

	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)	-1.1	5.8	14.8	16.0	-12.1	0.7	8.8	8.4
S&P/ASX Small Ordinaries Accumulation Index	0.0	1.5	10.9	10.9	-0.1	4.2	6.7	6.6
Value Added	-1.1	4.3	3.9	5.1	-12.0	-3.5	2.1	1.8

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

Overview

The Trust was down 1.1%, lower than the benchmark which was flat.

At the Trust and Index level there was a significant diversion in stock performance with several stocks moving higher on profit upgrades, while more cyclical exposures were sold off.

There was also some transition selling in the market as two competing small- and microcap-focused funds closed. This was a drag on some of our positions, particularly less liquid names. This also provided an opportunity to add more to key positions, such as Alliance Aviation, on the temporary weakness.

Several stocks in the Trust provided positive results during the month and moved significantly higher – led by MedAdvisor and Catapult.

Cyclical stocks drifting lower with no news impacting names such as Experience Co (despite a solid March quarter update), Step One and People Infrastructure.

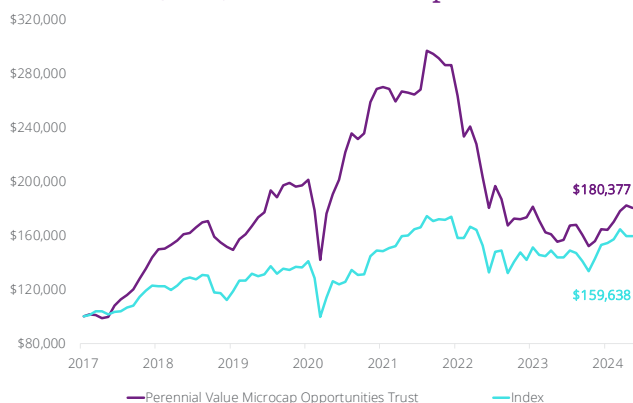
Less liquid names were most impacted by transition and tax loss selling. While this may create more weakness in June, in both cases this selling pressure finishes by 30 June. As a result, for those names with strong fundamentals we will use the weakness as a buying opportunity.

A potential offset to this in June is some positive news at month end in both Genetic Signatures and Immutep which should lift prices in June.

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).

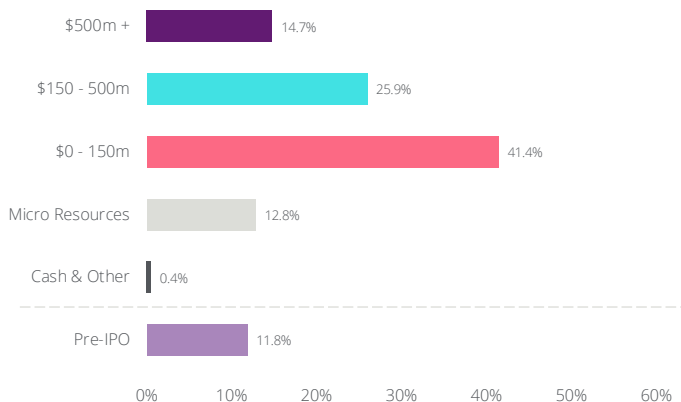
*Based on Perennial Value Management Forecasts. While due care has been used in the preparation of forecasts information, actual outcomes may vary in a materially positive or negative manner.

Growth of \$100,000 Since Inception



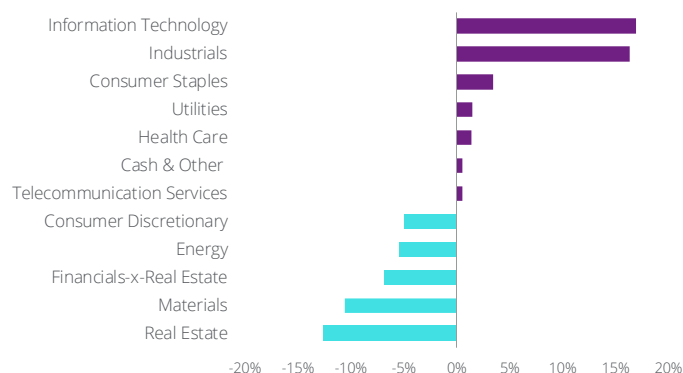
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

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	7.9	0.0
VEEM LTD	5.3	0.0
MEDADVISOR LTD	3.6	0.0
GOOD DRINKS AUSTRALIA LTD	3.5	0.0
DUG TECHNOLOGY LTD	3.4	0.0

Trust Review

Stocks providing solid profit updates during the month included:

- **MedAdvisor** (up 46.7%) attracted new investors after providing a material update to FY24 profit expectations – providing a range for revenue of \$120m-\$123m and EBITDA of \$6.8-\$7.6m as well as a maiden net profit. This is a material improvement on the prior year and reflects the improved competitive position in Australia and go-to-market strategy in the US under the relatively new management team.
- **Catapult** (up 32.1%) reported a strong FY24 result with 20% recurring revenue growth and expanded profit margins. CAT crossed a key inflexion point as it is now free cashflow positive. We expect continued strong growth in revenue and cashflow driven by the addition of new sports teams as well as selling more products per team. The recent growth of women's sport is also adding to the demand for Catapult's products.
- **Alliance Aviation** (up 1.0%) announced they will beat consensus forecasts for profit before tax of \$83.9m (a 60% improvement on the prior year). Most importantly, the engine sales which will complete in June will bring in material cashflow to reduce debt levels (a key concern of the market) and the profit on sale also reminds investors of how well timed their large fleet purchase was (with prices now higher given shortages in the industry). The price reaction was subdued, reflecting selling pressure from transitions in the market which now seems to be complete.

These positive developments were offset by the drag from more cyclical exposures such as **Experience Co** (down 23.5%), **Step One** (down 12.0%) and **People Infrastructure** (down 19.6%). We acknowledge the cyclical risk in these names but also balance this with the clear corporate appeal of each.

Camplify (down 15.7%) had the double whammy of transition selling and a temporary setback at their recent European acquisition. Migration of customers on the acquired PaulCamper business had a two month delay impacting bookings. Pleasingly, trends shown at the Investor Day showed a recovery in recent weeks. Demand is strong in other regions with the low-cost travel option resonating with customers while the supply side of the marketplace is also growing given a drop in price of campervans and a drive for increased income by owners. Hence, we used the weakness to materially add to our position.

Tax loss and transition selling significantly impacted less liquid names such as **Synertec** and **Felix** (both down 17.5%). Both remain in a high growth phase with stock-specific drivers which should drive the share price in the near term. Hence, we remain comfortable with our position in each.

The Trust finished with 53 positions and cash of 0.4%.

Market Review – Australia (%)


S&P/ASX Small Ordinaries Index	0.0
Energy	4.9
Materials	0.2
Industrials	-1.0
Consumer Discretionary	-6.2
Consumer Staples	-3.2
Health Care	3.5
Financials	-1.1
Real Estate	2.2
Information Technology	0.8
Telecommunication Services	-7.6



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

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