

Perennial Capital Stable Trust



**PERENNIAL
INVESTMENT
PARTNERS**

PERENNIAL CAPITAL STABLE
INCEPTION DATE JULY 1999

A TEAM OF 41 INVESTMENT
PROFESSIONALS, HEADED BY
FRANK UHLENBRUCH

INVESTMENT STYLE –
CAPITAL STABLE
MULTISECTOR

The Perennial Capital Stable Trust provides investors with a diversified portfolio that offers a relatively low risk of capital loss while still being able to generate modest capital growth.

The Best of Boutique

Perennial Investment Partners comprises of a suite of specialist active boutique funds managers. The Perennial Capital Stable Trust provides investors with a diversified portfolio of income and growth assets designed to generate modest capital growth with relatively low risk of capital loss. Each asset class is partly owned and is managed by Perennial's investment personnel, creating an environment where the interest of investors and investment professionals are clearly aligned.

The Perennial Capital Stable Trust invests in the following Perennial Investment boutique portfolios.



Perennial Value
Australian
Shares

Perennial Growth
Australian
Shares

Perennial
International
Shares

Perennial
Australian
Fixed Interest

Perennial
Real Estate
Investments



THE BEST OF BOUTIQUE

All of Perennial's boutiques offer a bottom up approach when selecting securities. The Trust also has a tactical asset allocation overlay.

The Perennial Capital Stable Trust invests in:

- **Australian Shares:** The Perennial Capital Trust provides the unique opportunity to invest in two styles of Australian Shares management. This enables the Trust to gain the diversification benefit of investing in both value and growth companies.
 1. Perennial Value Australian Shares – This is a moderate value styled portfolio, which invests in Australian listed companies that are well managed and whose share price offers good value. It aims to provide both dividend and capital growth for your investment.
 2. Perennial Growth Australian Equities – This portfolio is managed using a growth style investment process. Stocks are sought on the basis of superior and profitable capital growth prospects. The portfolio has a bias towards the large to mid cap sector of the market. Both Australian equities teams work together to collate 400 pieces of original research on which to base their comprehensive individual modelling and investment processes.
- **International Shares:** The international shares investment process is based on finding companies which offer both good value and growth characteristics. The portfolio invests in the US, UK, European, Japanese and Asian equity markets. The portfolio has a large to mid cap bias and its regional allocation is based on MSCI benchmark weights.
- **Australian Listed Property:** The portfolio uses Listed Property Trusts to gain entry into the property market. The exposure to property provides long term capital growth and diversification benefits with a limited risk component, when compared to Australian shares. The portfolio invests in the property subcategories of Retail, Commercial, Industrial, and, Tourism and Leisure.
- **Australian Fixed Interest:** This component of the Trust provides the investor with the diversification benefits of the fixed interest market. The “Perennial Fair Value” approach to investing in the Australian Fixed Interest market focuses on valuing the medium term economic and market fundamentals using a disciplined decision-making framework. The Trust invests in quality Australian Government, Semi-government and Corporate debt market securities.
- **International Fixed Interest:** Together with Western Asset Management, Perennial offers the opportunity for investors to access Global Bonds. The Trust invests in all major international bonds classes across the world. These include Government and Semi government, Corporate, Mortgage backed, Asset backed bonds and Inflation Linked securities. The Trust also provides diversification benefits by investing in high yielding and emerging market debt securities, from time to time.
- **Cash and Short Term Securities:** The amount of cash we hold is a reflection on our view of Australian equities and fixed interest markets. The allocation to cash is to provide liquidity and capital protection benefits. Cash holdings generally are

held at a minimal level in the Capital Stable Trust so as to benefit from other, potentially more lucrative, asset classes.

The capital protection objective of the Trust means that it has a higher weighting toward defensive income producing assets such as fixed interest and cash, and a lesser weighting toward more volatile growth assets such as shares and property.

Below is a table indicating the ranges for each asset class against its benchmark position.

Asset Class	Asset Range %	Benchmark Position %
Australian Shares	15-20	20
International Shares	5	5
Australian Listed Property Trusts	5	5
Australian Fixed Interest	20-50	35
International Fixed Interest	10	10
Cash	10-40	25

TACTICAL ASSET ALLOCATION (TAA)

In addition to active sector management, the Perennial Capital Stable Trust has a targeted TAA overlay, scaled toward the more defensive characteristics of the portfolio. Any move away from benchmark weightings is limited to Australian shares, fixed interest and cash. Portfolio weightings to international shares and fixed interest, as well as Australian Listed Property Trusts are fixed. TAA only occurs when we are confident that markets have deviated significantly from fair value levels.

INVESTMENT TEAM

The investment team consists of 40 investment professionals, including Frank Uhlenbruch, Investment Strategist. He is responsible for tactical asset allocation and providing the macro economic and valuation framework for Perennial. Frank has 25 years of experience in the finance industry. The Balanced Trust invests in Perennial's capabilities who are headed by:

John Murray
Perennial Value Australian Shares
Experience: 25 years

Clay Carter
International Shares
Experience: 27 years

Lee Mickelborough
Perennial Growth Australian Shares
Experience: 22 years

Glenn Feben
Fixed Interest and Cash
Experience: 30 years

Stephen Hayes
Perennial Real Estate
Experience: 14 years

Alliance with Western Asset
Management Global Fixed
Interest



FOR MORE INFORMATION
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www.perennial.net.au