

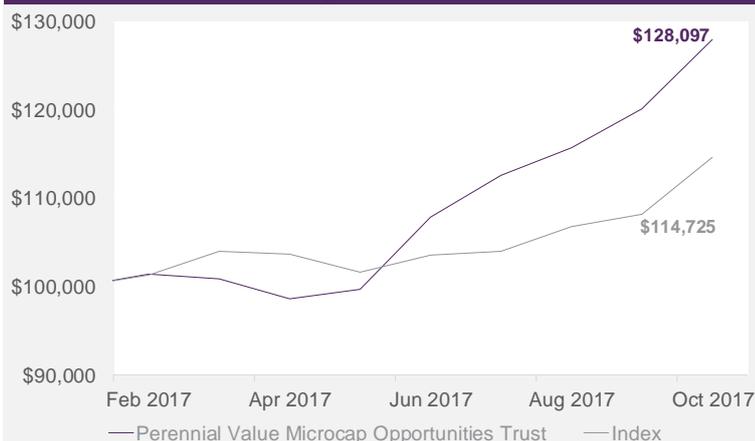
	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Perennial Value Microcap Opportunities Trust (Net)	6.6	13.7	18.7	-	-	-	28.1
S&P/ASX Small Ordinaries Accum. Index	6.0	10.3	10.7	-	-	-	14.7
Value Added (Detracted)	0.6	3.4	8.0	-	-	-	13.4

^Since inception: February 2017. Past performance is not a reliable indicator of future performance.

Overview

- ▶ October was a strong month for the Trust which was up 6.6% (net of all fees).
- ▶ Pleasingly the strong growth came from a broad range of stocks and sectors.
- ▶ Valuations are beginning to look stretched in some areas of the market, however microcap investors have the advantage of a very large investment universe to choose from. Thus we are able to assemble a portfolio which still looks attractive from a valuation perspective (8.3x EV/EBIT in FY19, a 36% discount to the market) and growth point of view (3yr average EPS growth of 32.2% double the small cap market).

Growth of \$100,000 since inception



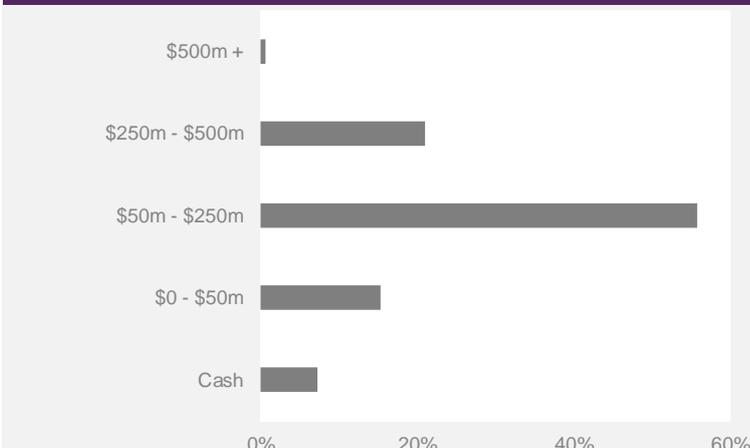
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Perennial Value Microcap Opportunities Trust

The aim of the Trust is to grow the value of your investment over the long term by investing in a portfolio of Australian companies that are either listed or unlisted companies found outside the S&P/ASX Top 100 Index, and to provide a total return (after fees) that exceeds the S&P/ASX Small Ordinaries Accumulation Index measured on a rolling three-year basis.

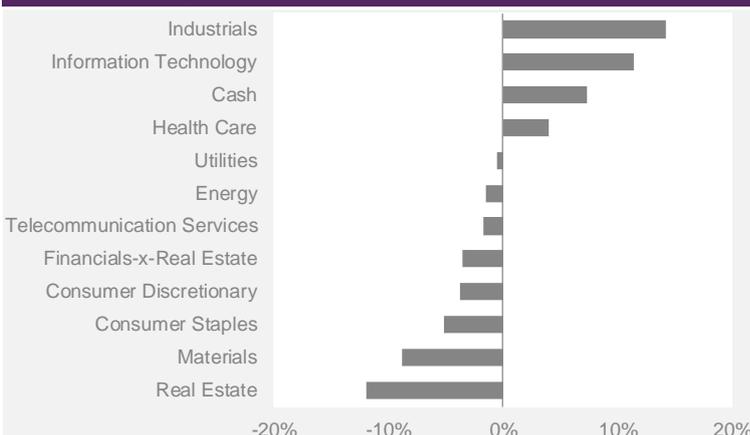
Portfolio managers	Andrew Smith, Sam Berridge, Damian Cottier
Trust FUM	\$9.8m
Distribution frequency:	Annual
Minimum initial investment	\$25,000
Trust Inception Date	February 2017
Fee	1.20% + Perf fee
APIR code	WPC3982AU

Market Capitalisation Exposure



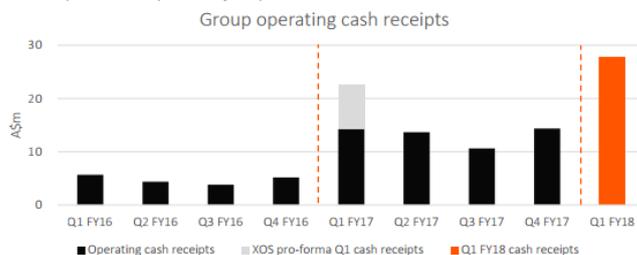
Top 5 Positions	Trust (%)	Index (%)
Catapult Group International Limited	3.5	0.0
Austin Engineering	3.3	0.0
Alliance Aviation	3.2	0.0
Clean Seas Limited	3.2	0.0
Codan Limited	3.2	0.0

Sector Active Exposure vs Index



Trust Review

The share price of **Catapult Group** International was up sharply (+45.8% for the month) as investors reacted to the strong cash flow in the September quarterly report as shown below.



Source: Catapult Group Q1FY18 Cash Flow Statement

Catapult was beginning to look oversold in the prior month and thus we increased our position given our expectation that the quarterly report was a potentially positive catalyst (after the poor August update given the timing of subscription payments).

Alliance Aviation (+25.4%) continued to gain investor interest given the recovering mining services sector and the potential revenue growth from their Virgin wet leasing deal. Alliance Aviation provides access to two growth sectors - mining services and tourism.

Austin Engineering (+22.7%) benefitted from sector interest and another positive update from industry bellwether Caterpillar (CAT.US). Investors also responded positively to an update from **RPM Global** (13.1%) in which they discussed a move to a SaaS (Software as a Service) model as an alternative to upfront software license payments.

Other industrials to perform well included **Praemium** (+37.2%) following a strong quarterly report as well as **Medavisor** (+34.3%) which attracted a strategic investor onto the register at a significant premium.

Market Review - Australia	%	Global, Currency & Commodities	%
S&P/ASX Small Ordinaries Index	+6.0	S&P500	+2.2
Energy	+6.3	Nikkei 225	+8.1
Materials	+7.9	FTSE100	+1.6
Industrials	+4.1	Shanghai Composite	+1.3
Consumer Discretionary	+4.2	RBA Cash Rate	1.50
Health Care	+8.2	AUD / USD	-2.3
Financials-x-Real Estate	+1.9	Iron Ore	-5.7
Real Estate	+2.9	Oil	+6.7
Information Technology	+8.5	Gold	-0.6
Telecommunication Services	+11.2	Copper	+4.9
Utilities	+0.4		

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Signatory of:



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Trust Activity

It was a busy period for capital raisings and IPO's with several new ideas introduced to the Trust. Capital Raisings in **Clean Seas**, **Aksesstoday** and **Polynovo** provided attractive entry points for these companies. Polynovo (up 17.9%) looks particularly attractive with increasing usage of their NovoSorbTM for the treatment of burns victims in the US.

We locked in profits and exited **Metals X** (up 25.8%) in addition to **EML Payments** and **Finders** which we sold on valuation grounds. We decided to cut our positions in **Oroton**, **Isentia** and **Empired** after disappointing updates from each company.

Company Visit Highlights

The team was busy with company visits and assessing capital raisings during October (120 meetings in total).

Given our large position in the Mining Services sector we had a full schedule of meetings in Perth to assess the current state of the market. These meetings confirmed that activity levels continue to increase but equally the number of investors visiting Perth to assess opportunities has also recovered to boom levels – a stark contrast to our visits earlier in the year.

We added Singapore to the schedule to also meet with traders and shipping agents in the region for a first hand read on commodity markets. In addition we were able to visit a pre-IPO opportunity in Singapore which looks particularly compelling. A conference in Brisbane introduced us to several new investment opportunities as well as enabling us to tour key assets for an upcoming IPO.

At month end the Trust held 57 stocks and cash of 7.3%.

As always, our focus will continue to be on investing in quality companies which are offering attractive valuations.