



	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	Since Inception^ (%p.a.)	Since Inception Cumulative^ (%)
Perennial Value Microcap Opportunities Trust (Net)	24.3	-12.5	-0.4	5.5	21.4	19.1	76.4
S&P/ASX Small Ordinaries Accumulation Index	14.3	-19.0	-13.0	-13.3	3.2	4.2	14.2
Value Added	10.0	6.5	12.6	18.8	18.2	14.9	62.2

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

Overview

Markets recovered strongly in April with the Small Ordinaries Index up 14.3%. The recovery in the Trust was even stronger, up 24.3% net of fees.

The largest recoveries were in our long held positions in Ora Banda Mining (up 90.5%), Longtable (up 76.8%) and EcoFibre (up 58.3%) after they each provided encouraging corporate updates.

There was also strong updates from relatively new positions such as SciDev (up 67.1%), Damstra (up 44.6%) and Marley Spoon (up 42.5%).

The pivot towards domestic cyclicals in the portfolio was beneficial with signs of parts of the Australian economy beginning to open up towards month end – for example IDX (+32.0%) will benefit from the restart of elective surgeries.

As foreshadowed in the prior month, the Trust was very active in discount placements building new positions in People Infrastructure, Dacian Gold and Rhipe (up 63.6%, 20.0% and 8.1% respectively at month end from the placement price).

The broad microcap universe continues to provide many attractive investment opportunities combining balance sheet strength, earnings growth (even in the currently tough economic environment) and low valuations.

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 and Sam Berridge

Trust FUM

AUD \$169 million

Distribution Frequency

Annual

Minimum Initial Investment

\$25,000

Trust Inception Date

February 2017

Fees

1.20% p.a. + Performance fee

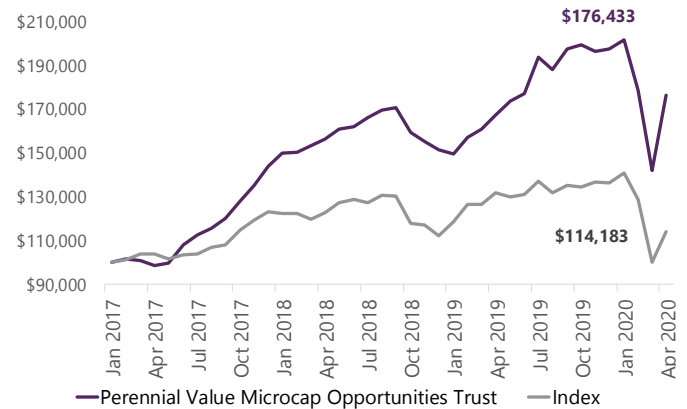
APIR Code

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Top 5 Positions

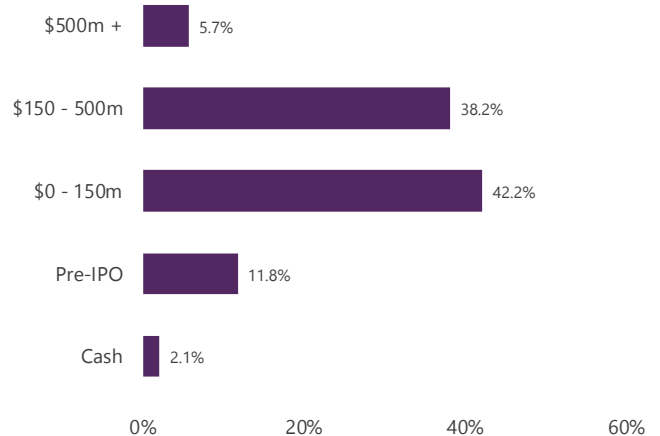
	Trust (%)	Index (%)
GENETIC SIGNATURES LTD	4.0	0.0
SWICK MINING SERVICES LTD	3.5	0.0
SCIDEV LTD	3.4	0.0
ORA BANDA MINING LTD	3.0	0.0
ALLIANCE AVIATION SERVICES L	2.7	0.0

Growth of \$100,000 Since Inception

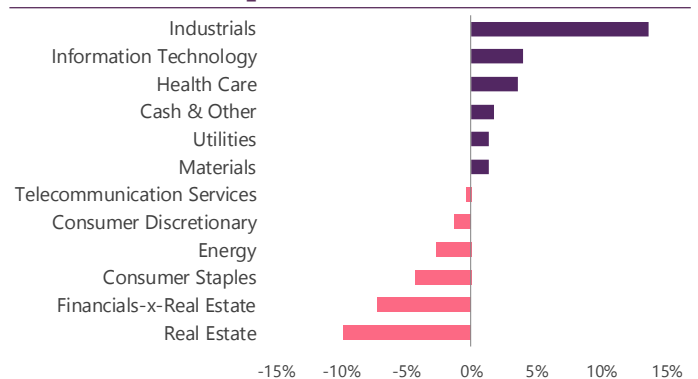


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Market Capitalisation Exposure



Sector Active Exposure vs Index



Trust Review

Unusually for April, many companies provided earnings and sales updates given the fluid economic conditions. We summarise these below:

- **Ora Banda Mining** (up 90.5%) rallied strongly on a succession of positive exploration releases and improving gold sentiment. We anticipate OBM resuming production in six months;
- **Longtable** (up 76.8%) provided a sales update that despite COVID-19 disruptions they are still on track for a positive cashflow run rate by the end of FY20 with cash of \$5.1m at the end of April;
- **SciDev** (up 67.1%) reported a large jump in sales to \$7.3m for the quarter of which \$4.8m was in March alone. They also crystallised a joint venture with Nuocer Group to access global markets;
- **EcoFibre** (up 58.3%) provided quarterly revenue which was up 42% on the prior corresponding period and provided guidance of a flat 2H20 profit on the 1H20 despite COVID-19;
- **Damstra** (up 44.6%) reported growth of 120% in cash receipts and closing cash of \$10.4m for the quarter and stated they will now exceed their IPO forecasts. Damstra also launched temperature testing capability to their customers to help manage COVID-19 health restrictions;
- **Marley Spoon** (up 42.5%) grew quarterly revenue by 46%, with more recent weeks doubling as consumers increase at-home consumption;
- **Redbubble** (up 33.9%) reported 20% growth in the 3Q and "stronger sales growth" in April benefitting from the trend to higher online activity by consumers;
- **RPM Global** (up 19.9%) added to the total contracted value of their software subscriptions which now passes \$30m, growth of \$4.6m since early March;
- **Austin Engineering** (up 16.7%) noted conditions remain strong in their key Perth facility as well as Chile;
- **Limeade** (up 7.0%) added 5 new contracts in the quarter and 33.9% growth in cash receipts.

Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	+14.3
Energy	+9.3
Materials	+14.5
Industrials	+9.8
Consumer Discretionary	+18.3
Consumer Staples	-0.2
Health Care	+17.9
Financials-x-Real Estate	+6.1
Real Estate	+3.7
Information Technology	+18.5
Telecommunication Services	+17.7
Utilities	+3.3

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Discounted placements provided solid entry points for **People Infrastructure, Dacian Gold and Rhipe** – at month end they were up 63.6%, 20.0% and 8.1% respectively from the placement.

It was pleasing to see these more defensive fundamentals beginning to be appreciated by the market with broadband providers **Superloop** and **Uniti Wireless** up 41.1% and 31.2% respectively post encouraging earnings updates confirming previous guidance. **Citadel**, an IT provider to Defence and Healthcare, also recovered strongly up 47.7% as did **Integral Diagnostics** up 32.0%.

Primero Group (up 109.5%) moved higher as the market anticipates the outcome of arbitration between Primero and Wartsila (with the amount being sort by Primero being larger than their current market cap).

Aurelia Metals (up 37.5%) provided encouraging exploration results which have extended mine life materially. Unfortunately the production update toward month end was impacted by higher costs partly explained by lower base metal credits which should reverse in the June quarter.

The largest disappointment during the month was **Navigator** which we exited post the disappointing performance of their underlying funds in March, with the proceeds used fund ideas with more near term catalysts.

Economic conditions remain challenging and markets are likely to be volatile for sometime however we have many companies in the portfolio which can survive and in some cases prosper in the current conditions.

At month end the Trust had 65 positions and cash of 2.1%.

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