markets were mixed in April, with the S&P500 (up 0.9%) and Nikkei 225 (up 1.5%) rising, while the FTSE100 (down 1.6%) and Shanghai Composite (down 2.1%) declined. Commodity prices were generally softer, with iron ore (down 16%), oil (down 7.0%), copper (down 4.0%) and thermal coal (down 1%) all falling. Coking coal (up 62.0%) was the exception, rallying as a result of supply disruptions from the recent cyclones and gold also rose 2.0%. The Reserve Bank of Australia left the cash rate steady at 1.5% and the Australian Dollar finished the month down one cent at 75 US cents.

The Index returned 1.0% over the month, with the better performing sectors including industrials (up 4.1%), information technology (up 3.5%), healthcare (up 3.4%), utilities (up 3.1%), REITs (up 2.6%) and financials (up 1.9%). Telecommunications (down 9.5%) was the worst performing sector, with consumer staples (down 2.5%), metals & mining (down 2.0%) and energy (down 0.6%) also lagging.

Trust Review

The Trust delivered a return of 0.8% for April, bringing the return for the last 12 months to a very healthy 16.8%.

The best performing stock in the Trust was Clydesdale Bank (up 7.1%), which rallied as the British Pound strengthened. This followed the upgrading of UK gross domestic product forecasts and the calling of an early election, which was perceived to improve the likely outcome of Brexit negotiations. Henderson Group (up 5.8%), also benefitted from this improved UK outlook as well as reporting that funds flows had improved.

Other strong performers included Soul Pattinson (up 5.9%), Crown Resorts (up 5.8%) and Boral (up 5.5%). Nufarm (up 5.4%) rose with the start to the winter cropping season looking positive and the prospect of benefitting from the major consolidation occurring in the agricultural chemical sector. Suncorp (up 4.5%) rallied on continuing evidence of improvement in premium pricing. This follows a prolonged period of intense price competition in the industry.

Stocks which detracted from performance included Vocus Group (down 20.6%), which is currently grappling with integration issues following a number of recent mergers. While these have had a negative impact on current earnings, the company should be well-placed to grow over the medium term. The whole telecommunications sector was weak over the month and, in a relative sense the Trust benefitted from being underweight Telstra (down 9.4%) and not holding TPG (down 12.7%).

Other stocks which detracted from performance included, Newcrest (down 5.0%) following a seismic event which has temporarily disrupted production at its Cadia (NSW) operations, Graincorp (down 1.9%) and BHP (down 1.3%).

Trust Activity

During the month, we took profits and reduced our holdings in Resmed and AGL Energy, both of which had performed strongly over recent months. Proceeds were used to add to our positions in a number of good value opportunities including Suncorp, Clydesdale Bank and Caltex.

At month end, stock numbers were 36 and cash was 5.0%.

Outlook

While there is a high level of ongoing uncertainty, the global growth outlook appears to be incrementally improving and markets continue to respond positively to the prospect of more pro-growth fiscal policies as opposed to ongoing monetary easing. Should this eventuate, the Trust will likely benefit from being overweight in the large-cap, low-cost, financially-sound resources companies as well as in a range of quality industrial and financial companies where we see attractive valuations. This would also see continued upwards pressure on interest rates which would benefit the portfolio through its underweight position in the expensive defensive sectors such as healthcare, REITs and infrastructure.

The Trust continues to exhibit Perennial Value's true to label value characteristics, with the Trust offering better value than the overall market on each of our four valuation characteristics: price to earnings, price to free cash flow, gross dividend yield and price to net tangible assets.

As always, our focus will continue to be on investing in quality companies which are offering attractive valuations and have the ability to deliver high levels of franked dividend income to investors.

Top 10 Holdings

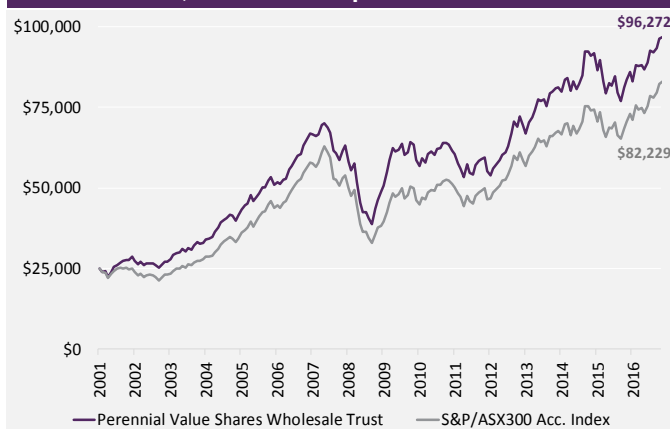
Stock name	Trust weight %	Index weight %
Commonwealth Bank	7.6	9.4
Westpac Banking Corporation	6.0	7.3
BHP Billiton Limited	5.8	4.7
ANZ Banking Group Limited	5.1	6.0
National Australia Bank	4.6	5.7
Macquarie Group Limited	3.9	2.0
Crown Resorts Limited	3.7	0.3
Rio Tinto Limited	3.6	1.6
Henderson Group	3.5	0.2
Telstra Corporation	3.5	3.1

Asset Allocation

Sector	Trust weight %	Index weight %
Energy	7.7	4.2
Materials	19.4	15.4
Industrials	0.0	6.9
Consumer Discretionary	7.8	5.0
Consumer Staples	6.0	7.0
Health Care	1.1	7.0
Financials-x-Real Estate	40.7	38.4
Real Estate	5.8	8.5
Information Technology	0.0	1.4
Telecommunication Services	5.6	3.6
Utilities	0.7	2.7
Cash & Other	5.2	-

Rounding accounts for small +/- from 100%.

Growth of \$25,000 since inception



Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Signatory of:



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