

	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception*
	%	%	%	%	% p.a.	% p.a.	% p.a.
Perennial Value Australian Shares Trust*	-0.1	12.5	16.0	16.6	17.0	8.4	12.1
S&P/ASX 300 Accumulation Index	0.0	10.3	12.9	13.9	15.3	8.3	8.7
Value Added (Detracted)	-0.1	2.2	3.1	2.7	1.7	0.1	3.4
Net Performance	-0.2	12.3	15.3	15.6	16.0	7.4	11.3

*Gross Performance. ^Since inception: March 2000. Past performance is not a reliable indicator of future performance.

Perennial Value Australian Shares 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 (as at 31 March 2015):

AUD1.7 billion

Income distribution frequency:

Half yearly

Team FUM (as at 31 March 2015):

AUD8.1 billion

Minimum initial investment:

\$25,000

Trust inception date:

March 2000

APIR code:

IOF0200AU

- ▶ **On a financial year-to-date basis the Trust continues to perform strongly, up 16.0%, some 3.1% ahead of the Index return of 12.9%.**
- ▶ **The better performing sectors during the month were IT (up 3.7%) and Health Care (up 2.4%), along with the Financials (up 2.0%).**
- ▶ **The best performing stock in the portfolio for the month was Aristocrat Leisure (up 13.3%), Iluka Resources (up 9.8%) and Ansell (up 9.5%).**

The Australian equities market ended the month where it started, with the benchmark S&P/ASX300 Accumulation Index (the Index) finishing flat for the month. The Perennial Value Australian Shares Trust (the Trust) was down 0.1%, slightly underperforming the benchmark.

Pleasingly, on a financial year-to-date basis the Trust continues to perform strongly, up 16.0%, some 3.1% ahead of the S&P/ASX300 Accumulation Index return of 12.9%.

Globally, the month of March saw an extension of the trends seen earlier in the year – generally softer data prints for the US, Japan and China, but consistently firmer outcomes for the Euro-zone. Global indices were mixed with the Nikkei (up 2.2%) and Shanghai Composite (up 13.2%) stronger, while the S&P500 (down 1.7%) and FTSE 100 (down 2.5%) ended the month lower. In Australia, the signals remain mixed, with the rotation to non-mining sources of growth still a work in progress. GDP growth underwhelmed early in the month, and retail spending growth remained weak. Employment bounced back and there was a small drop in the unemployment rate. The Reserve Bank left the cash rate steady at the record low of 2.25%, having cut the cash rate in February, but officials still seem open to further rate cuts as needed. The Australian dollar (AUD) remained steady, closing the month at 76 US cents, with shifting expectations of the timing of the US Fed's first rate hike a key driver.

The better performing sectors during the month were IT (up 3.7%) and Health Care (up 2.4%), along with the Financials (up 2.0%) sector where the Trust has an overweight position. This offset our overweight position in the Energy (down 5.7%) and Materials (down 4.5%) sectors which were weaker during the month.

The best performing stock in the portfolio for the month was Aristocrat Leisure (up 13.3%) after they held an Investor Day which was positively received by the market. The company unveiled several new products for the US market, and highlighted continued growth in the company's recurring revenue base along with improved earnings margins. Other strong performers included Iluka Resources (up 9.8%) reversing prior period underperformance, and Ansell (up 9.5%) which remains positively exposed to growing US and European markets, along with the falling AUD/USD exchange rate. Henderson Group (up 9.3%) continued to rally as the announcement of European quantitative easing channelled global investment flows toward UK and European equities. Brickworks (up 8.5%) also outperformed after releasing a strong first half result.

Stocks which detracted from performance included Myer (down 23.2%) after delivering a disappointing interim result, Bluescope (down 12.7%) on falling steel spreads and Crown (down 11.4%) with the market focused on a recent slowdown in gaming turnover in the Macau market. Resource holdings generally underperformed, with RIO (down 8.8%) and BHP (down 5.4%) on the lower iron ore price.

In terms of portfolio activity, the most significant move was to sell out of Resmed at an average price of \$8.27 during the month. Resmed has been a very strong performer since our initial entry into the stock in early 2014 at an average price \$4.87, with the valuation now full in our view. During the month, the Trust participated in a \$500m capital raising by Macquarie Group to fund the acquisition of a US\$4bn aircraft leasing portfolio. The placement price of \$73.50 was well below the month end price of \$76.67.

We also continued to lock in gains from some of the portfolio's strongest performing holdings over the past twelve months. These included the key diversified financial holdings, being AMP, QBE, Henderson Group and Macquarie Group and also Lend Lease and Harvey Norman.

Proceeds were reinvested into topping up existing holdings, including Commonwealth Bank, Graincorp and Sandfire Resources.

At month end, stock numbers were 43 and cash was 2.5%.

Top 10 Holdings		
Stock name	Trust weight %	Index weight %
Westpac Banking Corp	9.3	8.1
National Aust. Bank	8.2	6.2
BHP Billiton Limited	8.1	6.6
Commonwealth Bank.	7.3	10.0
ANZ Banking Grp Ltd	6.6	6.7
Telstra Corporation.	6.1	5.1
Macquarie Group Ltd	3.1	1.7
Rio Tinto Limited	2.8	1.6
AMP Limited	2.7	1.3
QBE Insurance Group	2.7	1.2

Asset Allocation		
Sector	Trust weight %	Index weight %
Energy	4.7	4.4
Materials	21.6	14.4
Industrials	3.2	7.3
Consumer Discretionary	10.2	4.3
Consumer Staples	3.3	6.7
Health Care	1.2	6.1
Financials-x-Real Estate	41.2	40.4%
Real Estate	3.8	7.7
Information Technology	0.0	1.0
Telecommunication Services	6.1	5.6
Utilities	2.0	2.0
Other	2.6	-

Rounding accounts for small +/- from 100%.

For all other enquiries please contact us on 1300 730 032
or visit www.perennial.net.au.

Signatory of:



Issued by: The Investment Manager, Perennial Investment Partners Limited ABN 59 087 901 620, AFSL: 238763 ("Perennial"). Sub Manager: Perennial Value Management Limited, ABN 22 090 879 904, AFSL: 247293. Responsible Entity: IOOF Investment Management Limited ABN 53 006 695 021, AFSL: 230524. This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation. While every effort has been made to ensure the information in this promotional statement is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors. Investments in the Trusts must be accompanied by an application form. The current relevant product disclosure statements, reference guides and application forms can be found on Perennial's website www.perennial.net.au.