



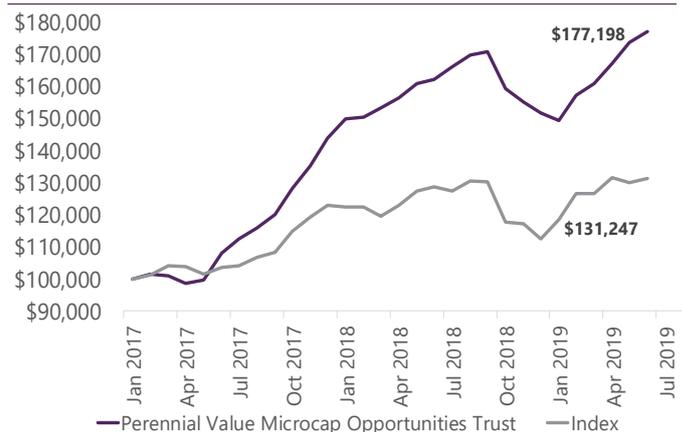
	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	Since Inception (%p.a.)	Since Inception Cumulative (%)
Perennial Value Microcap Opportunities Trust (Net)	2.0	10.1	9.2	9.3	26.8	77.2
S&P/ASX Small Ordinaries Accum. Index	0.9	3.7	1.9	1.9	11.9	31.3
Value Added (Detracted)	1.1	6.4	7.3	7.3	14.9	45.9

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

Overview

- The Trust was up 2.0%, ahead of the Small Ordinaries Accumulation Index which was up 0.9%. This takes the cumulative net performance since inception to 77.2% (net of fees) vs the benchmark which is up 31.3% over the same period.
- Uniti Wireless (UWL) continued to outperform in June, up 57.7% for the month after an over-subscribed placement at \$1 in late May. This was a far cry from the \$0.25 IPO (which few participated in) showing both how quickly perceptions can change and also the benefit of attracting seasoned management and directors to microcap companies.
- Silverlake Resources (+56.9%) and Red 5 (+28.6%) benefited from the stronger gold price as did those companies that service them such as Imdex (+27.9%)
- Several stocks in the portfolio were down between 5.0%-13.0% in the absence of any news flow as the market awaits the August reporting season for most businesses
- Note that a distribution of 5.7 cents per unit was paid after month end

Growth of \$100,000 Since Inception

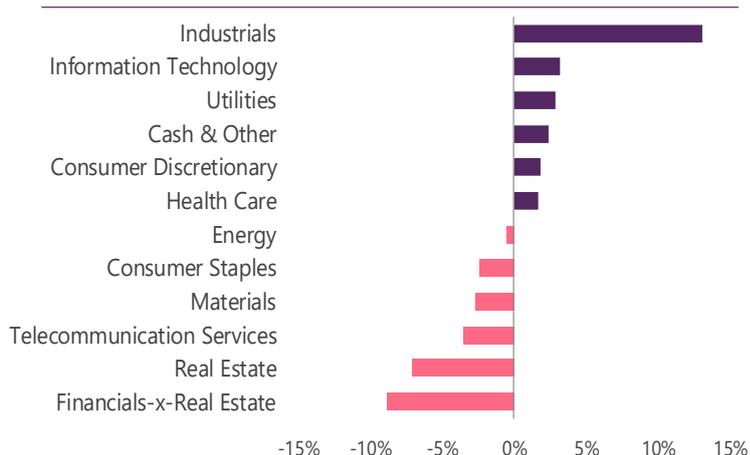


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Market Capitalisation Exposure



Sector Active Exposure vs Index



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 \$169 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 (%)	Index (%)
Atomos	3.9	0.0
Ecofibre	3.5	0.0
PWH Holdings	3.2	0.0
Longtable Group	2.9	0.0
Imdex	3.0	0.3

Trust Review

Uniti Wireless continued its strong run (+57.7% for the month). The company raised \$15m in fresh capital at \$1.00 in an over-subscribed placement. This capital will be used for further acquisitions (adding to the three acquisitions already undertaken since IPO).

Silverlake Resources (+56.9%) and **Red 5** (+28.6%) followed the gold price rally during June. The chart to the right shows an interesting correlation between Gold and the amount of bonds in the world trading at negative yields – this is likely to reflect the relative attraction of Gold as a store of wealth which increases in a world that is faced with an alternative option being bonds with negative yields. Those mining services company heavily exposed to the gold sector also performed well with **Imdex** (+27.9%) and **Swick** (+12.2%) also boosting the performance of the fund.

Pointsbet was up 22.5% since their IPO earlier in the month, a new position we discussed in our April commentary.

We also recently added several positions which were beginning to look oversold in early May, it was pleasing that they are already starting to recover with **Kelly Partners** (+25.1%) and **Class 1** (+12.4%) moving higher in June.

Towards the end of the month we also participated in the placement of **De.mem** at 14c (month end closing price of 18c). De.mem offers a modular solution for decentralised water treatment based on their membrane filtration technology. Revenue has started to build strongly with strong sales in resource and municipal areas. The new capital should help boost growth as well as provided the working capital required.

Pleasingly there was no major negative news in the month for our portfolio holdings however a range of stocks did drift lower on weak sentiment.



Source: Bloomberg – GOLD (yellow) vs Quantum of bonds with negative yields (white)

In terms of Trust activity we exited some smaller holders which were underperforming and added some unlisted and pre-IPO positions after an extension due diligence period (this portion of the portfolio now represents 5.2% of the Trust).

These positions we hope can enhance the returns of the portfolio several months from now (and hopefully emulate the success of other private to public deals we have participated in such as Uniti Wireless, Atomos and EcoFibre). In the meantime, these positions are all carried at cost in the portfolio.

At month end the Trust had 69 stocks and 2.4% cash.

Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	+0.9
Energy	+4.3
Materials	+5.7
Industrials	+4.1
Consumer Discretionary	-4.7
Health Care	+4.3
Financials-x-Real Estate	+3.5
Real Estate	+3.0
Information Technology	+2.4
Telecommunication Services	-10.0
Utilities	+3.0

Global, Currency & Commodities (%)

S&P500	+6.9
Nikkei225	+3.3
FTSE100	+3.7
Shanghai Composite	+2.8
RBA Cash Rate	1.25
AUD / USD	+1.3
Iron Ore	+14.2
Oil	+3.2
Gold	+8.0
Copper	+2.8

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