



	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	Since Inception^ (% p.a.)	Since Inception Cumulative^ (%)
Perennial Value Microcap Opportunities Trust (Net)	3.8	16.0	33.6	36.1	23.1	28.7	168.8
S&P/ASX Small Ordinaries Accumulation Index	2.8	13.8	20.3	9.2	6.6	10.7	48.9
Value Added	1.0	2.2	13.3	26.9	16.5	18.0	119.9

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

Overview

For the month of December, the Trust was up 3.8%, outperforming the market by 1.0%. Resources and cyclicals continued to lead the recovery with the Trust benefitting from its Mining Services exposures in particular. For the calendar year, performance was particularly strong up 36.1% net of all fees compared to 9.2% for the Index.

Company specific positive news during the month enabled some of our more defensive growth names to still perform despite the pro cyclical backdrop. Marley Spoon (+32.4%) recovered post encouraging guidance and Genetic Signatures (+12.6%) won their first US customer. Also assisting performance was Immutep (+53.7%), a new biotech we added to the portfolio.

It was also pleasing to see the transition of two pre-IPO positions to successful IPO's during the month with Booktopia and Doctor Care Anywhere both closing above issue price.

The Trust remains positioned in stocks providing a mix of strong earnings growth but with an average valuation at a discount to the market. The portfolio average PE ratio of 13.0x remains at a sizeable discount to the Index which is 18.8x for FY22.

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 \$335 million

Distribution Frequency
Annual

Minimum Initial Investment
\$25,000

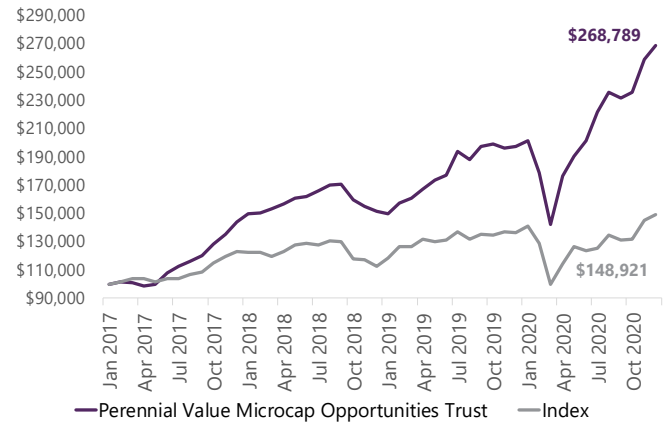
Trust Inception Date
February 2017

Fees
1.20% p.a. + Performance fee

APIR Code
WPC3982AU

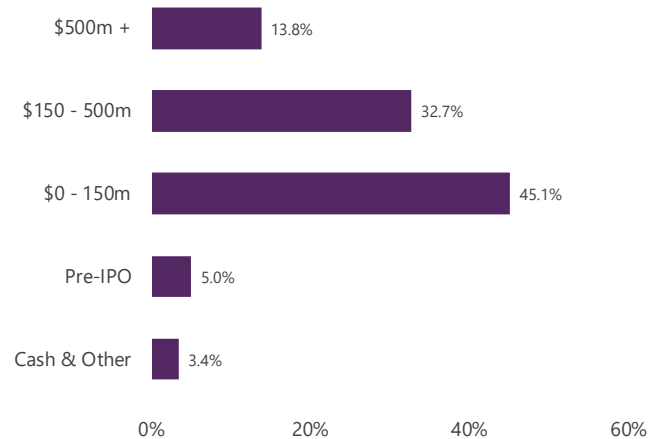
Top 5 Positions	Trust (%)	Index (%)
MARLEY SPOON AG	3.4	0.0
SCIDEV LTD	3.2	0.0
ALLIANCE AVIATION SERVICES L	2.8	0.0
MICRO-X LTD	2.7	0.0
GOOD DRINKS AUSTRALIA LTD	2.7	0.0

Growth of \$100,000 Since Inception

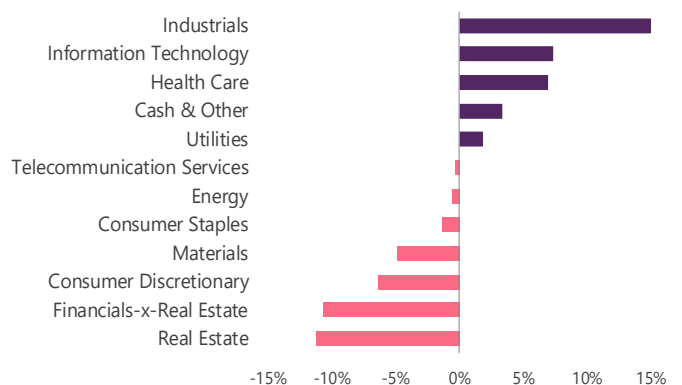


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Market Capitalisation Exposure



Sector Active Exposure vs Index



Trust Review

Immutep (+53.7%) is a biotechnology company that we have recently added to the portfolio. Immutep is developing immunotherapies for the treatment of cancer and autoimmune diseases with its lead product designed to improve the effectiveness of existing cancer treatments. During the month, Immutep reported very positive data from their Phase IIb trial for use of their product in patients with breast cancer. In particular, the trial suggested a statistically significant overall survival benefit when the product is used in conjunction with existing chemotherapy treatments. The benefit was particularly strong in patients with low monocyte counts and Luminal B type cancer (a more aggressive form of breast cancer).

Veem (+19.7%) continued to rally on the back of increasing broker research and the broadening realisation the company is approaching an inflection point in sales of its marine gyro-stabilisation modules.

SRG Global (+18.6%) bounced after upgrading FY21 EBITDA guidance by 8.8% and highlighting the company's work-in-hand stood at \$1bn as at 30th November, the largest in the company's history.

Alliance Aviation (+11.0%) provided guidance for the 1H21 result that implies >60% profit growth on the pcp as they continue flight operations for a much larger resource customer base than pre COVID. The more subdued share price response (when compared to the size of the profit increase) suggests the market still expects these market share gains to reverse – we disagree and believe the large fleet expansion via two recent deals is yet to contribute to earnings and will provide the basis for continued earnings growth into FY22.

Swick (+10.8%) announced the sale of its surface drilling business for \$6.4m, above book value. We note that Swick had been trading below the value of its net tangible assets of around \$0.30 per share for some time (last \$0.205 per share). The sale of the surface drilling business is the first step towards breaking the company up to release value, with the spin out of Oreplore guided to take place in the March quarter 2021.

Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	+2.8
Energy	+7.1
Materials	+10.2
Industrials	+0.6
Consumer Discretionary	+1.1
Consumer Staples	+0.6
Health Care	-0.3
Financials-x-Real Estate	+2.3
Real Estate	+3.2
Information Technology	-0.7
Telecommunication Services	-0.2
Utilities	+6.1

Company specific positive news during the month enabled some of our more defensive growth names to still perform despite the pro cyclical backdrop, namely:

- **Marley Spoon** (+32.4%) recovered after increasing revenue guidance to the middle of the 90-100% growth range;
- **Genetic Signatures** (+12.6%) won their first US customer for their SARS-CoV-2 detection kit as well as securing a two year agreement for reagent supply.

There was a surge in IPO activity before year end and our highly selective approach paid off with the successful listing of **Booktopia Group** (up 13.0% from IPO) and **Doctor Care Anywhere** (up 50.0% from IPO) – the total return from these positions for the Trust was enhanced further compared to the above given an attractive entry point via pre-IPO rounds earlier in the year.

While Booktopia is probably well known to readers (excuse the pun!) given their high market share in Australia, Doctor Care Anywhere is not, given the bulk of revenues are from the UK.

Doctor Care Anywhere is a telehealth provider in the UK and Europe. The company facilitates the provision of both primary care and secondary care remotely through its technology platform and clinicians. The company provides services to more than 1,500 corporates and SME clients through a relationship with health insurers, such as AXA and HCA Healthcare.

Limeade (down 13.4%) drifted lower but pleasingly at month end announced a US\$2.3m 3yr contract with the University of Texas.

Other weak stocks in the month included **AML3D** (down 20.9%), **Envirosuite** (down 19.6%) and **MMA Offshore** (down 11.8%), all drifting lower despite no newsflow.

The Trust finished with 66 positions and cash of 3.4%.

Invest Online Now



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

Contact Us

📍 Level 27, 88 Phillip Street Sydney NSW 2000

☎ 1300 730 032

✉ invest@perennial.net.au

🌐 www.perennial.net.au

Signatory of:



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