



	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since Inception (%p.a.)
Perennial Value Microcap Opportunities Trust (Net)	0.8	5.8	50.2	50.2	-	-	40.8
S&P/ASX Small Ordinaries Accum. Index	1.1	7.7	24.2	24.2	-	-	19.6
<b>Value Added (Detracted)</b>	<b>-0.3</b>	<b>-1.9</b>	<b>26.0</b>	<b>26.0</b>	<b>-</b>	<b>-</b>	<b>21.2</b>

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

## Overview

- The Trust was +0.8% (net of all fees) in June to deliver an annual performance of 50.2% (net of all fees). Cumulative net returns since inception now sits at 62.1%.
- June is always a volatile month in microcaps with some illiquid stocks vulnerable to tax-loss selling while other investors are reluctant to sell their winners
- In circumstances where this behaviour pushes stocks to extreme levels we aim to take advantage for our investors – either buying bargains or locking in profits where valuations become stretched.
- 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 (10.4x PE in FY20 – 30.0% discount to market) and growth profile (3yr average EPS growth of 30.1%).

## 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

### Trust FUM

AUD \$41 million

### Distribution Frequency

Annual

### Minimum Initial Investment

\$25,000

### Trust Inception Date

February 2017

### Fees

1.20% + Perf fee

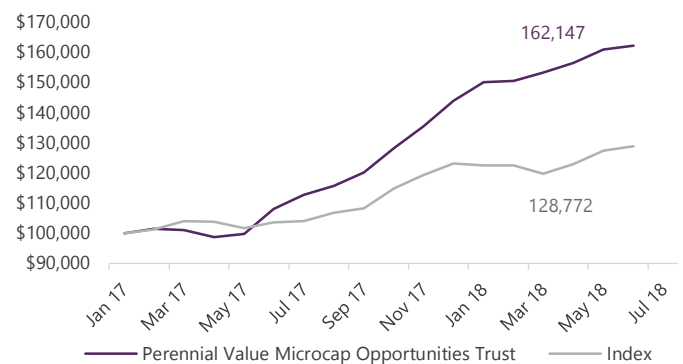
### APIR Code

WPC3982AU

### Top 5 Positions

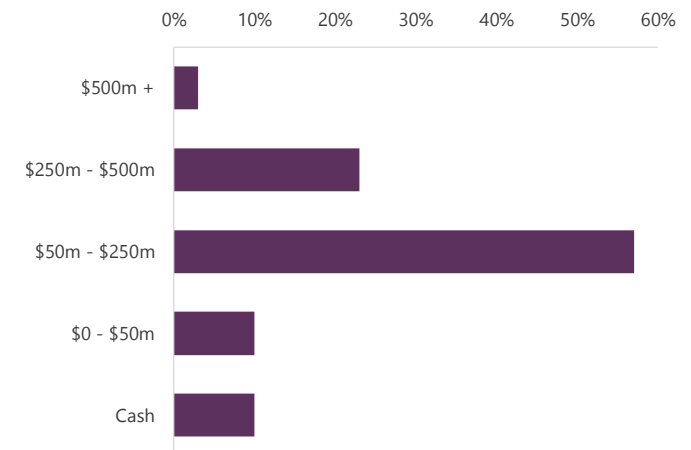
	Trust (%)	Market (%)
Veris Ltd	3.3	0.0
Acrow Formwork and Construction Ltd	3.3	0.0
Codan Ltd	3.2	0.0
Clover Corp Ltd	3.0	0.0
PWR Holdings Ltd	3.0	0.0

## Growth of \$100,000 Since Inception

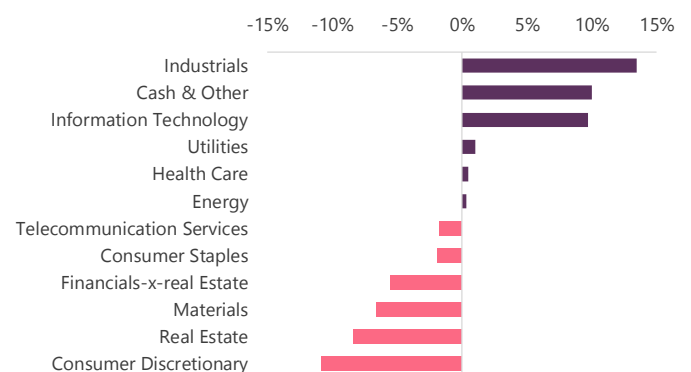


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

## Market Capitalisation Exposure



## Sector Active Exposure vs Index



## Trust Review

The Trust delivered a 0.8% net return during June as we looked to reposition the portfolio locking gains in some of last years winners and reinvesting in several new positions – including two IPO's and two pre-IPO opportunities.

The modest gain at the Trust level was contrasted by some significant share price moves in individual stocks – again showing the benefit of a diverse portfolio.

Resource names were volatile with strong performance from:

- **Galena Mining** (+25.0%) after a scoping study for its Abra lead deposit suggested a financially robust project with quick payback
- **Kalium Lakes** (+22.7%) following an offtake agreement with a global potash producer which helps finance stage 1 of the project

Contrasted by weak performance from:

- **NSL Consolidated** (-28.6%) as day traders exit the stock ahead of a share consolidation. We used this weakness to add to the position

Investor interest continued to grow in two of our higher growth names with broker presentations and reports on **Nearmap** (+25.4%) and **Clover** (+15.7%) during the month. This was contrasted by profit taking in some of our best performers from last year with **HRL Holdings** (-11.9%) and **PolyNova** (-12.3%).

**Veris** (+8.9%) provided a comprehensive update at an investor day in Sydney and clearly demonstrated the many ways in which they can earn revenues from the infrastructure boom currently happening on up and down the east coast of Australia.

## Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	+1.1
Energy	+6.7
Materials	-0.6
Industrials	-1.7
Consumer Discretionary	+1.9
Health Care	+1.0
Financials-x-Real Estate	+1.4
Real Estate	+4.3
Information Technology	+5.4
Telecommunication Services	+1.3
Utilities	+1.2

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## Trust Activity

We locked in gains in several takeover targets during the month selling Mitula Group, Specialty Fashion and iSelect. We also exited Tawana given concerns of increasing Lithium supply. We used the proceeds to invest in the several placements as well as attractively priced IPO's and pre-IPO opportunities.

One example is Primero (PGX.ASX) which lists next month and is a growing mining and power construction company trading on an attractive multiple of 5.0x EV/EBIT.

At month end the Trust held 60 stocks and cash of 7.4%.

A distribution to unit holders of 11.3 cents per unit will be made in July reflecting capital gains and income realised during the year.

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



Source: Portfolio Manager Sam Berridge visiting Kalium Lakes.

## Global, Currency & Commodities (%)

S&P500	+0.5
Nikkei225	+0.5
FTSE100	-0.5
Shanghai Composite	-8.0
RBA Cash Rate	1.50
AUD / USD	-2.4
Iron Ore	+0.8
Oil	+2.4
Gold	-3.5
Copper	-3.9