

	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception [^]
	%	%	%	%	% p.a.	% p.a.	% p.a.
Perennial Value Shares Wholesale Trust*	1.2	7.4	14.6	13.2	16.2	8.3	10.6
S&P/ASX 300 Accumulation Index	-1.6	5.1	11.1	10.2	14.2	8.3	8.2
Value Added (Deducted)	0.4	2.3	3.5	3.0	2.0	0.0	2.4
Capital Growth	-1.3	7.2	11.6	8.3	10.7	3.5	2.1
Income Distribution	0.0	0.0	2.2	4.0	4.5	4.0	7.7
Net Performance	-1.3	7.2	13.8	12.3	15.2	7.5	9.8

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

Perennial Value Shares Wholesale 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 30 April 2015):

AUD1.4 billion

Income distribution frequency:

Half yearly

Team FUM (as at 30 April 2015):

AUD8.0 billion

Minimum initial investment:

\$25,000

Trust inception date:

June 2001

APIR code:

IOF0206AU

- ▶ **The Australian equity market gave back some of its recent gains.**
- ▶ **Globally, economic news over the month was generally subdued, tending to come in below market expectations.**
- ▶ **The better performing sectors during the month were Energy (up 8.5%), Metals and Mining (up 2.4%) and Utilities (up 2.2%).**

The Australian equity market gave back some of its recent gains, with the benchmark S&P/ASX300 Accumulation Index (the Index) finishing the month down 1.6%. The Perennial Value Shares Wholesale Trust (the Trust) was down 1.2%, outperforming the Index by 0.4%.

Pleasingly, on a financial year-to-date basis the Trust continues to perform strongly, up 14.6%, some 3.5% ahead of the Index return of 11.1%.

Globally, economic news over the month was generally subdued, tending to come in below market expectations. In the US, payrolls grew less than expected and other data was generally weak as was also the case in China and Japan. However, the standout on the upside was again Europe, where consumer confidence continued to grow strongly, helped by easier monetary policy. Despite this, global indices were generally positive with the FTSE100 (up 2.7%), Nikkei 225 (up 1.6%) and S&P 500 (up 0.9%) all stronger. The Shanghai Composite (up 15.8%) and Hang Seng Index (up 13.0%) rose, driven by strong Chinese retail investor flows into equity markets.

In Australia, the Reserve Bank surprised markets early in the month by leaving the cash rate steady. The Australian data released during April generally has been solid. Retail sales bounced, thanks partly to lower petrol prices, employment was much firmer than expected (driving down the jobless rate to 6.1%), and business confidence also improved (although consumer surveys remained unimpressive). All the while, the housing markets in Sydney and Melbourne continued to strengthen, fuelled by lower interest rates and rising offshore demand. Iron ore and oil prices rose strongly over the month. The Australian dollar (AUD) closed the month at \$0.79 US dollar (USD), up 3 cents over the month, with shifting expectations of the timing of the US Federal Reserve's first rate hike a key driver.

The better performing sectors during the month were Energy (up 8.5%), Metals and Mining (up 2.4%) and Utilities (up 2.2%). Sectors which underperformed included Financials (down 4.7%), Health Care (down 3.9%), REITs (down 1.0%) and Telcos (down 0.9%).

The better performing stocks in the Trust for the month included AWE Limited (up 19.6%) and Origin Energy (up 12.6%) which rallied in response to the stronger oil price. Sandfire Resources (up 11.3%) was higher after the sell-down of Ozminerals stake removed an overhang.

Flight Centre (up 9.5%) benefitted from improved international departures data. Fairfax Media (up 9.4%) rose after an investor day at which it provided increased clarity in relation to the operations of the Domain online real estate business and the opportunity which lies ahead. Other solid performers included Amalgamated Holdings (up 6.5%), Graincorp (up 5.3%), QBE (up 5.1%) and Asciano (up 4.3%).

Stocks which detracted from performance included Bluescope Steel (down 16.3%) due to weaker steel prices and Sims Metals (down 12.8%) which delivered a softer quarterly update, also due to weaker steel prices as well as the severe weather in the US. After a strong run for the banks, Westpac (down 7.4%) and ANZ (down 7.2%) were weaker on the back of regulatory concerns. Other detractors included News Corporation (down 7.1%) and Ansell (down 5.3%).

In terms of Trust activity, we reduced holdings in some of the better performing stocks in the Trust including Ansell, Aristocrat Leisure, Boral and Macquarie Group.

Funds were reinvested into a number of stocks including Flight Centre, Graincorp and Newcrest. Flight Centre is a dominant player in the Australian travel market and also has operations in the US and UK. It has underperformed the market of late which presented an opportunity. At our average entry price the stock was trading on an FY16 P/E of 13.1 times which is undemanding for a strong business with over \$400 million of net cash on the balance sheet and prospects for growth as it benefits from ongoing low international airfares.

At month end, stock numbers were 44 and cash was 2.1%.

Top 10 Holdings

Stock name	Trust weight %	Index weight %
Westpac Banking Corp	8.7	7.6
BHP Billiton Limited	8.5	6.9
National Aust. Bank	7.9	5.9
Commonwealth Bank.	7.1	9.7
ANZ Banking Grp Ltd	6.2	6.3
Telstra Corporation.	6.1	5.1
Macquarie Group Ltd	3.0	1.7
QBE Insurance Group	2.9	1.2
AMP Limited	2.8	1.3
Rio Tinto Limited	2.7	1.7

Asset Allocation

Sector	Trust weight %	Index weight %
Energy	5.2	5.1
Materials	21.9	14.8
Industrials	3.5	7.5
Consumer Discretionary	10.7	4.5
Consumer Staples	3.4	6.8
Health Care	0.9	6.0
Financials-x-Real Estate	39.8	39.0
Real Estate	3.9	7.7
Information Technology	0.0	1.0
Telecommunication Services	6.1	5.7
Utilities	2.1	2.0
Other	2.4	-

Rounding accounts for small +/- from 100%.

For all other enquiries please contact us on 1300 730 032
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Signatory of:



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