

# Perennial Global Shares High Alpha 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 Global Shares High Alpha Trust <sup>^</sup>	4.0	7.1	7.1	13.4	4.8	-4.6	-1.3
MSCI World ex Australia Net Dividends Index in AUD <sup>#</sup>	2.1	5.1	5.1	13.6	1.8	-5.3	-3.0
<b>Value Added (Detracted)</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	<b>-0.2</b>	<b>3.0</b>	<b>0.7</b>	<b>1.7</b>
Net Performance	3.9	6.8	6.8	12.1	2.6	-6.3	-3.0

<sup>^</sup> Gross Performance. <sup>\*</sup> Since Inception: February 2006. **Past performance is not a reliable indicator of future performance.** <sup>#</sup> As at 1 April 2010, the Trust revised its Index to the MSCI World ex Australia Net Dividends Index in AUD. In other respects, the investment strategy used by the investment management team has remained the same. Please note that the above table reflects all past performance against the new Index.

- Facebook Inc. and Banco do Brasil S.A. were added to the Trust during the month.
- The Trust outperformed the Index return by 1.9%.
- The best performing stock was online retailer Asos Plc which rose 20% over the month.

Global equity markets rallied throughout the month spurred on by proposed Central Bank interventions - QE3 (the Fed's latest round of quantitative easing), OMT (the European Central Bank's "outright monetary transactions program") and the Bank of Japan's asset purchase plan. The S&P 500 gained 2.6%, with Europe up 3% and Japan 2.4%. Emerging markets surged with the MSCI Emerging Markets Index rising 6.1%. While gold rallied 5.1%, oil was off 1.9% and the S&P GSCI commodity index fell 1.4%. The Perennial Global Shares High Alpha Trust (the Trust) gained 4.0% outperforming the MSCI World ex Australia Net Dividends Index in AUD (the Index) which rose by 2.1% over the period.

The biggest contributors over the month were UK online retailer Asos Plc which rose 20% on the back of solid operating results, Techtronic Industries Company Ltd up 20% after reporting strong sales figures and Galaxy Entertainment Group was also up 17.9% continuing its strong performance of recent months.

Detractors over the month were 3D Systems Corporation which declined by 24.8% on profit taking, Esterline Technologies Corporation down 6.1% and LVMH Moet Hennessy Louis Vuitton which fell 9.8% over the month.

## Trust Activity

Activity during the month included the sale of ASM International NV and Lam Research Corporation due to our increased caution over the state of the semiconductor capital equipment market. We purchased Facebook Inc. believing that the shares had reached an attractive entry point (down over 50% from the initial public offering price) and that the company was making progress in monetizing its mobile advertising opportunity. We also bought Banco do Brasil S.A., Brazil's largest bank, to give us exposure to what we view as improving macroeconomic conditions in that country.

## Perennial Global Shares High Alpha Trust Facts:

The Trust aims to grow the value of your investment over the long term by investing in a portfolio of international shares and to provide a total return (after fees) that exceeds the rate of return MSCI World ex Australia Net Dividends Index in AUD.

### Portfolio Manager:

Clay Carter, James Soutter

### Risk Profile:

High

### Trust FUM

(as at 30/09/12):

AUD113.0 million

### Team FUM

(as at 30/09/12):

AUD224.2 million

### Fund Inception date:

February 2006

### Income Distribution

#### Frequency:

Half Yearly

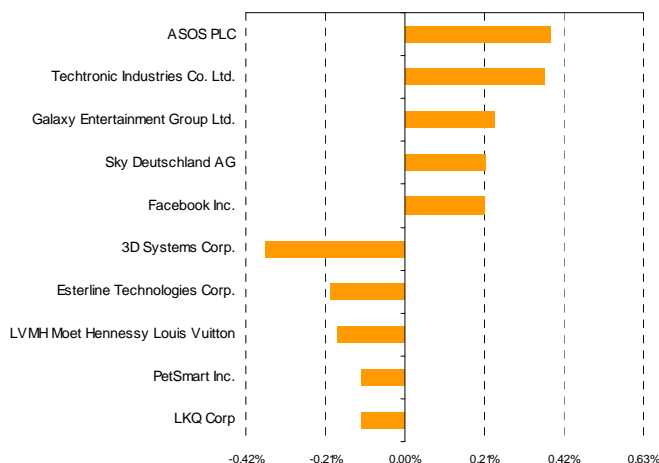
#### Minimum Initial

Investment:

\$25,000

**APIR code:** IOF0080AU

## Stock Attribution



They say that markets climb a “wall of worry” and 2012 has certainly had a plethora of those - the future of the Euro, a global economic slowdown, daunting fiscal challenges in the developed world, burdensome regulatory environments and a challenged earnings picture. Yet in spite of all this, most markets are significantly up year to date providing returns far in excess of bonds and beyond most historical averages. For example Index is up 13.6% and the S&P 500 a solid 16.4%! We do not see any of these headwinds diminishing immediately and we still have to get through an earnings season where 3Q 2012 earnings will be significantly down year over year. As well we need to see some bipartisan action to avoid the U.S. “Fiscal Cliff”. Perhaps some caution is warranted.

### Travel Diary – Philippines

During the month, time was spent evaluating a number of opportunities in 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.

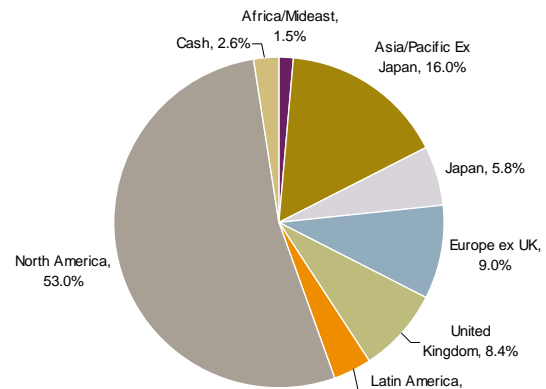
With a population in excess of 92 million people, the Philippines has gone through a seismic shift from the days when the Marcos family ruled the archipelago state to a true democratic government under the leadership of Benigno Aquino III. The current government has clamped down on corruption and focused 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 Manilla with one of the major international banks employing over 13,000 people and growing. The Philippines offers the 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.

### Regional Allocation as at 30 September 2012



### Top Five Stocks as at 30 September 2012

Stock Name	% of Trust
Apple Inc.	3.0%
Giordano International Ltd.	2.2%
Hyundai Motor Co. Ltd.	2.1%
Sky Deutschland AG	2.1%
Franklin Resources Inc.	2.1%

Source: Perennial Investment Partners

Signatory of:



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