



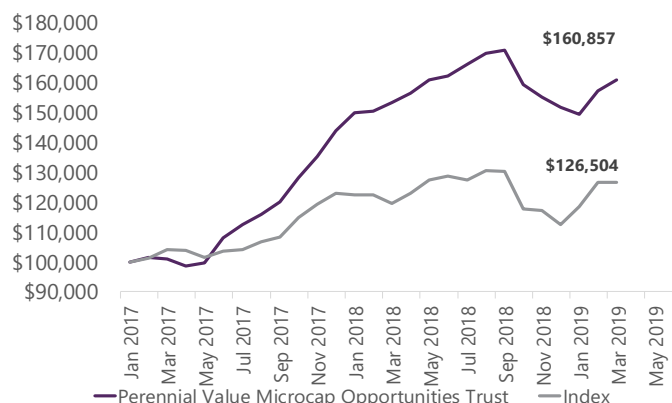
	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	Since Inception (%p.a.)	Since Inception Cumulative (%)
Perennial Value Microcap Opportunities Trust (Net)	2.3	6.1	-0.9	4.9	24.6	60.9
S&P/ASX Small Ordinaries Accum. Index	-0.1	12.6	-1.8	5.8	11.5	26.5
Value Added (Detracted)	2.4	-6.5	0.9	-0.9	13.1	34.4

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

Overview

- The Trust was up 2.3% compared to the Small Ordinaries Accumulation Index (the Index) which was down 0.1%. This takes the cumulative net performance since inception to 60.9% (net of fees) vs the benchmark which is up 26.5% over the same period.
- Pleasingly the three best performing positions during the month were all pre-IPO investments we made last year. As we look forward we are also encouraged by the quality on offer in new pre-IPO names and we have already committed capital in some areas.
- Despite the solid performance mentioned above there was a noticeable drag during the month from several stocks which exhibit strong 'value' characteristics but are clearly out of favour.
- We combine an increasing exposure to these out of favour names as well as high growth recent IPO's to deliver a portfolio with strong valuation appeal – the average EV/EBIT multiple is now 6.9x for the Trust, a 50.0% discount to the Index.

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

Trust FUM

AUD \$123 million

Distribution Frequency

Annual

Minimum Initial Investment

\$25,000

Trust Inception Date

February 2017

Fees

1.20% + Perf fee

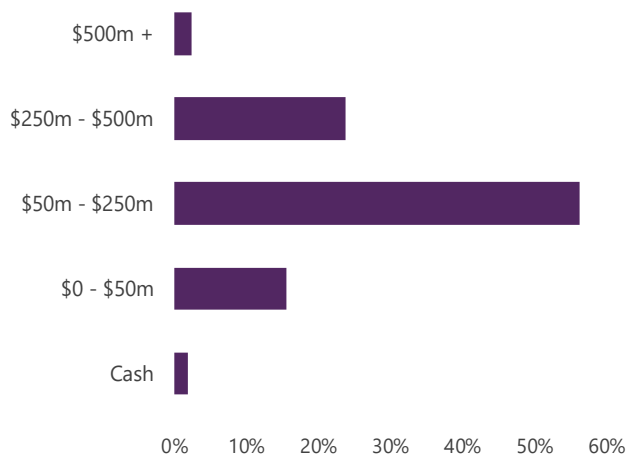
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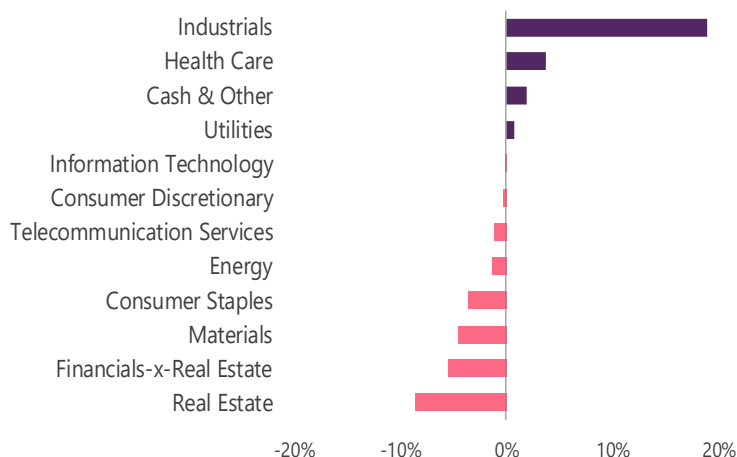
Top 5 Positions

	Trust (%)	Index (%)
ATOMOS LTD	6.8	0.0
Imdex Limited	3.9	0.2
People Infrastructure Ltd	3.9	0.0
Janison Education Group Ltd	3.8	0.0
ECOFIBRE LTD	3.8	0.0

Market Capitalisation Exposure



Sector Active Exposure vs Index



Trust Review

Recent pre-IPO's contributed solidly to performance during the month

- **Ecofibre** (+70.0%) floated at month end and despite not using any brokers for the raise they were well over subscribed. We first invested at the pre-IPO stage at an equivalent price of \$0.57 mid last year. Our conviction continued to build as we had further contact with management, made a site trip to their lab in Kentucky (see photo) and as the product gained legal certainty in the US. Our increased conviction lead us to double the position at the IPO price of \$1. We look forward to further updates from the company particularly any newsflow on the current penetration of the Ananda product in US pharmacies
- **Uniti Wireless** (+142.0%) after a rocky start to listed life in the previous month there was a sharp recovery as a quality director was added to the Board (and subsequently bought stock on market)
- **Atomos** (+50.0%) continued its strong run as new product releases have been met with strong reviews and retailer interest

In addition our conviction in holding **Doray Minerals** (+27.6%) for several years began to be rewarded as the merger with **Silverlake Resources** was approved. Other positive performers were growth stocks which we think still represent good value – **Rhipe** (+13.4%) and **EML Payments** (+8.3%).

The strong individual performances mentioned above need to be taken into context with a portfolio of 62 stocks. A large portion of these stocks were down 3%-10% despite quality results in February. As an example our large holding in **Integral Diagnostics** (-3.8%) failed to respond to positive moves by the government to reintroduce indexation for forms of radiology.

The best explanation for such moves is selling pressure from fund manager redemptions. This negatively impacted our performance in the short term but also provided good buying opportunities in existing names as well as some opportunistic new positions.

Despite strong fundamentals in the infrastructure sector there was a clear aversion to the listed exposures with **Acrow Formwork** (-14.6%) and **SRG Global** (-18.2%) – we take comfort in both cases from the strong pipeline of approved projects.

Longtable (-43.9%) did a deeply discount rights issue to fund the purchase of 100.0% of the Maggie Beer brand. While we were not happy with the raising price we do view gaining control of this strategic asset as important for future growth, especially given the improved earnings this unit demonstrated in the February result.

Ironically, it is in the stocks mentioned above that we now see the most upside and thus we our pivoting our capital to take advantage of the strong value on offer in some of these beaten up names.



Source: Perennial Site Visit, Kentucky USA

At month end the Trust had 62 stocks and 1.9% cash.

Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	-0.1
Energy	-3.0
Materials	-1.1
Industrials	+1.2
Consumer Discretionary	-1.1
Health Care	+1.9
Financials-x-Real Estate	-3.8
Real Estate	+5.4
Information Technology	+3.8
Telecommunication Services	+0.2
Utilities	+0.8

Global, Currency & Commodities (%)

S&P500	+1.8
Nikkei225	-0.8
FTSE100	+2.9
Shanghai Composite	+5.1
RBA Cash Rate	1.50
AUD / USD	-0.2
Iron Ore	-0.6
Oil	+3.6
Gold	-1.6
Copper	-0.4

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