

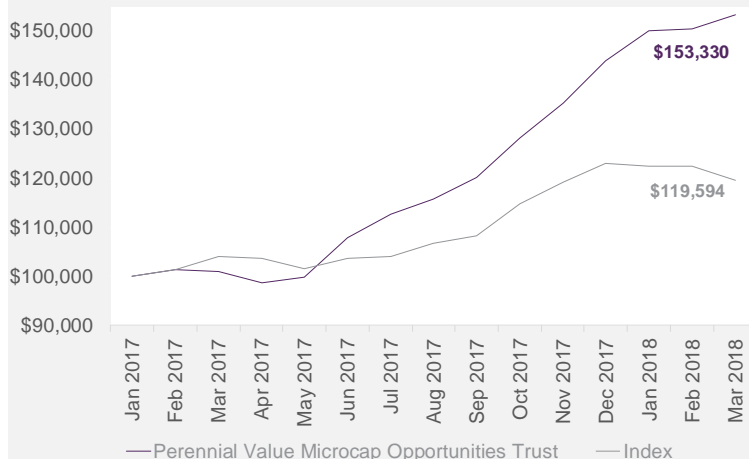
	Month	Quarter	FYTD	1 year	3 years	5 years	Since Inception
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Perennial Value Microcap Opportunities Trust (Net)	1.9	6.5	42.1	51.9	-	-	44.5
S&P/ASX Small Ordinaries Accum. Index	-2.3	-2.8	15.4	15.0	-	-	16.7
Value Added (Detracted)	4.2	9.3	26.7	36.9	-	-	27.8

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

Overview

- ▶ The Trust was up 1.9% in March, up 6.5% over the quarter and 51.9% over 1 year (net of all fees).
- ▶ The performance of the Trust is pleasing given the volatile markets experienced so far in 2018. It is also pleasing that our disciplined value process helped us avoid the growing list of several high profile, more speculative stocks, many of which been aggressively sold down in recent months
- ▶ Valuations remain at elevated levels across the market however microcap investors have an advantage of choosing from a very large investment universe. As a result the portfolio still looks attractive from both a valuation perspective (9.7x EV/EBIT in FY19 – 26.5% discount to market) and growth profile (3yr average EPS growth of 45.3%).

Growth of \$100,000 since inception



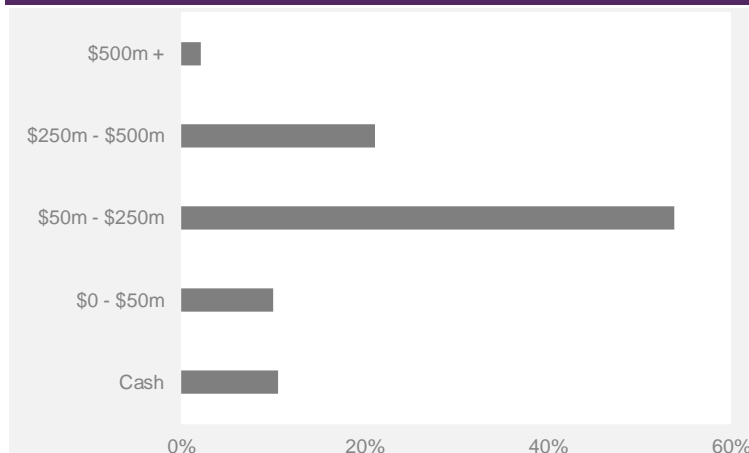
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

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	\$27m
Distribution frequency:	Annual
Minimum initial investment	\$25,000
Trust Inception Date	February 2017
Fee	1.20% + Perf fee
APIR code	WPC3982AU

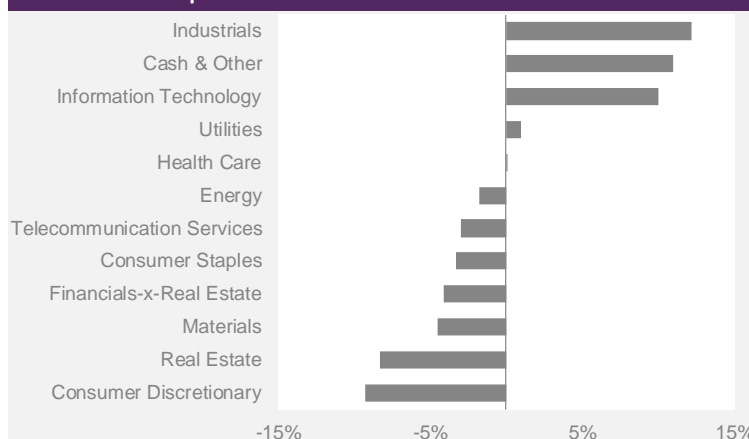
Market Capitalisation Exposure



Top 5 Positions

Top 5 Positions	Trust (%)	Index (%)
Otto Energy Ltd	3.2	0.0
Pwr Holdings Ltd	3.0	0.0
Codan Ltd	2.9	0.0
Avanco Resources Ltd	2.9	0.0
Janison Education Group Ltd	2.7	0.0

Sector Active Exposure vs Index



Trust Review

The Trust delivered a 1.9% net return during March – which is a solid performance in the context of a weaker market with the ASX Small Ordinaries Accumulation Index down 2.3% and ASX 300 Accumulation Index down 3.7%.

A number of holdings performed well:

Avanco Resources Limited (+98.7%) received a takeover offer from Oz Minerals at a 118% premium. We were attracted to Avanco given the depressed share price, net cash position and large suite of high-quality growth projects. It was pleasing Avanco's growth pipeline was eventually noticed by a sophisticated corporate such as Oz Minerals.

Smart Parking Limited (+49.2%) delivered a good result in late February with revenue + 26.0% and EBITDA + 115.0% with these results now being noticed by the broader investment community.

Clover Corporation Limited (+35.7%) delivered a pleasing result during the month with revenue +60.0% and net profit +209.0%. Our analysis of the industry shows growing demand for infant formula that contains DHA – of which Clover is global supplier.

Other strong performers for the month included **Veris** (+24.2%) and **Smartpay** (+22.6%) with a solid performance from our large positions in **Janison Education** (+12.0%) and **Codan** (+8.7%). Stocks detracting included **Schrole Group** (-22.7%) and **Sino Gas** (-16.7%).

Trust Activity

We exited unconventional oil-shale play **Australis Oil & Gas**, and recycled the proceeds into conventional offshore oil producer **Otto Energy**, which is trading on more attractive valuation multiples. We bought Australis at an average price of approximately 22c and sold at 37c, generating a 68.0% return over our holding period.

We bought back into EML Payments after the share price fell heavily on the back of downgraded expectations for their US business. Our average entry price of \$1.28 (vs month end price of \$1.16) is in contrast to recent highs of over \$2.20 late last year. While the stock is clearly back in value territory it may take time to rebuild investor confidence.

At month end the Trust held 59 stocks and cash of 10.5%.

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	-2.3	S&P500	-4.0
Energy	-3.0	Nikkei 225	-4.1
Materials	+0.2	FTSE100	-2.4
Industrials	-1.2	Shanghai Composite	-3.0
Consumer Discretionary	-2.4	RBA Cash Rate	1.50
Health Care	-1.9	AUD / USD	-1.6
Financials-x-Real Estate	-6.1	Iron Ore	-19.8
Real Estate	+2.0	Oil	+10.1
Information Technology	-1.5	Gold	+0.6
Telecommunication Services	-7.4	Copper	-3.1
Utilities	+1.1		

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Signatory of:



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