

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since inception [^] (% p.a.)
Perennial Value Microcap Opportunities Trust (Net)	0.4	8.2	7.1	-10.1	-24.8	-10.6	-0.2	8.2
S&P/ASX Small Ordinaries Accumulation Index	-1.3	2.2	2.2	-1.1	-8.1	3.0	2.4	6.0
Value Added	1.7	6.0	4.9	-9.0	-16.7	-13.6	-2.6	2.2

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

Overview

The Trust was up in August +0.4% (net of all fees) outperforming the Index which was down -1.3% and delivering 6.0% excess returns over the quarter.

The strong performance in August was a delayed response to strong guidance in prior months by Veem (+43.5%) and Viva Leisure (+12.8%), with the actual delivery of the results being the catalyst rather than the guidance itself.

Likewise, there may be a delayed response to clear progress at the likes of Lark (+4.4%) with a renewed debt facility and an export deal in Malaysia, Envirosuite (down 15.2%) despite gross margins lifting from 47.9% to 51.6%, and Enero (down 12.8%) despite moves to unlock shareholder value by selling their stake in OBMedia.

Lumos Diagnostics (+75.4%) continued to recover from very depressed levels and now has a clean and simple balance sheet post the capital raise in July.

It was also another strong month for DUG Technology (+12.9%) with very strong earnings growth and cash flow resulting in a materially improved balance sheet. The order book for July is already ahead of FY23 revenues underpinning another strong year of growth in FY24.

The average PE ratio of the portfolio is 10.3x, a sizeable discount to the Index which is 15.0x for FY25. A high portion of our holdings have low balance sheet risk (80% have net cash) and a superior growth profile to the 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 and Sam Berridge

Trust FUM

AUD \$148 million

Distribution Frequency

Annual

Minimum Initial Investment

\$25,000

Trust Inception Date

February 2017

Fees

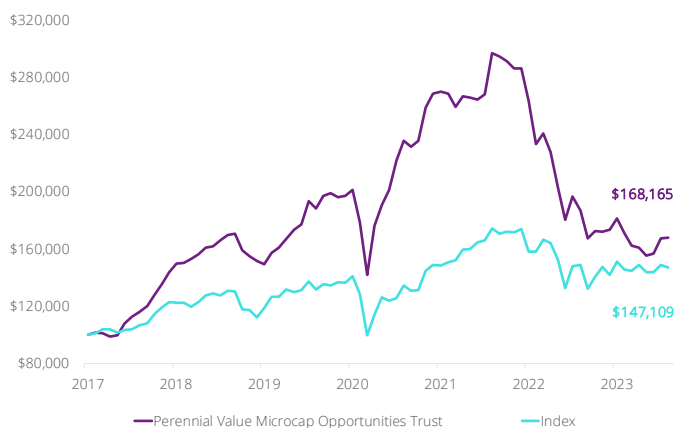
1.20% p.a. + Performance fee

APIR Code

WPC3982AU

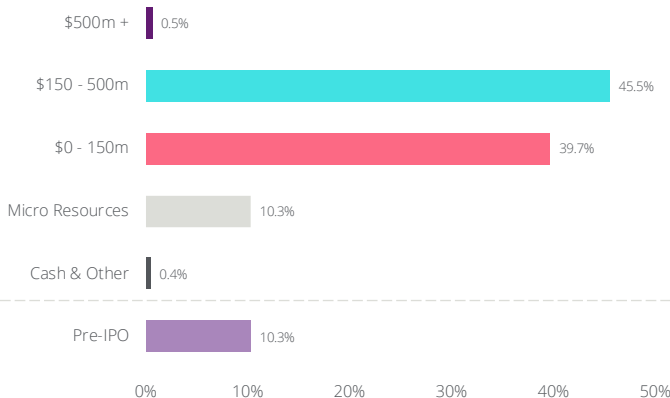
Top 5 Positions	Trust (%)	Index (%)
SUPERLOOP LTD	5.4	0.0
RPMGLOBAL HOLDINGS LTD	5.2	0.0
DUG TECHNOLOGY LTD	5.0	0.0
GOOD DRINKS AUSTRALIA LTD	4.9	0.0
FIRSTWAVE CLOUD TECHNOLOGY	4.0	0.0

Growth of \$100,000 Since Inception



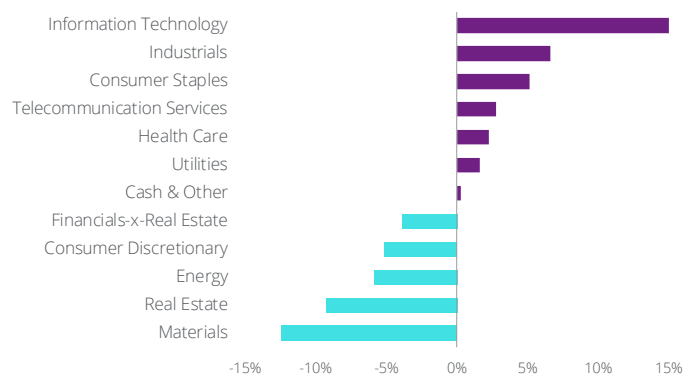
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Market Capitalisation Exposure



Please note, the above table may add to more than 100% as Pre-IPO equity positions will be double counted in the market cap breakdown

Sector Active Exposure vs Index



Trust Review

Given most Microcaps gave guidance or detailed updates in July there were minimal surprises, but several stocks began to gain traction with the market, such as:

- **Veem** (+43.5%) is perhaps the clearest example of the inefficiency we see often in Microcaps. Veem had informed the market of their strong earnings trajectory and deal with Strategic Marine in June, but it was not until August when the final results were delivered to the market that the stock moved. Momentum is strong for FY24 and despite the large move in August, the share price has only just recovered to levels at the beginning of the year when the outlook was less certain.
- **DUG Technology** (+12.9%) with very strong earnings growth and cash flow resulting in a materially improved balance sheet. The order book for July is already ahead of FY23 revenues underpinning another strong year of growth in FY24.
- **Acrow Formwork** (+11.0%) delivered on recent guidance but it was first time guidance for FY24 of +29% EBITDA growth (at the midpoint) which impressed the market.
- **Superloop** (+6.0%) reported a strong result, with all segments performing well and positive free cash flow in the second half.

On the negative side was:

- **PeopleIN Ltd** (down 16.3%) announced a lower-than-expected set of FY23 numbers. While the stock enters the year with a few macro headwinds, we were pleased to see strong cash flow performance and lower debt levels. Valuation remains at historic lows which should drive future outperformance once the earnings base stabilises.

Updates of a more strategic nature had a mixed response:

- **Lumos Diagnostics** (+75.4%) post a capital raise they continued to recover from very depressed levels and now that it has a clean and simple balance sheet investors are focusing on positive steps such as the expanded distribution agreement with Henry Schein and improving gross margins with lower costs disclosed in August.
- **Enero** (down 12.8%) despite an in-line result and moves to unlock shareholder value by selling their stake in OBMedia whose earnings had rebased in June but had begun to recover again in July.
- **Genetic Signatures** (down 28.7%) with a revenue hit in the quarter while they adapt their test for a new strain of flu. FDA clearance for the Enteric test will be the major driver and the stock rebounded in September once this was lodged.

At month end, the Trust finished with 45 positions and cash of 0.4%.

Market Review – Australia (%)


S&P/ASX Small Ordinaries Index	-1.3
Energy	4.3
Materials	-5.1
Industrials	-2.5
Consumer Discretionary	3.3
Consumer Staples	-0.1
Health Care	-6.1
Financials	-1.8
Real Estate	-4.4
Information Technology	2.5
Telecommunication Services	-1.3



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

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Signatory of:

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 Significant Investor Visa (SIV) Compliant

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