Perennial Asian Shares Wholesale Trust

Monthly Report as at 31 January 2013

	1 month %	3 months %	1 Year %	2 Years % p.a.	3 Years % p.a.	5 Years % p.a.	SI^ %p.a.
Perennial Asian Shares Wholesale Trust*	1.3	7.2	24.2	4.4	6.9	2.7	5.6
MSCI AC Far East (ex Japan) Net Dividends Index in AUD	0.9	6.9	14.7	0.1	4.5	0.8	5.1
Value Added (Detracted)	**0.4**	**0.3**	**9.5**	**4.3**	**2.4**	**1.9**	**0.5**
Capital Growth	1.1	6.8	22.4	4.0	6.1	0.1	-0.2
Income Distribution	0.0	0.0	0.0	0.0	0.0	1.5	4.8
Net Performance	1.1	6.8	22.4	4.0	6.1	1.6	4.6

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

- The Trust outperformed the Index return by 0.4%.
- Central China Real Estate and Shenzhou International added to performance during the month.
- Markets rallied strongly through 2012 and showed no signs of letting up in January.

Asian markets lagged other global markets through January, although a modest return of 0.9% for the MSCI AC Far East (ex Japan) Net Dividends Index in AUD (the Index) was achieved. The Perennial Asian Shares Wholesale Trust (the Trust) continued its positive outperformance relative to the Index, returning 1.3%.

A major source of near term angst was removed over the month with the US avoiding falling off the so called fiscal cliff. The deal completed in early January, diluted and deferred prospective fiscal tightening that would have tipped the economy into recession. Instead, fiscal tightening looks to be a drag on 2013 growth of around 1% to 1.5%. The latest forecasts for US growth from the International Monetary Fund (IMF), even allowing for such a drag from fiscal policy, still have the economy growing by 2% over 2013 and 3% over 2014. Unfortunately for investors, US fiscal machinations will remain a source of volatility with sequestration beginning in early March and a Continuing Resolution required in late March to keep government operations funded. In mid May, the debt ceiling extension expires. While the most likely outcome is for further dilution and deferral, belligerent politics could prove a source of near term volatility.

According to the IMF's January forecast update, the world economy is on track for growth of 3.5% over 2013, lifting to 4.1% in 2014. The outlook remains for uneven outcomes with emerging and developing economies performing strongly with growth expected to lift to 5.5% in 2013 and 5.9% in 2014. Recession is still expected in Italy and Spain over 2013, but both are expected to grow weakly over 2014. Weak to moderate positive growth in France and Germany help hold up overall Euro area projections for a 0.2% contraction in 2013 turning to a 1% expansion in 2014. The latest OECD leading indicators are consistent with growth momentum building over the year, particularly over the second half.

Perennial Asian Shares Wholesale Trust Facts:

The Trust aims to grow the value of your investment over the long term by investing in a carefully selected portfolio of Asian shares (excluding Japanese shares) and to provide a total return (after fees) that exceeds the MSCI Far East (ex Japan) Net Dividends Index in AUD on a rolling three-year basis.

Portfolio Manager: James Soutter, Clay Carter	**Risk Profile:** High
Team FUM (as at 31/01/13): AUD237 million	**Income Distribution Frequency:** Annually
Trust Inception date: June 2001	**Minimum Initial Investment:** $25,000
APIR code: IOF0203AU	

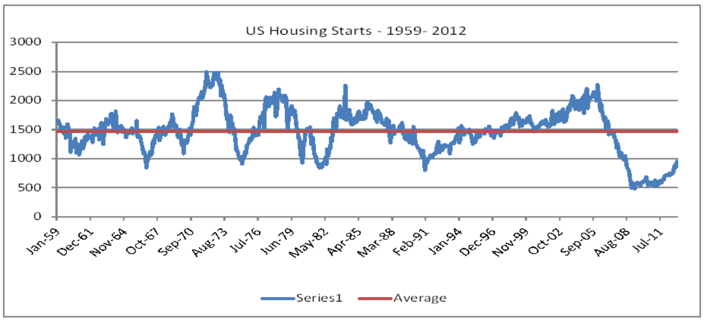
Trust Activity

The Trust activity remained muted through January with the only significant trading being the sale of Samsung Engineering. Samsung Engineering is a Korean based engineering and construction company providing turnkey solutions to the petrochemical and industrial sectors. Unfortunately the company had not lived up to our expectations and its operating margin came under self-inflicted pressure from overly aggressive bidding for contracts.

The Trust's outperforming stocks through January again included Central China Real Estate, up 8% closing its valuation gap on its peers and Shenzhou International, the textile manufacturer, also rising 8%. Within the Trust's laggards, Media Prima, the Malaysian listed media content and broadcaster fell 5% as concerns regarding the upcoming Malaysian election spooked investors.

Outlook

More positive - there is no need to beat around the bush, the economic data coming out of China has been showing a steady improvement from mid 2012 onwards, coupled with the US, where, with the exception of 'fiscal drag' the underlying economy is only heading one way; up. What has really supplied a positive reality check, is US house prices and that there has now been a steady recovery in prices, and in our mind the bottom has clearly been reached. House prices are an emotive issue (we all have skin in the game, through mortgages, ownership or renting), however, they are critically important and asset inflation versus asset deflation. Asset inflation is the bedrock from which any economy can grow and is crucial to both the spending habits of the consumer and the lending habits and financial institutions. The Trust's holding such as Techtronic, the maker of Ryobi power tools has been a significant outperformer on the back of this improved sentiment and outlook. With US housing stats at or near generation lows, the US reflation story has a long way to run with Asia being a direct beneficiary.



Thoughts for 2013

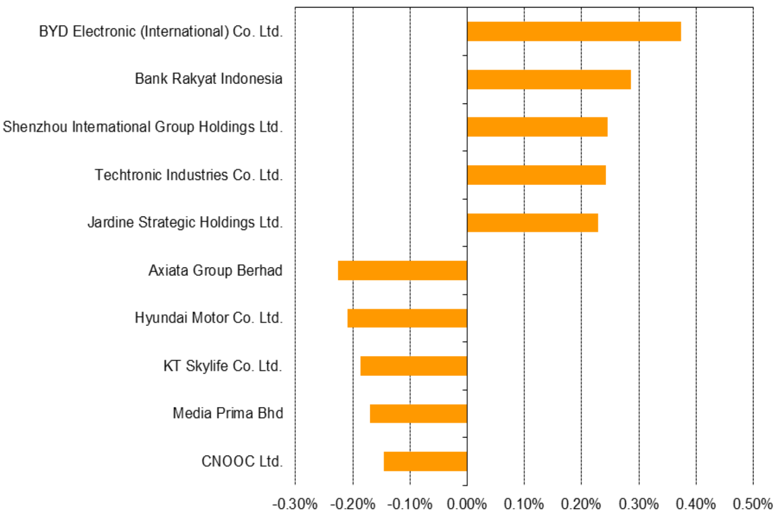
Markets rallied strongly through 2012 and showed no signs of letting up in January, so where are we and what is the Trust looking at in 2013?

As touched on in the previous section, we hold a positive view on Asian regional equity markets for 2013, predicated on improving Chinese economic data and the slow but likely uplift we will see in exports through 2013 on an improving US economy.

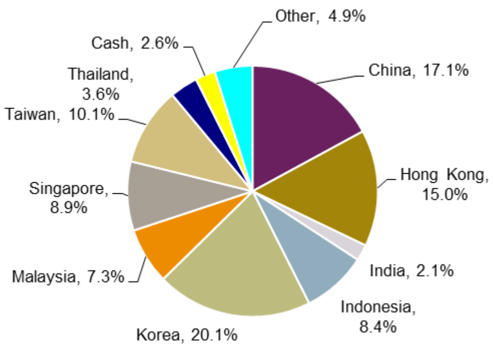
Through 2012, the significant outperformance was driven by stock selection. However, a number of other Trust positions also assisted in delivering outperformance. The Trust held a significant underweight to Chinese equities (thus in turn was overweight the ASEAN markets) which as history shows, underperformed for much of the year, before starting to rally late in 2012. The Chinese rally is predicated on the better economic data, coupled with lowly valued stocks, one can see how it looks attractive. With this in mind, the Trust has selectively been closing thus underweight to Chinese companies (selectively as we have a keen focus on quality) and thus participated through the recent upswing.

For the rest of 2012, the valuation argument is in favour of Chinese and Korean markets. Headwinds exist, (a higher won for Korean making exports less attractive / quality issues over a number of Chinese names) but it is within these two markets where the opportunity set is increasing.

Stock Attribution



Regional Allocation as at 31 January 2013



Rounding accounts for small +/- from 100%.