



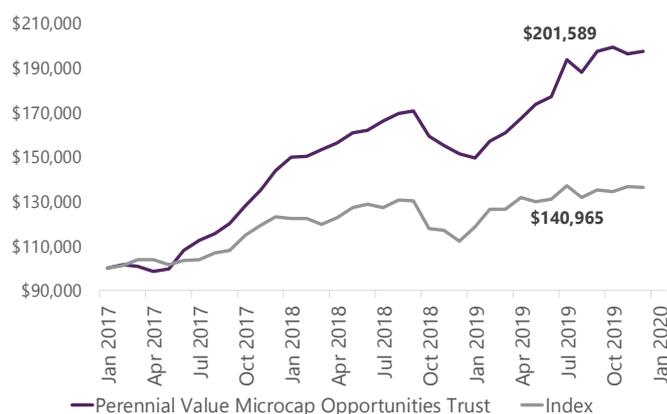
	Month (%)	Quarter (%)	FYTD (%)	1 Year (% p.a.)	3 Years (% p.a.)	Since Inception^ (%p.a.)	Since Inception Cumulative^ (%)
Perennial Value Microcap Opportunities Trust (Net)	2.1	1.2	13.8	34.9	26.3	26.3	101.6
S&P/ASX Small Ordinaries Accum. Index	3.4	4.7	7.4	18.8	12.1	12.1	41.0
Value Added	-1.3	-3.5	6.4	16.1	14.2	14.2	60.6

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

Overview

- The end of January marked the 3rd Year Anniversary of the Trust, with a return of 26.3% p.a. since Inception (net of all fees) compared to the Index return of 12.1% over the same period.
- Similar to this time last year, the Trust started the year lagging a strong market. The market was up 3.4% in January (compared to the Trust up 2.1%) driven by trade deal momentum and despite the challenges of domestic bushfires and the start of the coronavirus outbreak.
- Looking at the trailing 12mth performance it is clear just how strongly the Trust recovered from a relatively slow start this time last year. For the last 12mths, the Trust is up 34.9% (net of all fees) compared to an also strong 18.8% performance for the Index.
- There were several encouraging updates in January, namely Bigtincan, RPM Global and Scidev. Genetic Signatures also encouraged after highlighting that their 3base™ test is suitable for detecting the coronavirus.
- We have recycled capital from some of our best performers into more “unloved” names and sectors such as Resources. As a result, the portfolio remains attractively priced on 9.7x P/E in FY21, a 41.6% discount to an expensive market.

Growth of \$100,000 Since Inception

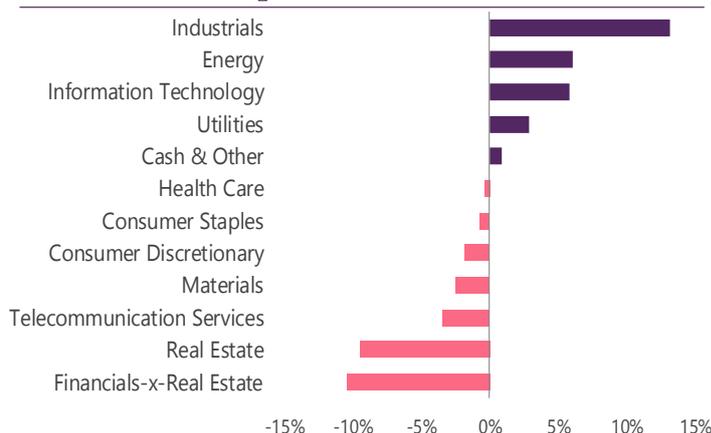


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

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 \$205 million

Distribution Frequency

Annual

Minimum Initial Investment

\$25,000

Trust Inception Date

February 2017

Fees

1.20% p.a. + Performance fee

APIR Code

WPC3982AU

Top 5 Positions

Trust (%) Index (%)

Position	Trust (%)	Index (%)
SWICK MINING SERVICES LTD	3.9	0.0
ALLIANCE AVIATION SERVICES L	3.2	0.0
PRIMERO GROUP LTD	3.2	0.0
JANISON EDUCATION GROUP L	2.9	0.0
GAGE ROADS BREWING CO L	2.8	0.0

Trust Review

Bigtican Holdings, a provider of sales enablement tools to large corporates, was up 43.5% after winning their largest contract to date signing a \$6.0m contract over 2yrs with DXC Technology Services. This contract is clearly material compared to Bigtican's previous annual recurring sales rate disclosed at their AGM of \$27.8m.

RPM Global (up 31.0%) reported strong growth in their subscription mining software revenue, which has grown to \$10.0m from the \$8.0m disclosed in late November 2019. This increase was ahead of market expectations and should help limit the earnings volatility which can occur as companies switch from large upfront licence revenue to higher quality subscription revenue – a process RPM Global started early last year.

SciDev (up 27.2%) continued its impressive sales momentum under the highly regarded MD, Lewis Utting, who joined in April 2019. The strong 4th quarter sales result (shown in the accompanying slide) is even more impressive as it had only a minor contribution from the recently announced contract win with Iluka (which was previously disclosed to contribute between \$2.6m-\$4.0m revenue per annum once mature). There was also no revenue from the recently acquired Highland Fluid Technology business in the US which settles in February 2020.

Genetic Signatures (up 12.6%) provided a quarterly update with sales slowing but to a reasonable base versus the previous quarter which benefited from a strong flu season. The market also reacted to commentary in the quarterly that their 3base™ technology can also detect coronavirus; we await to see if this translates to meaningful revenue in the short term.

It was pleasing to see the recovery in **Pivotal Systems** (up 13.5%) and **Next Science** (up 43.1%). These were added to the portfolio late last year with the view they were oversold on previously announced slow sales quarters. Updates in January gave more comfort to the market that this was indeed the case.

It was also encouraging to see a recovery in **Primero Group** (up 11.6%) with the market digesting selling from the capital raise in December and beginning to focus on the positive outlook for iron ore capex and recent growth in the Primero order book.

Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	+3.4
Energy	-2.7
Materials	+2.1
Industrials	+2.4
Consumer Discretionary	-1.6
Consumer Staples	+4.1
Health Care	+11.9
Financials-x-Real Estate	+4.1
Real Estate	+7.6
Information Technology	+12.0
Telecommunication Services	+3.9
Utilities	+7.7

Contact Us

Level 27, 88 Phillip Street Sydney NSW 2000

1300 730 032

invest@perennial.net.au

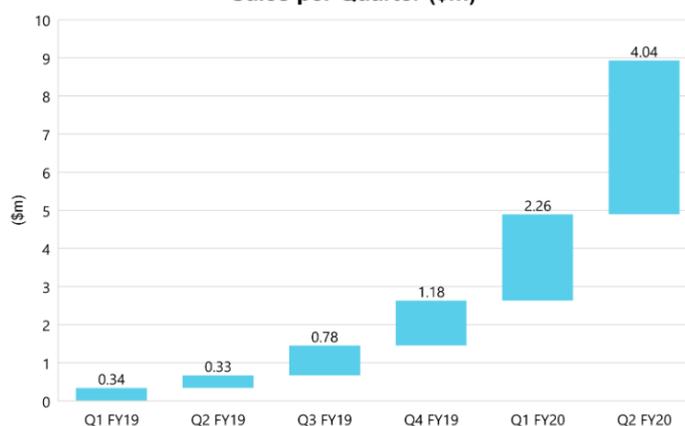
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Sales per Quarter (\$m)



Source: SDV February 2020 Investor Presentation

Detracting from performance were our positions in **Gage Roads** (down 9.9%) and **Straker Transactions** (down 10.4%) after announcing a softer quarter.

The market continues to shun **Latam Autos** (down 27.3%) despite encouraging growth in their Motorfy business in Mexico – as a result, directors disclosed that they continue to work with Grant Samuel to assess strategic options to maximise value.

There was also weakness in the energy sector which impacted our small positions in **Otto Energy** (down 13.5%) and **Speedcast** (down 16.0%) – in the case of the latter a trading halt early in February indicates earnings will also disappoint the market for CY19.

At month end the Trust had 69 stocks and 0.9% cash.



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