

	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)	-0.5	-6.0	-3.5	4.4	-13.4	-3.2	1.9	7.0
S&P/ASX Small Ordinaries Accumulation Index	4.6	2.7	10.3	12.3	3.1	4.3	5.1	7.1
Value Added	-5.1	-8.7	-13.8	-7.9	-16.5	-7.5	-3.2	-0.1

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

Overview

The Trust was down 0.5% net of all fees, underperforming the Small Ordinaries Index (the benchmark) which was up 4.6%. With very little active trading in the quiet January period it was more a case of our less liquid exposures being flat overall while more liquid benchmark stocks moved higher in sympathy with global markets.

We expect more company newsflow over the February reporting season and thus stocks to perform as these fundamental updates come through – for example there was no news for VEEM (down 21.5%) and thus a positive update on the 2H outlook could lead to a strong recovery and attract investors off the sidelines.

Likewise a more granular update on trading conditions for SciDev and MedAdvisor could lead to a recovery after both sold off on the limited quarterly information provided late in January.

Pleasingly we did see a strong start to corporate activity with three takeover bids at the tail of our portfolio allowing us to sell into this in two cases and increase concentration in the portfolio in better value and more liquid names with the proceeds.

We remain comfortable with the positioning of the Trust with a superior growth forecast* when compared to the Index, strong balance sheets (73% net cash) and a low earnings multiple (11.4x PE in FY26).

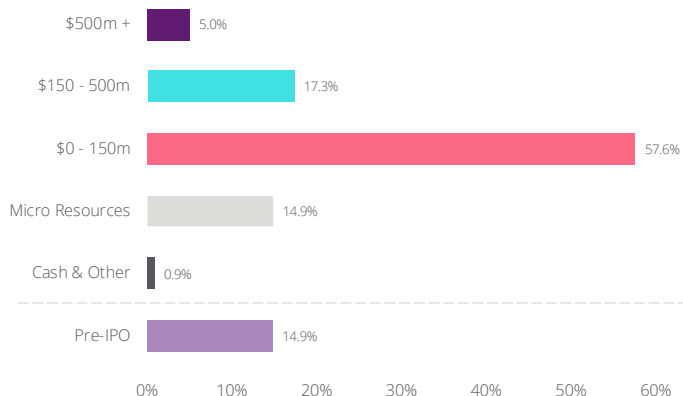
*Based on Perennial Value Management Forecasts. While due care has been used in the preparation of forecasts information, actual outcomes may vary in a materially positive or negative manner.

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

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, Sam Berridge & Peter Moller

APIR Code

WPC3982AU

Distribution Frequency

Annual

Minimum Initial Investment

\$25,000

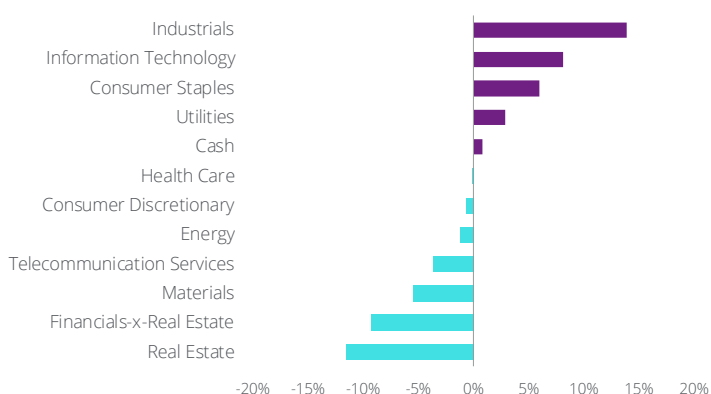
Trust Inception Date

February 2017

Fees

1.20% p.a. + Performance fee

Sector Active Exposure vs Index



Trust Review

While newsflow was limited there was some new information for certain stocks that still provided quarterly updates:

- **Cluey** (+37.8%) showed continued progress towards their goal of reaching cash positive trading in the near term. The return to net student growth was encouraging given the costs of acquiring these customers was also down
- **Microba** (+33.3%) provided clear signs of market traction with their testing product in both Australia and the UK

Many stocks had strong quarterly updates which were ignored or led to weakness in the share price, providing an opportunity to add more to the position:

- **Qoria** (-2.0%) showed excellent growth in ARR and maintained EBITDA margin guidance
- **Genetic Signatures** (-1.6%) delivered high growth in Australia for the second quarter but the market is still waiting for first significant sales in the US post FDA approval
- **Felix** (-6.5%) delivered 29% growth in recurring revenue and a second quarter of positive cashflow
- **Navigator** (-7.6%) demonstrated a return to FUM growth and positive performance in a period in-which other alternative managers had a more mixed outcome. The February full result may yet remind the market of the valuation appeal and the mostly USD earnings/cash generated by this business contrasted by a weak AUD share price

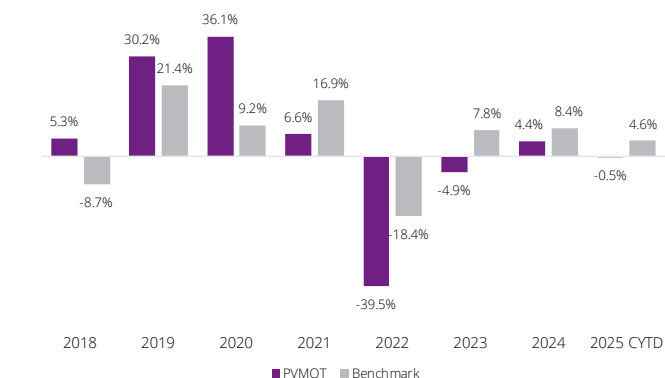
Quarterlies from **SciDev** and **Medadvisor** lacked sufficient detail to attract new investors and sold-off. However in the case of SciDev there was some positive progress taking their PFAS solution to the UK after securing their first European contract late last year in Sweden. The roadshow for both companies in February may provide the more granular update needed to attract new investors.

Camplify (up 23.6%) after a large offshore seller finished, ending months of pressure on the stock. This situation is a strong reminder on how far microcap stocks can move from fundamentals when caught up in non-fundamental selling pressure – the exact situation we look to take advantage of in a lot of cases

Finally we exited two small positions into takeovers enabling us to concentrate the portfolio in higher conviction names. A third takeover is set to complete in the next few months.

The Trust finished with 47 positions and cash of 1.1%.

Calendar Year Performance vs Benchmark



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.



Portfolio Managers: Andrew Smith, Peter Moller & Sam Berridge (left to right)

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