

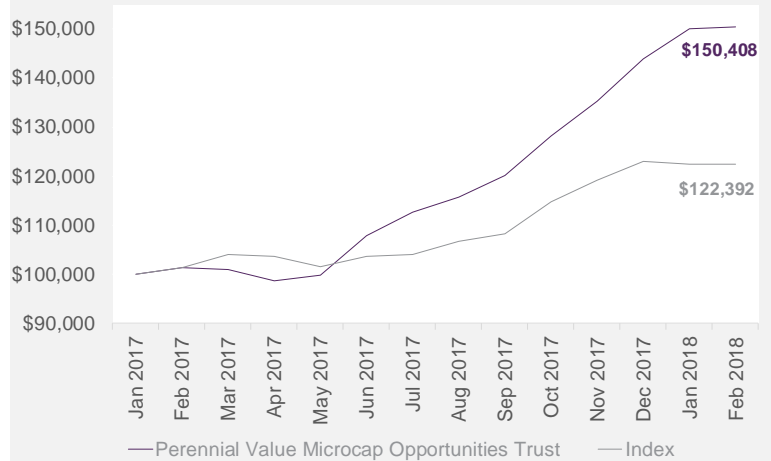
	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Perennial Value Microcap Opportunities Trust (Net)	0.3	11.2	39.3	48.3	-	-	46.2
S&P/ASX Small Ordinaries Accum. Index	0.0	2.7	18.1	20.8	-	-	20.7
Value Added (Detracted)	0.3	8.5	21.2	27.5	-	-	25.5

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

Overview

- ▶ The Trust was up 0.3% (net of all fees) in February and is up 48.3% net over 1 year.
- ▶ A number of positions performed well during reporting season and pleasingly we were not invested (thanks to our disciplined process) in Big Un and Get Swift which were two well publicised disappointments during February.
- ▶ Valuations are at elevated levels across the market however microcap investors have an advantage of choosing from a very large investment universe. This benefit enables us to construct a portfolio which looks attractive from both a valuation perspective (10.6x EV/EBIT in FY19 – 20.0% discount to market) and earnings growth profile (3yr average EPS growth of 42.2% - double the small cap market).

Growth of \$100,000 since inception



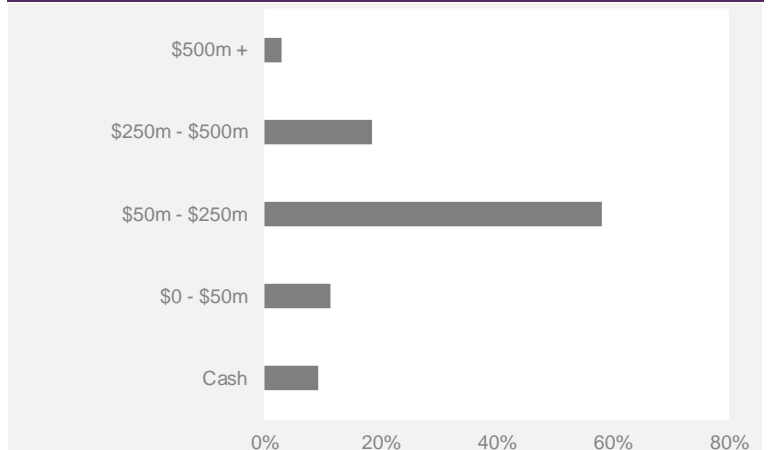
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

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	\$22m
Distribution frequency:	Annual
Minimum initial investment	\$25,000
Trust Inception Date	February 2017
Fee	1.20% + Perf fee
APIR code	WPC3982AU

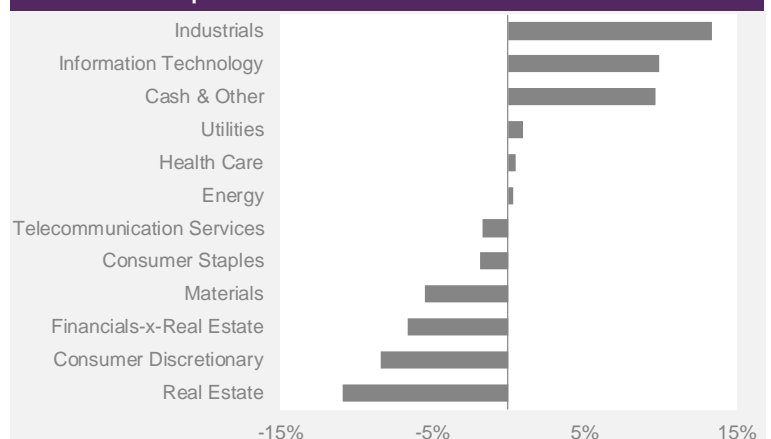
Market Capitalisation Exposure



Top 5 Positions

Top 5 Positions	Trust (%)	Index (%)
Codan Limited	3.3	0.0
Imdex Limited	3.2	0.3
Hrlholding	3.2	0.0
Austin Engineering	3.2	0.0
Comet Ridge Limited	2.9	0.0

Sector Active Exposure vs Index



Trust Review

The Trust performed solidly during February – both through reporting season and the market sell-off early in the month.

A number of holdings delivered strong results:

Imdex Limited (up 18.6%) delivered revenue growth of 28.0% and an expansion in gross margins. Tools on hire in January were also up 25.0% providing a strong leading indicator for earnings in the remainder of FY18.

Nearmap Limited (up 29.2%) upgraded projections for revenue growth in the US at the same time as signalling that the company's investments in capture costs and marketing will be plateauing.

Kogan.com Limited (up 27.4%) reported revenue growth of 46.0% and EBITDA growth of 93.0% and the strong revenue momentum continued into January.

Other strong performers for the month included **Smart Parking** (up 22.9%), **Rightcrowd** (up 19.0%) and **Doray Minerals** (up 16.7%). Stocks detracting were **Catapult** (down 36.1%) and **Oliver's Real Food** (down 13.0%).

Trust Activity

A key driver of performance during the month was the takeover offer for **Lifehealthcare Group** (up 39.5%). Given the low risk of a counter-bid we sold on market to take advantage of some oversold positions elsewhere in the portfolio given market volatility.

We exited **TopBeta** at 30c over concerns that the Ladbrokes deal may be delayed and the stock finished the month at 15c.

Pleasingly, the Trust did not hold Big Un Limited and Get Swift, which were two of the more broadly publicised disappointments during February. Our process screened out these stocks via a company meeting and our earnings screen respectively.

At month end the Trust held 57 stocks and cash of 9.0%.

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	+0.0	S&P500	-3.9
Energy	-0.9	Nikkei 225	-4.5
Materials	+2.4	FTSE100	-3.3
Industrials	-0.1	Shanghai Composite	-6.4
Consumer Discretionary	-1.2	RBA Cash Rate	1.50
Health Care	+4.0	AUD / USD	-3.8
Financials-x-Real Estate	-2.3	Iron Ore	+9.6
Real Estate	-0.6	Oil	-4.7
Information Technology	-0.4	Gold	-2.0
Telecommunication Services	-15.1	Copper	-2.6
Utilities	4.1		

Contact Us

1300 730 032

invest@perennial.net.au

www.perennial.net.au

Signatory of:



Issued by: The Investment Manager, Perennial Value Management Limited, ABN 22 090 879 904, AFSL: 247293. Responsible Entity: Perennial Investment Management Limited ABN 13 108 747 637, AFSL: 275101. This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation. While every effort has been made to ensure the information in this promotional statement is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors. Investments in the Trusts must be accompanied by an application form. The current relevant product disclosure statements, additional information booklet and application forms can be found on Perennial's website www.perennial.net.au.