

Perennial Asian Shares Wholesale Trust

Monthly Report as at 28 February 2013

	1 month %	3 months %	1 Year %	2 Years % p.a.	3 Years % p.a.	5 Years % p.a.	SI [^] %p.a.
Perennial Asian Shares Wholesale Trust*	4.8	11.0	24.7	10.9	8.4	3.5	6.0
MSCI AC Far East (ex Japan) Net Dividends Index in AUD	2.5	7.5	12.7	4.6	5.5	1.0	5.3
Value Added (Detracted)	2.3	3.5	12.0	6.3	2.9	2.5	0.7
Capital Growth	4.8	10.6	23.1	10.4	7.6	0.8	0.2
Income Distribution	0.0	0.0	0.0	0.0	0.0	1.6	4.8
Net Performance	4.8	10.6	23.1	10.4	7.6	2.4	5.0

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

- For the month, the Trust exceeded the Index return by 2.3%.
- Sarin Technology, Shenzhou International, Bank Rakyat and Telekomunikasi were some of the stand out performers in February.
- Global economics continued to have a substantial impact on the Asian region and its growth prospects.

Asian markets produced strong returns through February, with the MSCI AC Far East (ex Japan) Net Dividends Index in AUD (the Index) up 2.5%. The Perennial Asian Shares Wholesale Trust (the Trust) continued its positive outperformance relative to the Index, returning 4.8% on the back of an improving corporate earnings season.

Global economics continued to have a substantial impact on the Asian region and its growth prospects. While the global economy appears to have started the year on a reasonable note, the ghost of fiscal crisis past arose and unsettled markets again. This time the trigger was the election result in Italy, which failed to deliver a majority government. The Italian President is expected to push parties to form a government of national unity and this could take up until the end of March. If a government cannot be formed, the President can dissolve one or both houses and call a new election. This leaves an extended period of uncertainty, which could add to financial market instability until resolved. Unfortunately for investors, March is likely to see more agitation from sequestration, which if not diluted or deferred, would see USD85 billion of automatic budget cuts begin in early March.

Global central bank resolve to maintain accommodative stances, via conventional and non-conventional measures, has helped to offset the negatives from the political uncertainty. Data readings out of the US remain encouraging, with consumer confidence rebounding and further improvement in the housing sector. The overall outlook remains for a year of moderate global growth, with the pace of activity improving through the year – all of which are positive for Asian equities.

Trust Activity

The Trust's strong performance was driven by a broad based upward movement in many of its holdings. The standout names included Sarin Technology, Shenzhou International, Bank Rakyat and Telekomunikasi. Sarin Technology, is the

Perennial Asian Shares Wholesale Trust Facts:

The Trust aims to grow the value of your investment over the long term by investing in a carefully selected portfolio of Asian shares (excluding Japanese shares) and to provide a total return (after fees) that exceeds the MSCI Far East (ex Japan) Net Dividends Index in AUD on a rolling three-year basis.

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

Team FUM (as at 28/02/13): AUD241.5 million
Income Distribution Frequency: Annually

Trust Inception date: June 2001
Minimum Initial Investment: \$25,000

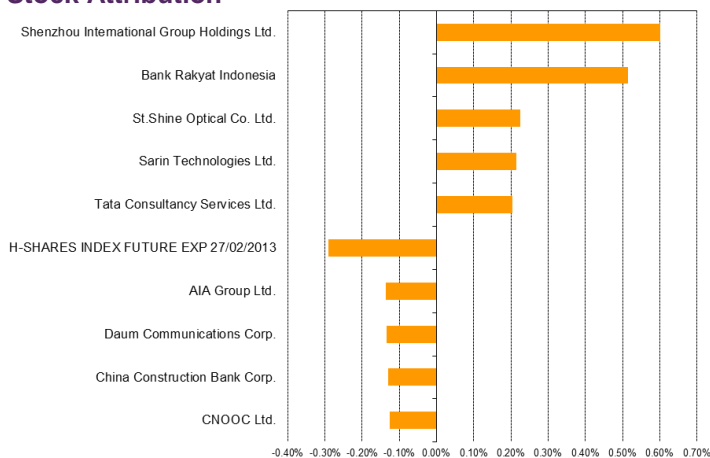
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designer and manufacturer of a suite of products that assist in the grading, measurement and cutting of gemstones. The stock rose 20.4%, as the company's results met expectations and guided to an improving outlook in the diamond industry. Shenzhou International was up 16.8% in February, as the textile manufacturer saw a number of brokers, including Merrill Lynch, initiating coverage and highlighting the attractiveness of the company. Amongst our Indonesian holdings, Bank Rakyat (up 18.9%) continued to perform well, and Telekomunikasi (up 10.8%), the national telecom, was also strong as positive sentiment continued to flow towards the ASEAN markets and its earnings. In a month where the majority of stocks outperformed markets, Daum Communications, the Korean internet company retreated 6.4%, as higher marketing costs crimp margins in the short term.

Outlook

We remain positively disposed to Asian companies with valuations still compelling, while the growth is coming back. Last month, we touched on the driver that is the US and the definitive pick up in its housing markets driving the reflation story and how this in turn is positive for emerging markets, especially Asia. We maintain this view. The largest underweight in the Trust remains China, however this is slowly and selectively being closed as we identify and invest in quality companies from this universe. The ASEAN markets have seen quite a rerating in valuation, with the Philippines a stand out for expensive valuations. We like a number of companies in the Philippines, however valuations look stretched. We will continue monitor to these companies, with a view to buying at more attractive valuations.

Stock Attribution

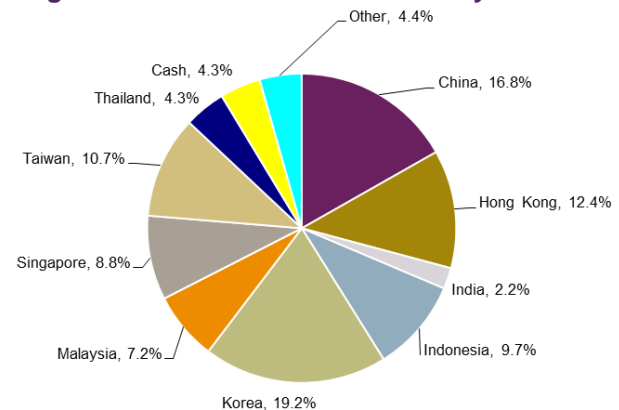


Indonesian utility – It’s not all just hot gas...

Perusahaan Gas Negara (PGAS) is the dominant gas transmitter and distributor in Indonesia. The company was established in 1859 (previously a private Dutch company). In 1994, the company was given an exclusive licence to develop and distribute natural gas in Indonesia. This was renewed in 2001 and the company was listed in 2003. While 98% of its sales are to industrial customers, there is also structural demand from retail customers as the slow transition from gas bottles to piped gas in the cities takes place.

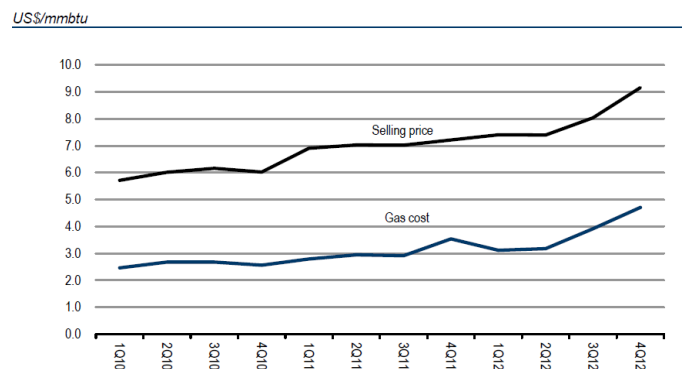
Over time, the drivers of the business can simply be described as increased volumes, gas price increases and the

Regional Allocation as at 28 February 2013



Rounding accounts for small +/- from 100%.

continued expansion of its network. The company has a target of 5% to 10% volume growth p.a., which looks conservative given the potential supply coming on line. On top of this, the company in conjunction with the regulatory body, sees regular price increase on what PGAS is able to charge to the end consumer.



Source: Company data, Credit Suisse estimates

PGAS is the beneficiary of long term structural increases in demand for gas, with the ability to steadily raise prices. On 13x earnings and a historic return on equity of 45%, the company is well managed with attractive prospects.

PGAS has been a holding in the Asian Trust since early 2009, highlighting our focus on long term structural growth - and buying it at the right price has provided a return of 28% p.a. before dividends.

Signatory of:



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