

# The Perennial Value Shares for Income Trust

## About the Trust

The Trust is designed for investors seeking a regular monthly income stream. The Trust aims to provide investors with an attractive, tax effective income stream, paid via regular monthly distributions, as well as long-term capital growth.

The Trust invests in a diversified portfolio of high quality, financially sound Australian shares which we believe have sustainable operations and collectively offer a superior dividend yield (when taking into account franking credits) to the overall market.

The Trust employs Perennial Value's proven, true-to-label, value-style investment process, which seeks out companies with sustainable operations and which are trading at attractive valuations. The process also places significant emphasis on capital preservation and balance sheet strength.

## About Perennial Value Management

Perennial Value is a specialist, active investment management firm, majority owned by the investment team and key executives. Our sole focus is to deliver excellence in funds management and superior outcomes for our investors through the alignment of interests between investment management staff and our clients. This alignment of interests is achieved through equity ownership of the business by the investment team as well as co-investment in our funds.

The cornerstone of our approach is the undertaking of in-depth company research by our 16-strong investment team, with the aim of developing a detailed understanding of each company before committing investors' funds.

## Fund Characteristics

|                                   |  |
|-----------------------------------|--|
| <b>Fund objective</b>             | Provide investors with an attractive, growing, tax-effective income stream, that are paid via monthly distributions. |
| <b>Benchmark</b>                  | Gross dividend yield assessed against the S&P/ASX 300 Franking Credit Adjusted Daily Total Return Index (tax exempt) |
| <b>Inception Date</b>             | December 2005  |
| <b>Fund size</b>                  | AUD \$30 million   |
| <b>Number of stocks</b>           | 20 – 70 stocks   |
| <b>Minimum initial investment</b> | \$25,000   |
| <b>Fees (PA)</b>                  | 0.92%  |
| <b>Liquidity</b>                  | Daily  |
| <b>Risk/Return profile</b>        | High   |
| <b>Distribution</b>               | Monthly  |
| <b>APIR Code</b>                  | IOF0078AU  |

## Asset Class and Allocation

|                                 |           |
|---------------------------------|-----------|
| <b>Australian Listed Shares</b> | 80 – 100% |
| <b>Cash</b>                     | 0 – 20%   |

## Why Invest in the Shares for Income Trust



### Regular, reliable income generation

- Through the provision of monthly distributions



### "Long term track record

- Managing clients' money for 13 years



### Large, stable team

- 16 investment professionals, > 200 years experience



### Substantial, well-resourced team

- Over \$5bn funds under management

## Investment Process



### Screen for

- Min. cap AUD\$500m
- Min. yield 4%
- Min daily liquidity AUD\$0.5m

### Characteristics sought

- Sound financial position
- Good management
- Profit track record
- Strong market positions

### Six key measures sourced from company models

|               |     |                           |     |
|---------------|-----|---------------------------|-----|
| • Gross Yield | 40% | • P/NTA                   | 12% |
| • P/E         | 12% | • Net interest cover      | 12% |
| • P/FCF       | 12% | • Forecast 3yr EPS Growth | 12% |

### Determines stock weighting

## Investment Team



### John Murray

Managing Director of Perennial Value

Years in Perennial Value: 19  
Years in the industry: 30+



### Stephen Bruce

Director, Portfolio Management  
Senior Equities Analyst

Years in Perennial Value: 19  
Years in the industry: 19



### Damian Cottier

Portfolio Manager &  
Senior Equities Analyst

Years in Perennial Value: 14  
Years in the industry: 14.5



### Andrew King

Portfolio Manager  
Senior Equities Analyst

Years in Perennial Value: 1  
Years in the industry: 19



### Ewan Galloway

Equities Analyst

Years in Perennial Value: 2.5  
Years in the industry: 8



### Philip Cornet

Dealer

Years in Perennial Value: 4  
Years in the industry: 22

## Contact us



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