

	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)	5.6	16.9	25.4	-	-	-	35.3
S&P/ASX Small Ordinaries Accum. Index	3.9	11.6	15.0	-	-	-	19.2
<b>Value Added (Detracted)</b>	<b>1.7</b>	<b>5.3</b>	<b>10.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.1</b>

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

### Overview

- ▶ November was a strong month for the Trust up 5.6% (net of all fees) and 35.3% since inception in February 2017
- ▶ 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 (10.6x EV/EBIT in FY19, a 20.0% discount to the market) and growth point of view (3yr average EPS growth of 28.0% double the small cap market).

### Growth of \$100,000 since inception



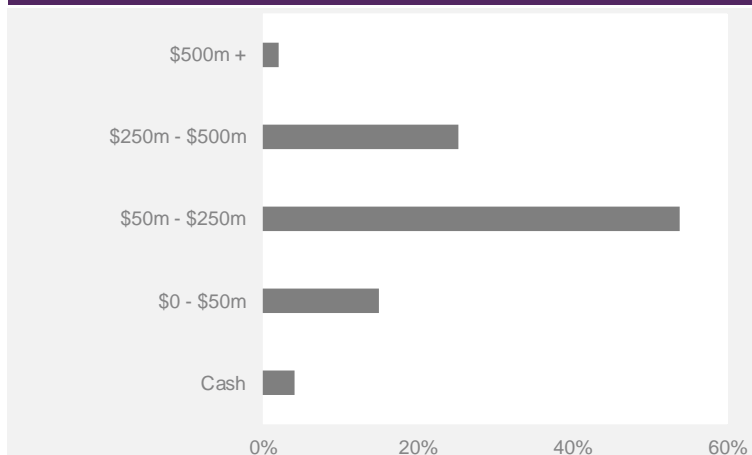
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

### 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.

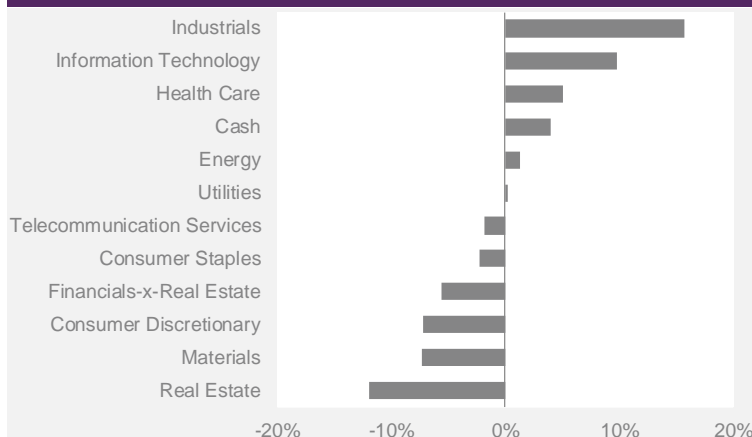
Portfolio managers	Andrew Smith, Sam Berridge, Damian Cottier
Trust FUM	\$13.5m
Distribution frequency:	Annual
Minimum initial investment	\$25,000
Trust Inception Date	February 2017
Fee	1.20% + Perf fee
APIR code	WPC3982AU

### Market Capitalisation Exposure



Top 5 Positions	Trust (%)	Index (%)
Integral Diagnostics	3.4	0.0
Austin Engineering	3.4	0.0
Clean Seas Limited	3.2	0.0
Alliance Aviation	2.9	0.0
Galena Mining Limited	2.8	0.0

### Sector Active Exposure vs Index



## Trust Review

The share price of **Galena Mining** was up sharply (+91.2% for the month) as the market digested positive drilling results from the Abra lead deposit. Results were the first batch from a 7000m campaign designed to define a high grade core with a larger resource.

**Integral Diagnostics** (+34.1%) received a takeover offer from Capitol Health at a 30.0% premium to the pre-bid share price. Integral had announced a small upgrade earlier in the month as the new CEO and CFO begin to take control of the cost base. We await the response from the Integral board to the hostile takeover approach.

**Polynovo** (+15.2%) provided a further encouraging update on sales of its NovoSorb product to US hospitals at the company's AGM. This positive news was accompanied with continued director buying.

**SRG Limited** (+15.2%), a niche engineering provider, had a positive AGM update providing earnings guidance and outlining the global opportunities in infrastructure.

**Clean Seas Seafood** (+11.1%) provided positive AGM commentary with a 30% lift in revenue in the July-Oct period reflecting a 20.0% lift in sales volumes.

Other stocks which performed well included **Clover Corporation** (+36.2%) which delivered a solid AGM update and **Sino Gas** (+25.0%) as they continued to de-risk their Chinese gas project.

## Trust Activity

It was a busy period for capital raisings and IPO's with several new ideas introduced to the Trust. Laboratories business **HRL Holdings** was added as part of capital raising to buy a NZ based laboratory with the stock closing the month +40.0% above the placement price.

We also participated in the successful IPO of **People Infrastructure** (+36.0% from IPO price).

We re-entered crane-hire company **Boom Logistics** after a positive AGM update. Despite the lift in the share price it still trades at a significant discount to NTA despite an improving outlook in infrastructure (particularly wind-farm) and mining end markets. Another new addition was education software provider **Schrole** (+13.3%).

Amongst the selling activity, we sold out of Experience Co on valuation grounds and concerns over whether there may be some indigestion following the large number of recent acquisitions.

At month end the Trust held 61 stocks and cash of 4.0%.

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

Market Review - Australia	%	Global, Currency & Commodities	%
S&P/ASX Small Ordinaries Index	+3.9	S&P500	+2.8
Energy	+7.5	Nikkei 225	+3.2
Materials	+6.2	FTSE100	-2.2
Industrials	+1.7	Shanghai Composite	-2.2
Consumer Discretionary	+2.2	RBA Cash Rate	1.50
Health Care	+1.5	AUD / USD	-1.0
Financials-x-Real Estate	+4.2	Iron Ore	+16.4
Real Estate	+5.1	Oil	+3.0
Information Technology	+4.5	Gold	+0.3
Telecommunication Services	+9.8	Copper	-1.8
Utilities	+0.9		

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