

Perennial Value Australian Shares Trust

Monthly Report as 31 March 2013

	1 Month %	3 Months %	FYTD %	1 Year %	3 Years % p.a.	5 Years % p.a.	Since Inception [^] % p.a.
Perennial Value Australian Shares Trust*	-2.1	9.7	28.7	17.9	3.2	4.2	11.5
S&P/ASX 300 Accumulation Index	-2.2	8.0	25.4	19.2	5.0	2.9	8.0
Value Added (Detracted)	0.1	1.7	3.3	-1.3	-1.8	1.3	3.5
Net Performance	-2.2	9.5	28.0	16.9	2.3	3.3	10.6

*Gross Performance. ^Since inception: March 2000. Past performance is not a reliable indicator of future performance.

- For the financial year to 31 March 2013, the Trust is up 28.7%, outperforming the Index return by 3.3%.
- Bluescope Steel (up 10.1%) was the Trust's strongest performer in March.
- Positions in Fairfax Media and Stockland were added to the Trust during the month.

After nine consecutive positive months, the Australian equities market finished lower in March, with the S&P/ASX300 Accumulation Index (the Index) finishing down 2.3%. The Perennial Value Australian Shares Trust (the Trust) finished the month down 2.1%, outperforming the Index return by 0.1%.

The Australian market had a very strong March quarter, finishing up 8.0%. Pleasingly, the Trust also performed strongly, finishing up 9.7%, outperforming the Index return by 1.6%. This is the third consecutive quarter of strong performance for both the Index and the Trust. The Trust is up 28.7% over the financial year to the end of March, outperforming the Index return by 3.3%.

Global equity markets continued to rally during March despite Eurozone banking concerns resurfacing with the bailout of the Cypriot banking sector. The Nikkei 225 rose a further 7.3%, while the S&P500 reached its pre-GFC highs during the month, finishing up 3.6%. The FTSE rose 0.8% while the Shanghai Composite (down 5.4%) was the exception as a result of concerns that the Chinese economy may slow following new government measures to temper growth.

Domestic economic data was generally positive, with solid January retail sales and consumer confidence rising to a two year high. The economy added a higher than expected 71,000 jobs in February and unemployment was also strong at 5.4%. The Reserve Bank of Australia kept the official cash rate steady at 3.0% and the Australian dollar finished the month 2.1 cents higher at USD1.04.

The better performing sectors during March included consumer discretionary (up 2.6%), utilities (up 0.6%) and financials (up 0.7%). The market was held back by the materials (down 9.6%), energy (down 3.7%) and REIT (down 2.6%) sectors.

Perennial Value Australian Shares Trust Facts:

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 31/03/13): AUD1.8 billion	Income Distribution Frequency: Half yearly
Team FUM (as at 31/03/13): AUD7.9 billion	Minimum Initial Investment: \$25,000
Trust Inception date: March 2000	APIR code: IOF0200AU

The strongest performer in the Trust was BlueScope Steel (up 10.1%), as it finalised the Asian joint venture with Nippon Steel which is expected to further bolster its balance sheet.

The consumer discretionary stocks in the Trust had a strong month following signs that consumer sentiment is improving. These stocks included Harvey Norman (up 9.6%) which delivered a solid result in late February and Fairfax Media (up 9.6%). Both Myer (up 9.3%) and Premier Investments (up 8.3%) delivered solid results during March. In the case of Myer, strong cashflow was a highlight and confirmed that its recent trend of positive like for like sales growth continued into February. Premier Investments also indicated that sales at Smiggle and Peter Alexander brands, which continue to grow were strong.

Other solid performers included Treasury Wines (up 8.5%), which benefitted from the reiteration of guidance at its result in late February, and Crown Limited (up 3.9%).

Weaker performers included RIO Tinto (down 13.3%), which was impacted by concerns that the Chinese economy would slow following new government measures to temper growth and a fade in the recent strength of the iron ore price. Sims Group (down 7.9%) was weaker after announcing the departure of the CEO of its European and Recycling Solutions division. Billabong (down 14.6%) was lower as the market awaited the outcome of the due diligence being undertaken by two potential acquirers.

Orica (down 10.4%) was also a weak performer during March, after announcing that its profit for the year would be adversely impacted by difficult market conditions in its Minova mining products business and its ammonium nitrate volumes would be impacted by severe weather on the Australian east coast. While this is disappointing, we reduced our holding earlier in the month due to concerns around the potential impact from weaker coal mining volumes. We continue to see the stock as a core holding given its attractive medium term growth profile.

In terms of other Trust activity, we trimmed both our holding in Treasury Wines, after its continued outperformance, and our position in Iluka Resources, which we bought at lower levels in late 2012. We added to our holdings in Fairfax Media and Stockland, as we expect these stocks to benefit in the medium term from an improvement in domestic real estate market conditions and, in the case of Fairfax, a renewed focus on simplifying its business and extracting cost efficiencies.

At month end, stock numbers stood at 45 with cash at 1.7%.

Top 10 Holdings as at 31 March 2013

Stock	Trust Weight %	Index Weight %
National Aust. Bank	8.1%	5.9%
ANZ Banking Grp Ltd	7.9%	6.3%
BHP Billiton Limited	7.9%	8.5%
Commonwealth Bank.	7.6%	8.9%
Westpac Banking Corp	7.3%	7.7%
Telstra Corporation.	6.6%	4.6%
Rio Tinto Limited	3.5%	2.0%
Woodside Petroleum	3.4%	1.8%
Macquarie Group Ltd	3.1%	1.0%
Brambles Limited	3.0%	1.1%

Asset Allocation as at 31 March 2013

Asset Class	Trust Weight %	Index Weight %
Energy	5.8%	6.3%
Materials	23.8%	18.3%
Industrials	4.5%	7.0%
Consumer Discretionary	10.2%	4.2%
Consumer Staples	3.9%	8.7%
Health Care	0.0%	4.4%
Financials-x-Real Estate	39.1%	36.5%
Real Estate	4.0%	7.2%
Information Technology	0.0%	0.8%
Telecommunication Services	6.6%	4.8%
Utilities	0.4%	1.7%
Other	1.7%	-

Rounding accounts for small +/- from 100%.

Signatory of:



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