

	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)	-3.8	3.0	3.0	-3.3	-25.9	-11.3	-1.1	7.5
S&P/ASX Small Ordinaries Accumulation Index	-4.0	-1.9	-1.9	6.8	-9.0	2.6	1.6	5.3
Value Added	0.2	4.9	4.9	-10.1	-16.9	-13.9	-2.7	2.2

^Since inception: February 2017. Past performance is not a reliable indicator of future performance. Performance is shown to 29 September 2023, which was a public holiday in Melbourne. Since our unit registry is based in Melbourne, no unit price was struck for this day. An indicative unit price was calculated so that the performance of the fund may be compared to that of the market (the ASX was open on 29 September 2023). No reliance should be placed on the indicative unit price for 29 September 2023.

Overview

The Trust was down 3.8% outperforming the Index which was down 4.0%. For the quarter, the Trust is up 3.0%, outperforming the Index (which is down 1.9%) by 4.9%.

Financials markets were clearly in a risk-off mode again with long term bond rates moving higher and pockets of stubborn inflation around the world.

Given results were released in August, there was very little in the way of stock news. It was, however, the first chance for directors to trade post results as well as companies to commence buy-backs once the market had digested result announcements.

For our portfolio the signaling here was positive:

- 11 directors buying (1 selling)
- 2 active buybacks across the portfolio

Given the weak macro backdrop, such positive signaling from those closest to the fundamentals of the company was encouraging.

Several of our companies announced acquisitions during the month with Firstwave acquiring Saisei Networks and Hancock and Gore buying the remaining shareholding in Mountcastle (providing access to a growing and dependable cashflow profile).

We used the month to further engage with our portfolio companies on corporate strategy and governance and continued to build further conviction in the fundamentals. The average PE ratio of the portfolio is 11.1x, a sizeable discount to the Index which is 14.1x 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 \$141 million

Distribution Frequency

Annual

Minimum Initial Investment

\$25,000

Trust Inception Date

February 2017

Fees

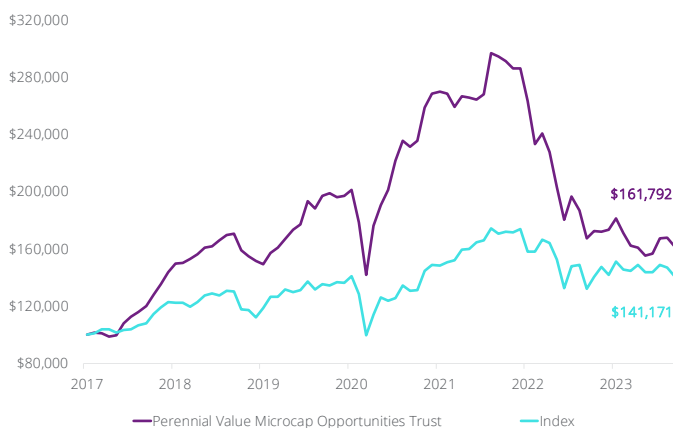
1.20% p.a. + Performance fee

APIR Code

WPC3982AU

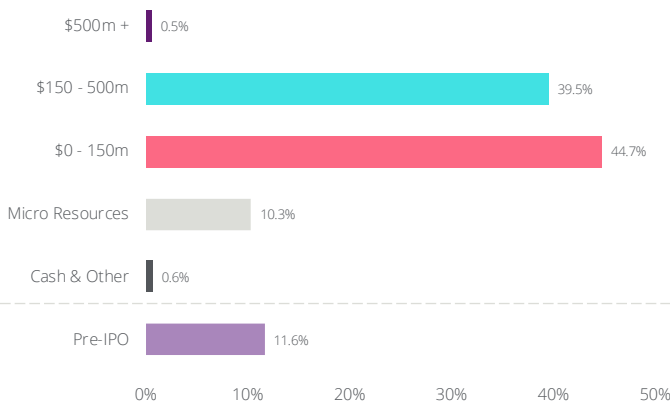
Top 5 Positions	Trust (%)	Index (%)
SUPERLOOP LTD	5.3	0.0
DUG TECHNOLOGY LTD	5.1	0.0
RPMGLOBAL HOLDINGS LTD	4.8	0.0
GOOD DRINKS AUSTRALIA LTD	4.4	0.0
FIRSTWAVE CLOUD TECHNOLOGY	4.0	0.0

Growth of \$100,000 Since Inception



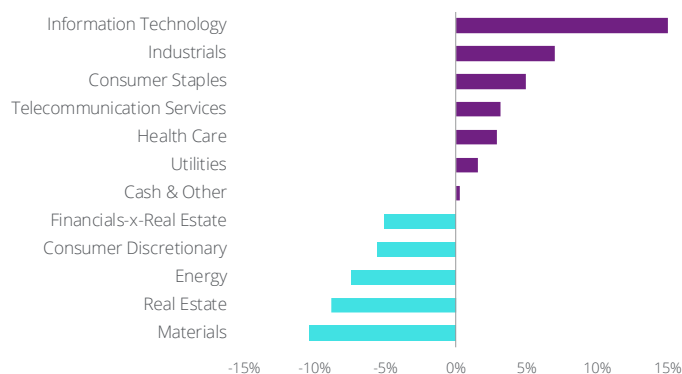
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

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

Stocks that did provide updates during the month included:

- **Genetic Signatures** (+17.2%) recovering from September's weakness after announcing that it had lodged with the US FDA an application for approval of the company's innovative test for gastroenteritis. We had encouraging engagement with the company during the month around cost and cashflow management to mitigate the risk from any further delays in approvals.
- **Hancock & Gore** (+15.9%) announced the purchase of an additional 40.3% of Mountcastle giving them close to 90% of the school and corporate uniform business which has produced growing and consistent cashflows for many years. This simplifies the conglomerate structure of Hancock and Gore to some degree and better highlights the value and cashflows available to prospective investors.
- **Micro-X** (+13.6%) sold \$1.5m Rover units to the Australian Government bringing quarterly sales to \$2.8m at the time of the announcement.

MedAdvisor (flat) provided a detailed presentation along with an in-person roadshow from their US-based CEO. We found the insights from this meeting particularly encouraging. The strategic update highlighted the many areas of progress over the last 12 months; both in integrating the acquisition in Australia but also the digital reach in the US. EBITDA profitability remains the target for FY24 and visibility has improved considerably with >65% of US targeted revenue in FY24 already contracted as compared to 35% this time last year.

As noted on the prior page we look to director buying as a useful signal of improving risk/return for companies. One that stood out to us during the month was the first-time purchase by the Chair of **SciDev** (+11.1%). The stock had drifted lower at the time of his purchase despite several encouraging quarterly results and a rising oil price which drives demand for their US business. In total there was 11 instances of director buying across our portfolio during the month were.

Superloop (down 5.7%) was impacted by uncertainty over the proposed takeover of Symbio which overshadowed the high-quality result in August. Nonetheless, the business has entered FY24 with strong sales, operational momentum and a healthy balance sheet, both of which will help drive organic and inorganic growth going forward.

Stocks with strong results in August drifted lower as people took short term profits despite the strong outlook for names like **Navigator** (down 7.2%), **SRG Global** (down 7.7%) and **RPM Global** (down 8.8%).

Other names that were likely impacted by reduced liquidity and now look severely oversold included **Envirosuite** (down 23.1%), **Maggie Beer** (down 15.4%), **Good Drinks** (down 14.6%) and **People Infrastructure** (down 12.9%).

At month end, the Trust finished with 48 positions and cash of 0.6%.

Market Review – Australia (%)


S&P/ASX Small Ordinaries Index	-4.0
Energy	15.3
Materials	-7.7
Industrials	-2.2
Consumer Discretionary	-7.1
Consumer Staples	-1.5
Health Care	-6.8
Financials	-2.9
Real Estate	-7.7
Information Technology	-7.0
Telecommunication Services	1.0



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

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Contact us

 Level 27, 88 Phillip Street
Sydney NSW 2000

 1300 730 032

 invest@perennial.net.au

 www.perennial.net.au

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