

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	7 Years (% p.a.)	Since Inception^ (% p.a.)
Perennial Value Microcap Opportunities Trust (Net)	2.3	11.1	16.2	13.2	-11.9	1.8	9.2	8.7
S&P/ASX Small Ordinaries Accumulation Index	-3.1	3.3	10.9	7.4	0.0	3.9	6.4	6.7
Value Added	5.4	7.8	5.3	5.8	-11.9	-2.1	2.8	2.0

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

Overview

The Trust was up 2.3%, well ahead of the benchmark which was down 3.1%.

Markets sold off as expectations for interest rate cuts were pushed out following signs of persistent inflation in Australia. The Trust was already positioned for a slower path to interest rate cuts and thus had a low exposure to interest rate sensitivity sectors such as REITs and Consumer names. There was also several stock-specific factors helping performance.

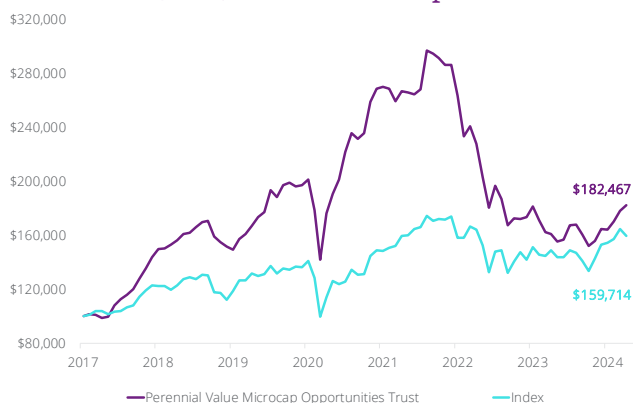
Qoria was up 48.3% after Perennial and another investor entered into a call option agreement with K1 Investment Management regarding their indicative takeover offer (subsequently rejected by the board). Pleasingly Qoria announced a strong quarterly result soon after the approach which generated further investor interest.

We are also observing continued investor interest in well priced and growing Industrials just outside the ASX300 (which had previously been neglected) where the bulk of the portfolio is positioned. For example, Navigator, RPM Global, Alliance Aviation and MedAdvisor were all up over 8% despite the weak market back drop.

We remain comfortable with the positioning of the Trust with a superior growth forecast* when compared to the Index, strong balance sheets (70% net cash) and a low earnings multiple (14.1x PE in FY25).

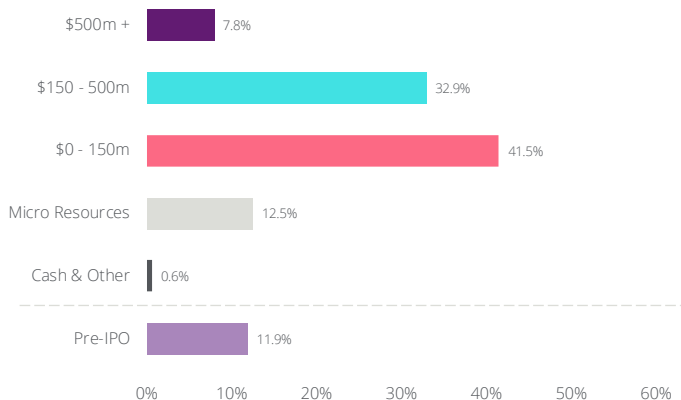
*Based on Perennial Value Management Forecasts. While due care has been used in the preparation of forecasts information, actual outcomes may vary in a materially positive or negative manner.

Growth of \$100,000 Since Inception



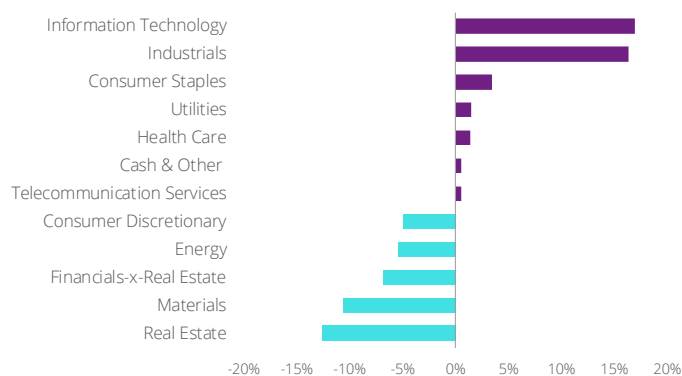
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

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



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

APIR Code
WPC3982AU

Distribution Frequency
Annual

Minimum Initial Investment
\$25,000

Trust Inception Date
February 2017

Fees
1.20% p.a. + Performance fee

Top 5 Positions	Trust (%)	Index (%)
QORIA LTD	7.4	0.0
VEEM LTD	6.4	0.0
GOOD DRINKS AUSTRALIA LTD	3.2	0.0
DUG TECHNOLOGY LTD	3.2	0.0
SCIDEV LTD	2.9	0.0

Trust Review

It is no surprise that **Qoria** (+48.3%) has attracted corporate interest given the strong fundamentals and market dynamics demonstrated in their quarterly update. Annual Recurring Revenue (ARR) was \$112m at March and guidance was given for the first time for June with an ARR target of \$117-\$120m. Confidence was increased for sustainable monthly cash and EBITDA positivity. Wording in this regard shifted to during CY24 rather than during FY25 – optically bringing it forward 6mths. The balance sheet was also improved with divestment of some non-core assets which also enable further cost reductions.

Other outperformers included:

- **SciDev** (+58.7%) after an impressive 3Q result with revenue up 38% and cashflow of \$3.8m which is ahead of EBITDA of \$3.6m (taking YTD EBITDA to \$6.8m). Interest in their PFAS technology continues to gain traction with \$3.0m in revenue across 9 projects. These are all in Australia at present however business development initiatives are in place to expand internationally, particularly in the US base leveraging their existing presence there.
- **Navigator Global Investments** (+12.8%) as they continue to be one of the few fund managers growing AUM which for the March quarter was up 6.5% (after adjusting for ownership of each entity).
- **MedAdvisor** (+9.1%) announced a strong Q3 report, with revenue up 42% and gross profit up 48.5%. The company has 100% of Q4 revenue contracted and a strong pipeline for future growth. We believe there is considerable value to be unlocked, particularly in Australia where there is a very high margin software product commanding >90% market share.
- **Alliance Aviation** (+8.6%) announced it had secured an expanded funding facility with its existing bank ANZ and a new AerCap facility to help fund the purchase of the additional 30 Embraer E190 planes. This demonstrated the aircraft purchases can be funded without an equity raising, allowing the market to focus on the large earnings growth expected as the new planes are rolled out.
- **SRG Global** (+5.0%) announced it had secured \$150m of contracts in the Energy, Resources and Transport sectors.

Veem Ltd (+9.0%) announced positive testing results of “Sharrow by Veem” propellers for large inboard vessels. The propellers achieved the expected fuel savings and other benefits so Veem will now move ahead with commercial rollout. We expect the Sharrow designed propellers to allow Veem to considerably grow its propeller market share, and result in a step change in profitability for Veem.

We continue to benefit from our large positioning in stocks outside the ASX 300 which suffered considerably (and indiscriminately) in the sell off from 2022 and from institutional investor redemptions.

We have seen these pressures start to reverse with several stocks up due to increased investor demand but with no newsflow – e.g. **RPM Global** which was up 11.8%.

These stock moves were able to offset a basket of stocks which sold off with weaker markets – we opportunistically added to some of these on weakness, especially in names with clear operational momentum such as **Credit Clear**.

Our holding in Microcap resources made a strong return of 7.6% for the month. Copper, rare earth and gold exposures all contributed, with better performers including:

- **Brazilian Rare Earths** released more spectacular results from its Pele project, which along with a tick up in rare earth prices helped lift the stock 21.5%.
- **Firefly Metals** (+15.9%) also achieved success with the drill bit, announcing a cluster of wide, high-grade copper intercepts from its 100% owned project in Newfoundland, Canada.

The Trust finished with 53 positions and cash of 0.5%.

Market Review – Australia (%)


S&P/ASX Small Ordinaries Index	-3.1
Energy	-4.0
Materials	3.4
Industrials	-4.6
Consumer Discretionary	-7.7
Consumer Staples	-2.1
Health Care	6.2
Financials	-4.4
Real Estate	-8.3
Information Technology	-2.0
Telecommunication Services	-5.1



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

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