Perennial Unhedged Global Property Trust

Monthly Report as at 31 March 2013

	Month %	3 Months %	1 Year %	2 Years % p.a.	3 Years % p.a.	SI^ % p.a.
Perennial Unhedged Global Property Trust	0.0	4.4	19.8	-	-	25.3
FTSE EPRA/NAREIT Global Real Estate Dev. TR Index in AUD	0.3	5.7	19.5	-	-	24.5
Value Added (Detracted)	-0.3	-1.3	0.3	-	-	0.8

* Gross Performance.. ^ Since Inception December 2011.

- The global REITs sector continued its solid performance returning 2.6% for the month of March.
- Led by Japan, Asia Pacific was again the best performing region.
- The sector remains well supported, with global REITs in that sweet spot.

Performance

The global REITs sector continued its solid performance for the month of March. The Perennial Unhedged Global Property Trust (the Trust) finished flat, underperforming the FTSE EPRA/NAREIT Developed TR Index in AUD (the Index) of 0.3% by 0.3%.

Led by Japan, Asia Pacific (up 3.1%) was again the best performing region, (up 18.5%). Our overweight position in the Japanese developers, Sumitomo Realty, Mitsubishi Estate and Mitsui Fudosan, contributed to performance. Our underweight position in JREITs, Japan Retail Fund and Japan Real Estate Investment Corporation, detracted from this performance resulting in an overall negative contribution for the month in Japan.

Hong Kong and China were weaker for the month, down 4.8%. Following the announcement of more policies to cool the property market together with the likelihood of continued tighter policies, we expect ongoing downward pressure on sentiment. We believe that the pent up underlying demand in China offsets some of this risk, but Hong Kong is more at risk of tougher measures. As a result our overweight position in China, namely, Shimao Property and Yuexiu Property, underperformed, was balanced by our Hong Kong underweight positions in Henderson Land, Kerry Properties and New World Development.

In Singapore, the market was down 1.9%, as the government continued efforts to cool house prices. This saw our underweight position in CapitaLand continue to contribute to performance. Our overweight position in CapitaMalls Asia detracted from performance with the general slowdown in economic activity on a pan Asian basis.

The Australian REITs market was also weaker, returning 2.9%. The Reserve Bank of Australia (RBA) kept rates on a hold. Given the improved consumer sentiment and the 71,500 gain in employment in February the decision was not that surprising, but the RBA did reiterate its easing bias based on a favourable inflation outlook. The residential developers continued to struggle, with concerns on further write-downs to land banks which saw underperformance on our Mirvac Group position offset by our underweight position in Stockland. Our overweight holding in Westfield Retail Trust also underperformed, after the Lowy family sold down its 7% stake late in the month. Given the transaction happened at a 10% discount to underlying value, the Lowy's motivation to sell was questioned by the market.

The Americas performed in line with the Index, with US REITs returning 2.9% for the month, while Canada finished down 0.2% as a result of slowing GDP. Small and mid-cap stocks continue to outperform the large cap names as the availability and cheapness of debt makes M&A transactions easier. During the month, we saw the first large transaction take place in Commonwealth REIT, with the bid price over 50% higher than the last traded price.

As a result, our overweight positions in a number of large cap names, especially in the mall space, saw stocks such as Simon Property Group underperform. Brazil was also weaker for the month, where inflation came in higher than expected and is likely to give rise to a round of tightening. This saw our overweight holding in BR Props underperform. Europe (down 0.3%) was the weakest performing region. While the result reflected a number of factors, the handling of the situation in

Perennial Unhedged Global Property Trust Facts:

The Trust aims to grow the value of your investment over the long term through a combination of capital growth and income by investing in a broad selection of international property securities. The Trust aims to provide a total return (after fees) that exceeds the FTSE EPRA/NAREIT Global Real Estate Total Return Index

Portfolio Manager: David Kivell	**Risk Profile:** High
Trust FUM (as at 31/03/13): AUD12.2 million	**Team FUM (as at 31/03/13):** AUD789 million
Trust Inception date: December 2011	

Cyprus, including several bailout attempts, was chief among them.

Our overall underweight to Europe and our overweight position to Unite Group in the UK contributed to performance. Unite Group provides student accommodation and published a solid set of numbers as well as provided positive guidance.

Market Review

Japan was the best performing country, with the market generally caught underweight and buying into the continued positive momentum generated by the Abe election and the expected response from the Bank of Japan which has seen investors buy into the Japanese recovery story. Europe again grabbed the headlines for the month, but for all the wrong reasons. Not surprisingly Italy' an inconclusive election result, which again raised concerns on implementation of austerity measures, and the Cyprus deal at the end of the month, which was suggested (and later denied) as a template for other bailouts, left the market somewhat underwhelmed. In the case of Cyprus, given the discussion around the "bailout template" and the size of the economy relative to other European countries, the market was not overly convinced with the proposals or the final outcome.

Outlook

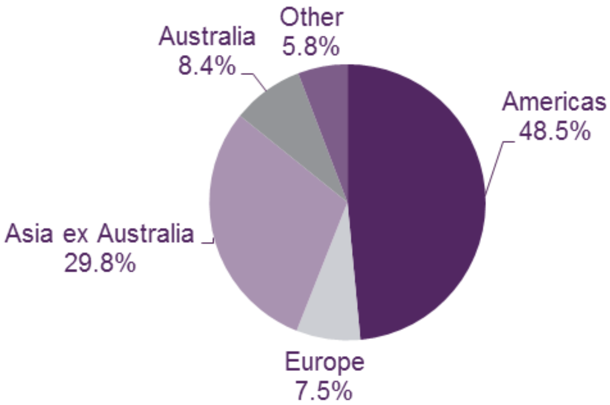
The sector remains well supported with positive cash inflows, as investors continue to look for yield investments that offer quality cash yields above government bonds – global REITs are in that sweet spot. Interest rates are expected to remain low on a global basis, as evidenced by the continued quantitative easing we are seeing in the US, UK and Europe, coupled with the larger than expected stimulus package announced in in Japan in early April. The level of physical asset transactions is picking up off the back of the low interest rate environment and the level of debt available. This is supportive for demand of assets and suggests valuation upside.

Asset Allocation as at 31 March 2013

Sector	% of Trust
Retail	35.8
Office	18.9
Industrial	4.6
Hotel	0.6
Residential investment	8.3
Residential development	7.9
Infrastructure	0.0
Construction	0.3
Funds management	2.7
Other	20.9
Total	**100.0**

Source: Perennial Investment Partners

Trust Country Allocation as at 31 March 2013



Source: Perennial Investment Partners
Refers to location of underlying gross property assets, not listing domicile.