PERENNIAL GROWTH MANAGEMENT

Perennial Socially Responsive Shares Trust

Monthly Report as at 31 January 2013

	Month %	3 Months %	Financial YTD %	1 Year %	2 Years % p.a.	3 Years % p.a.	5 Years % p.a.
Perennial Socially Responsive Shares Trust*	6.3	9.7	21.6	21.2	4.4	4.7	1.0
S&P/ASX 300 Accumulation Index	5.0	8.9	21.9	19.6	5.7	6.7	1.5
Value Added (Detracted)	1.3	0.8	-0.3	1.6	-1.3	-2.0	-0.5
Net Performance	6.2	9.4	21.0	20.0	3.4	3.8	0.1

* Gross Performance. **Past performance is not a reliable indicator of future performance.**

- The Trust outperformed the Index return by 1.3%.
- BHP Billiton (not held, up 1.0%), Mayne Pharma (up 23.3%) and Lend Lease (up 11.6%) all contributed to performance.
- Equity markets began the year strongly, with all major indices rising.

Trust Performance Overview

The Perennial Socially Responsive Shares Trust (the Trust) finished up 6.3% during January, outperforming the S&P/ASX 300 Accumulation Index (the Index) return of 5.0% by 1.3%.

The top performer relative to the Index was BHP Billiton (not held, up 1.0%). Cautiousness around the sustainability of commodity prices, especially iron ore, resulted in the resource sector, including BHP Billiton, underperforming the broader market.

Mayne Pharma (up 23.3%) also contributed positively to performance. The company has recently completed the acquisition of the Kapanol business from GlaxoSmithKline which further adds to its existing product range. This follows the successful completion of the Metrics, Inc. acquisition in the third quarter of 2012, a deal which materially increases the company's product offering and revenue base.

Lend Lease (up 11.6%) contributed strongly during the month, on the back of a very successful period of contract awards for its UK Construction and Development business. During the month, Lend Lease was awarded a GBP170 million construction contract for a mixed use development in London, received planning approval for its own GBP1.5 billion Elephant and Castle mixed use development in South London, and a GBP240 million contract to deliver student accommodation across the UK. Lend Lease is capitalising on the early signs of recovery in UK construction activity (particularly London) which will add to earnings in FY14 and beyond.

The most significant detractor to performance was PanAust (down 11.7%). The company provided its quarterly production report, and while December quarterly production was largely in line with expectations the 2013 outlook disappointed. Forecast production and EBITDA guidance for 2013 were below expectations as a result of pit wall instability limiting access to higher grade iron ore during the first half, with access being restored in the second half of 2013. The company is revising its life of mine schedule which is due for completion during the March 2013 quarter which raised concerns around longer term sustainable production rates.

Incitec Pivot (share price was flat during January) also detracted value during the month. The main driver of the underperformance was the deteriorating near term outlook for the Fertiliser Division due to difficult seasonal conditions in Australia and weaker fertilizer prices. Notwithstanding these issues, we expect Incitec's Fertiliser Division earnings to recover from the very poor FY12 result as trading losses will not be repeated. The key attractions to Incitec remains intact: material valuation upside, the improving ROIC profile following a period of heavy capex on the Moranbah ammonium nitrate plant,

Perennial Socially Responsive Shares Trust

The Trust aims to provide a total return (after fees) that exceeds the S&P/ASX 300 Accumulation Index measured on a rolling three-year basis, by investing in a selection of listed companies which also embrace and engender social performance in their corporate culture.

Trust Manager: Lee Mickelburough	**Risk Profile:** High
Trust FUM (as at 31/01/13): AUD58.6 million	**Income Distribution Frequency:** Half yearly
Team FUM (as at 31/01/13): AUD3.1 billion	**Minimum Initial Investment:** $25,000
Trust Inception date: December 2001	**APIR code:** IOF0117AU

recovering US Explosives earnings and the attractive duopoly industry structure.

Trust Activity

We elected to further reduce Commonwealth Bank of Australia's position in the Trust and add to our position in National Australia Bank. This was driven by our assessed valuation differential.

We increased the Trust weight in Worley Parsons during the month. Worley Parsons' 1H 2013 earnings growth are expected to be below trend due to one-off restructuring charges in the Australian Minerals Division and project delays in Canada. This has led to the stock lagging the market rally in recent months, despite the improving outlook for global growth and hence capital investment. Worley Parsons is a high quality, globally successful company with a long track record of superior ROIC and growth. Worley Parsons has a differentiated business model with global specialist technical hubs for superior design solutions, combined with local office networks for superior delivery capability.

We took advantage of weakness in the share price of Newcrest Mining to add to the Trust's position. We also increased the holding in Oil Search.

We exited the Trust's position in Seek as our valuation target was reached. In addition, the recent run of weak employment data, a primary driver of Seek's largest business, is likely to see some shorter term expectations of earnings revised downwards.

We also sold the Trust's position in QBE Insurance. This followed the company announcing a significant revision to earnings guidance in December, following Hurricane Sandy in the US. Following an initial sell-off, the stock rallied in January and we took the opportunity to exit our position.

The Trust's position in Bank of Queensland was also sold following recent outperformance.

We also trimmed the position in Challenger following a period of significant outperformance.

At month end, stock numbers stood at 31 with cash at 2.3%.

Market Overview

Equity markets began the year strongly, with all major indices rising on greater investor optimism towards the global macro outlook. Japan's Nikkei (up 7.1%), UK's FTSE100 (up 6.4%), China's Shanghai Composite (up 5.1%), the US S&P500 (up 5.0%) and Hong Kong's Hang Seng (up 4.7%) all rose sharply.

The start of the month saw the much talked about US fiscal cliff averted, as US politicians agreed to a series of tax increases and spending cuts. This was followed later in the month by an extension of the US debt ceiling to mid May. US economic data was mixed, with fourth quarter GDP falling by an annualised -0.1%, with significantly reduced defence spending the biggest contributor. Nonfarm payrolls increased by 155,000 jobs, with the unemployment rate remaining static at 7.8% (revised up from 7.7%). The ISM manufacturing index returned to expansionary territory, and housing starts hit their highest level since mid-2008.

In other economic news, newly elected Japanese Prime Minister Shinzo Abe announced plans to embark on an extensive stimulus package in the form of spending and monetary easing. Within Europe the first round of repayments of money borrowed by banks (Long Term Refinancing Operations) from the European Central Bank saw €137 billion repaid, providing further evidence of improving conditions in the region. China continued to show evidence of a soft landing, with annual GDP climbing to 7.9%, and both industrial production and trade data improving.

Domestically, Prime Minister Julia Gillard announced a mid September election. There was a 5,500 decrease in the number of jobs, resulting in the unemployment rate rising to 5.4%. Annual inflation came in at 2.2%, leaving the door open for further Reserve Bank of Australia rate cuts. Despite historically low interest rates, lending growth in the housing market was soft, whilst the trade deficit for November came in at the worst level since early 2008, reflecting previous falls in commodity markets.

The Australian dollar traded in a tight range, rising 0.5% over the month to finish at $1.042. Most commodity markets were stronger with nickel (up 7.4%), iron ore (up 5.2%), Brent crude (up 4.0%) and copper (up 3.1%) all rising. Gold fell slightly (down 0.7%) to finish the month at $1,664 an ounce.

Within the domestic equity market all sectors finished in positive territory. The market was led higher by information technology (up 14.7%), consumer discretionary (up 8.6%) and financials (up 6.5%). In spite of rising commodity prices the weakest performing sector was materials (up 1.5%), followed by the defensive utilities (up 2.6%) and healthcare (up 3.1%).

Top Ten Holdings as 31 January 2013

Stock	Trust Weight %	Index Weight %
National Aust. Bank	8.6%	5.3%
ANZ Banking Grp Ltd	7.8%	6.0%
SPI Futures	6.0%	0.0%
Commonwealth Bank.	5.8%	8.6%
Origin Energy	4.9%	1.1%
Westpac Banking Corp	4.9%	7.2%
CSL Limited	4.7%	2.3%
Lend Lease Group	4.5%	0.4%
Newcrest Mining	3.2%	1.5%
WorleyParsons Ltd	3.2%	0.4%

Asset Allocation as at 31 January 2013

Stock Name	Trust Weight %	Index Weight %
Energy	16.6%	6.5%
Materials	12.6%	21.0%
Industrials	8.5%	6.8%
Consumer Discretionary	0.0%	3.8%
Consumer Staples	0.0%	8.3%
Health Care	12.0%	4.4%
Financials-x-Real Estate	32.6%	34.5%
Real Estate	4.5%	7.3%
Information Technology	2.1%	0.7%
Telecommunication Services	0.0%	5.0%
Utilities	2.8%	1.7%
SPI Futures	6.0%	-
Cash	2.3%	-

Rounding accounts for small +/- from 100%.

Signatory of:

PRI Principles for Responsible Investment