



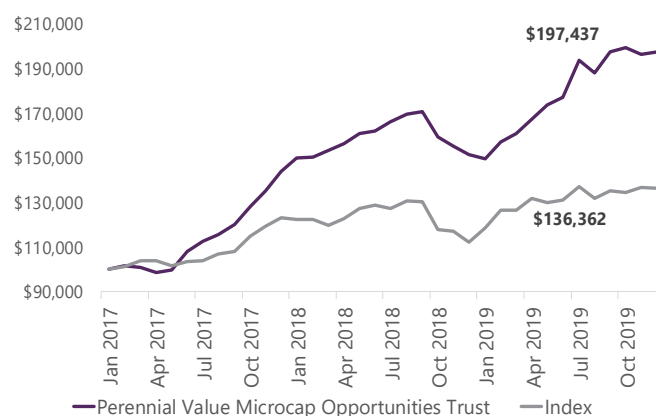
	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	Since Inception^ (%p.a.)	Since Inception Cumulative^ (%)
Perennial Value Microcap Opportunities Trust (Net)	0.5	0.0	11.4	30.2	26.3	97.4
S&P/ASX Small Ordinaries Accum. Index	-0.3	0.8	3.9	21.4	11.2	36.4
<b>Value Added (Detracted)</b>	<b>0.8</b>	<b>-0.8</b>	<b>7.5</b>	<b>8.8</b>	<b>15.1</b>	<b>61.0</b>

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

## Overview

- The Trust was up +0.5% (net of fees), outperforming the Small Ordinaries Accumulation Index (the Index) which was down -0.3%
- For Calendar Year 2019 the Trust was 30.2% (net of fees) compared to the Index which was up 21.4%
- Our Pre-IPO position in Aerometrex performed well (+97.0% from IPO) as did the MoneyMe IPO (+20.8%)
- We have several pre-IPO positions in the Trust which are likely to come to market in the first half of CY20
- Our resources exposures added value during the month with Capricorn Metals (+22.4%), Macmahon (+18.8%) and Ora Banda Mining (+12.1%)
- We are likely to deploy more into resources in the coming months as this looks to be the best source of excess returns for the coming year
- The portfolio is attractively priced on 9.4x P/E in FY21, a 40.1% discount to the 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

### Trust FUM

AUD \$201 million

### Distribution Frequency

Annual

### Minimum Initial Investment

\$25,000

### Trust Inception Date

February 2017

### Fees

1.20% + Perf fee

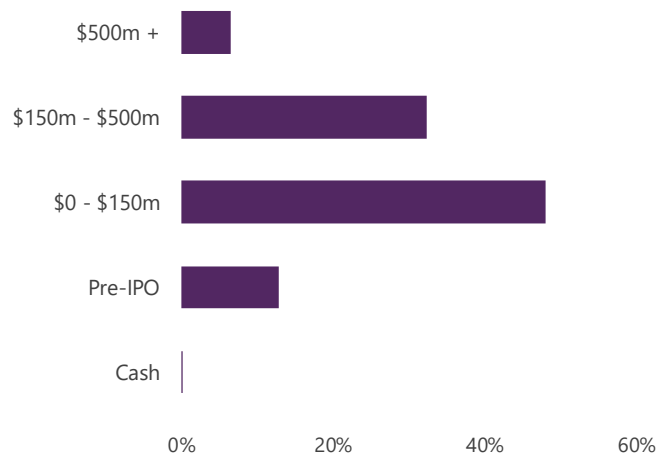
### APIR Code

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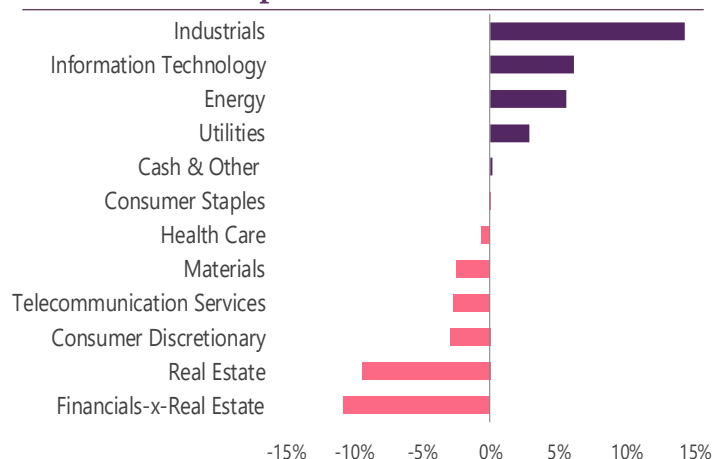
### Top 5 Positions

	Trust (%)	Index (%)
SWICK MINING SERVICES LTD	4.0	0.0
ALLIANCE AVIATION SERVICES L	3.3	0.0
GAGE ROADS BREWING CO L	3.1	0.0
PRIMERO GROUP LTD	3.0	0.0
JANISON EDUCATION GROUP L	3.0	0.0

## Market Capitalisation Exposure



## Sector Active Exposure vs Index



## Trust Review

We were active in several IPO's during the month. Our Pre-IPO position in **Aerometrex** performed well (+97.0% from IPO) as did the **MoneyMe** IPO (+20.8%). The performance from **Limeade** (flat on IPO) and **Nitro Software** (-5.0% from IPO) was more subdued. The common theme from all these IPO's is that management remain large shareholders and thus have a strong incentive to deliver on the high growth potential that all these businesses have before them.

**Aerometrex** has been a specialist in aerial mapping for over 30yrs with recent spatial technology (particularly 3D) driving strong growth both in Australia and more recently in overseas markets (with recent projects in New York and France).

**MoneyMe** was established in 2013 and is a fast growing and highly scalable online platform for personal finance. The capital raised will be used to acquire more customers and support new funding packages.

**Limeade** is an employee engagement software provider that was established in 2006 and currently has 2.4m users with a strong historical growth rate (as seen in the accompanying chart). The capital from the IPO will be used to fuel growth outside of North America where the bulk of revenues are currently concentrated.

**Nitro Software** was founded in Melbourne in 2005 and has grown to 1.8m licensed users today including 65% of the Fortune 500 list of companies.

Our positioning in resources added value during the month.

**Atrum Coal** (+37.0%) rallied as its Elan Hard Coking Coal project continued to grow. Resources at Elan South were increased 81% in the month, and subsequent exploration hits of up to 100m thick (cumulative) of hard coking coal imply subsequent resource upgrades will be substantial.

**Macmahon** (+18.8%) finally gained traction with investors during December after trading on very cheap multiples for an extended period. A company presentation released during the month didn't contain any new information but served to highlight MAH's desirable growth outlook and valuation.



Source: Limeade Prospectus

Gold positions also performed well with **Capricorn Metals** (+22.4%) after securing a financing package and **Ora Banda Mining** (+12.1%) after releasing some of the best exploration results for the company to date during the month.

There was a year end rally in some of the previously worst performing stocks in the Trust, **Speedcast** (+16.0%) and **Pivotal Systems** (+15.6%) despite no news flow in either name.

**Atomos** (-20.0%) pulled back in December after an extended period of strong gains. The company released what we consider to be a very positive update late in the month in which Atomos announced Nikon would adopt HDMI recording of ProRes RAW format video files for two of its devices. This places Atomos in the space between camera manufactures and Apple as the sole facilitator of RAW format video capture. We expect this development to positively impact sales of Atomos products over CY20, thus we took advantage of the weaker share price to add to our position.

Disappointing updates from **Redbubble** (down 37.6%) and **Victory Offices** (down 16.6%) were treated harshly by the market.

Looking forward to the first half of 2020 we have several pre-IPO positions coming to market which should unlock significant value as these are all carried at cost within the Trust.

At month end the Trust had 69 stocks and 0.2% cash.

## Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	-0.3
Energy	-2.5
Materials	+3.9
Industrials	0.0
Consumer Discretionary	+1.4
Consumer Staples	-0.5
Health Care	-0.9
Financials-x-Real Estate	+1.2
Real Estate	+0.9
Information Technology	-0.8
Telecommunication Services	+3.6
Utilities	-2.0



Microcap Portfolio Managers: Sam Berridge (left) and Andrew Smith (right)

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