



# Perennial Perspective

Monthly Investment Update

March 2015

## Many happy investor returns

March 2015 marks six years of the latest bull market which has seen our share market grind back from the low of 6 March 2009 to current levels, spurred on by a big bounce in February as the Reserve Bank cut interest rates. We saw the market up just over 10% for 2015 (to 6 March), with the market then stabilising since the Reserve Bank's decision in early March to keep rates on hold at a record low of 2.25%, which caught most commentators by surprise.

## Another "reasonable" reporting season

This is the third reporting season that could be described as "reasonable" and importantly without any major, significant downgrades. Industrial earnings were up around 8% with resource earnings falling a little bit less than expected due to commodity price weakness. While it would be great to see more top line growth, given the transition we are making in our economy from the resources investment boom and a slack global economy, the reporting season has delivered what you would expect at this juncture. In addition many companies re-affirmed guidance and dividend levels were generally maintained or increased. Apart from the strength in housing and construction the general level of business investment has been disappointing and it's no wonder the Reserve Bank is talking about the lack of growth plans and "animal spirits" in recent speeches.

## Australia vs the World - Long term returns

It was pleasing to see the results of an interesting study released recently that compared the long term real (after inflation) returns of various major share markets. Australia sits at the top of the table, showing in terms of one measure at least, we really are the "lucky country". A pleasant surprise especially given the margin over the industrial powerhouse of Germany and even beating the flexible, entrepreneurial United States.



**Brian Thomas**

Head of Retail Funds Management

Unit prices

Distributions

Commentaries

Performance

PDS and Forms

Fees and Costs

Videos

## Economic monthly update

by: [Frank Uhlenbruch](#)

Central bankers continue to top up the punch bowl with the Australian and Chinese central banks joining the party. To read Frank's Economic monthly update, please [click here](#).

## Introducing Wealth Defender Equities Limited

Perennial Value Management Limited (Perennial Value) has unveiled a distinctive Listed Investment Company (LIC). Wealth Defender Equities Limited (ASX: WDE) opens greater investor access to Perennial Value's renowned Australian equities investment capability, combined with its innovative and cost effective dynamic protection against downside market falls.

Find out more about the offer and the benefits to investors at [wealthdefenderequities.com.au](http://wealthdefenderequities.com.au).

To register for our webinar, tomorrow, Wednesday 25 March [click here](#). Alternatively to attend a roadshow event, please contact your Perennial Investment Specialist.

## December quarter video updates

In February, the Portfolio Managers for Perennial Value recorded their latest video updates. [Click here to watch the videos](#).

Source: Credit Suisse and London Business School

## Real average annual percentage equity returns , 1900-2014



## Talking 'bout my inter-generation

Rather than resting on our laurels, there is a lot of re-adjustment and many challenges lie ahead for our nation and our investment markets in order to continue to be vibrant and growing. The nature of these markets and society will certainly change, in a large part driven by significant

demographic changes that were highlighted in the Government's Intergenerational report also released this month. The statistic oft quoted already is that by 2055 there will only be 2.7 people of typical working age (ie aged 15-64) for each person aged 65 or over, compared to 4.5 today. It's an interesting read and on a personal level a great reminder of the need to plan for the future.

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