

Perennial International Shares Wholesale Trust

Monthly Report as at 30 September 2012

	Month %	3 Months %	Financial YTD	1 Year %	3 Years % p.a.	5 Years % p.a.	SI* % p.a.
Perennial International Shares Wholesale Trust ^	2.8	5.0	5.0	15.5	1.4	-5.9	-6.4
MSCI World ex Australia Net Dividends Index in AUD	2.1	5.1	5.1	13.5	1.8	-5.3	-6.0
Value Added (Detracted)	0.7	-0.1	-0.1	2.0	-0.4	-0.6	-0.6
Capital Growth	2.7	4.6	4.6	14.0	0.1	-7.6	-8.1
Income Distribution	0.0	0.0	0.0	0.0	0.0	0.5	0.5
Net Performance	2.7	4.6	4.6	14.0	0.1	-7.1	-7.6

^ Gross Performance. * Since inception: August 2007. Past performance is not a reliable indicator of future performance.

- The Trust outperformed the Index return by 0.7%.
- During the month, Facebook Inc., Capgemini and ADT Corporation were added to the Trust.
- Stocks in the consumer, information technology and financials sectors contributed strongly to performance.

The Perennial International Shares Wholesale Trust (the Trust) outperformed the MSCI World ex Australia Net Dividends Index in AUD (the Index) during September by 0.7%. For the year, ended 30 September 2012, the Trust outperformed the Index return by 2.0%. Over the past year, the best performing stock in the Trust was Galaxy Entertainment Group Limited, which rallied over 113% in AUD terms. Stocks in the consumer, information technology and financials sectors contributed strongly to performance.

Market Conditions During the Month

Global equity markets rallied in September, with the Index finishing the month up 2.1% in AUD. Markets continued to be driven by incrementally positive news flow from Europe along with the announcement of QE3 in the US.

The US market rallied 1.8% in AUD terms, with many stocks reaching 12 month highs. The rally continued in August and was prompted by the announcement of QE3 by the US Federal Reserve. Interestingly, in the two months following the announcement of QE2 in November 2010, the US market rallied 6%, compared to a 13% rally in the two months leading up to the announcement. The two months prior to the 13 September 2012 announcement of QE3, saw US markets rally around 10%.

European markets rallied 5.2% in AUD terms, as the European Central Bank (ECB) announced a buying program of European government securities, in what amounts to QE1 for Europe. This had been telegraphed for some months and saw strong rallies in many European companies, particularly financials. The situation in Europe remains challenging, with industrial production growth negative for the seventh month in a row in August. Furthermore, consumer confidence continues to decline and the unemployment rate across the region has now reached 10.5%.

Perennial International Shares Wholesale Trust Facts:

The Trust aims to grow the value of your investment over the long term by investing in a diversified portfolio of international shares and to provide a total return (after fees) that exceeds the return of the MSCI World ex Australia Net Dividends Index in Australian Dollar terms on a rolling three-year basis.

Portfolio Manager: James Soutter, Clay Carter
Risk Profile: High

Trust FUM (as at 30/09/12): AUD104.2 million

Team FUM (as at 30/09/12): AUD224.2 million

Trust Inception date: August 2007

Income Distribution Frequency: Half Yearly
Minimum Initial Investment: \$25,000
APIR code: IOF0045AU

The Chinese market rallied 4% in AUD terms during September, after four months of consecutive, sharp declines. This was largely in response to the announcement of QE3 in the US. However, economic data in China remained worrying. Retail sales growth of 13% in August was below trough levels in 2009 and the industrial production growth of 10.1% was the lowest reading since 2009. Export growth in August ticked up slightly from a low level in July, but imports continued to decline, signalling the weaker consumer demand.

Elsewhere in emerging markets, stocks rallied, with the MSCI Emerging Market Index returning 5.2% in AUD terms. This signals a return of some risk appetite among investors, as much as an improvement in the economic

outlook for emerging markets. Brazil's economy appears to be improving. August saw further increases in industrial production, along with reasonably resilient retail sales. The unemployment rate continues to decline from peak levels in April 2012. However, inflation has again risen to over 8%, in response to 12 months of interest rate reductions, from 12.5% down to 7.5%.

India's economy remains in poor shape. Industrial production growth continues to slow, imports and exports continue to decline, while inflation remains stubbornly high. The Bank of India (RBI) remains somewhat hamstrung, with an environment of stagflation ever more likely. Given the stubbornly high inflation, the RBI is reluctant to cut interest rates. At present, it is relying on reductions in the amount of cash the banks are required to hold at the central bank in order to free up liquidity. While driving up the shares of banks, this may not be enough to stimulate economic growth.

Trust Activity

During September, the following positions were added to the Trust:

Facebook Inc., the global social networking company, was added to the Trust, having seen its share price decline around 50% from its initial public offering (IPO) price in May. Up until September, the CEO and founder, Mark Zuckerberg had been notably quiet on the media front since the IPO. We believe his recent public appearances, particularly comments on monetizing the Facebook mobile traffic, may mark a turning point for the stock.

Capgemini (CAP) is a French based company that offers computer and management consulting services. CAP is well placed to benefit from the inevitable restructuring that will occur in companies across the globe, as the economic slowdown persists. With a price to earnings ratio of 11.3 times, it trades at a 65% discount to its 2009 high. Given its relatively attractive growth profile, we believe that it appears cheap at this valuation.

ADT Corporation (ADT) is a US based company that provides security services in North America. It was spun-off from the Swiss Company, Tyco, earlier in 2012. ADT has a market share of 25% in the highly fragmented

USD12.5 billion per year home security market in the US. We believe that the current valuation fails to account for the recurring nature of the company's revenues and the strong growth opportunities available, given its scale and reputation.

During the month, the following position was exited:

Lam Research (LRCX) is a US based manufacturer of equipment used in the processing of integrated circuits. It was acquired in 2011 following a 40% decline in the share price. Since acquisition, the operating environment has deteriorated and based on company guidance, the outlook is less positive than anticipated. We believe, at present, that the abovementioned companies provide better earnings outlooks and valuations, based on the current economic environment.

Team Member Activity

During the month, a member of the Team visited the US, Europe, Singapore and the Philippines.

The Philippines, off the radar for many investors, has seen significant changes over the last few years culminating in a market that now has sufficient liquidity combined with interesting investment opportunities.

With a population in excess of 92 million people, the Philippines has gone through a seismic shift from the days when the Marcos family ruled the archipelago state to a true democratic government under the leadership of Benigno Aquino III. The current government has clamped down on corruption and focused on economic policy that has opened up the Philippines to inward investment. The government is rolling out a number of Public Private Partnerships (PPP) contracts focused on building infrastructure including roads, rail and airports. From all reports the traffic in Manila is appalling, if not a little dangerous! The PPP work should supply benefits to a number of companies we met with including banks (the funding of infrastructure works), construction (building of said works) and the eventual owner of the income streams derived from the concessions.

Business process outsourcing is booming in Manila with one of the major international banks employing over 13,000 people and growing. The Philippines offers the

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new outsourcing hub in Asia, clearly taking over from India with a number of benefits including lower costs, less government bureaucracy and well spoken English. The benefits of this inward investment are visible across Manila in terms of improving wealth, living standards and buildings.

All in all, in our view the Philippines has taken a seismic shift from an investment backwater to a very interesting emerging opportunity with a magnitude of factors playing into its hands. We expect to see more opportunities in this market.

Outlook

The European debt crisis remains the key overhang to markets and a double-dip recession appears to be priced in across much of Europe. We remain wary of Europe generally and we continue to be concerned about the outlook for many European financials, despite the recently positive news flow. The recent ‘quantitative easing’ announced by the ECB further reduces the threat of a liquidity crisis in Europe. However, until the excessive debt burdens of Spain, Greece, Portugal and Italy are resolved, the economies of Europe may lag other developing economies. We remain relatively positive on US markets, however, a selective approach is becoming increasingly important as valuations become fuller. Within the emerging markets, Indonesia remains one of the more attractive markets. With improving corporate governance, a pro-investment government and strongly growing consumer market, many opportunities abound. We remain cautious on India and China. However, Brazil appears to have seen the worst of the current down turn.

The upcoming months create many challenges for equity investors, with valuations globally having bounced strongly from lows earlier in the year. At this time in the cycle, we believe close analysis of the risk/reward profile of stocks is as important as ever, as many valuations have run ahead of fundamentals.

We continue to favour attractively valued companies displaying strong business models, consistent, visible cash flows and lowly geared balance sheets. Stocks are selected based on various screening attributes, following extensive fundamental analysis. Macroeconomic

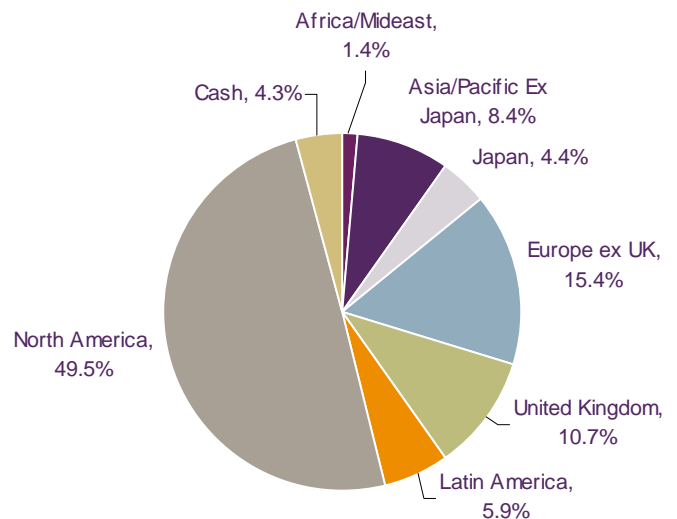
considerations form part of this fundamental analysis, but do not drive stock selection.

Top Ten Stocks as at 30 September 2012

Stock Name	% of Trust
SAP AG	2.4%
General Electric Co.	2.2%
Intuit Inc.	2.0%
Capital One Financial Corp.	1.9%
Keppel Corp. Ltd.	1.9%
BG Group PLC	1.9%
Exxon Mobil Corp.	1.9%
Philip Morris International Inc.	1.8%
Cardtronics Inc.	1.8%
GNC Holdings Inc. CI A	1.8%

Source Perennial Investment Partners

Regional Allocation as at 30 September 2012



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