

	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	-8.5	8.3	-4.7	-3.4	-9.6	1.3	5.6
S&P/ASX Small Ordinaries Accumulation Index	2.7	2.7	20.6	22.8	12.1	7.5	8.7	8.8
Value Added	-3.8	-11.2	-12.3	-27.5	-15.5	-17.1	-7.4	-3.2

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

Overview

The Trust underperformed the Small Ordinaries Index (the benchmark) in January. The main drivers were weakness in some of the larger industrial holdings. Many of these names are relatively illiquid and increased volatility in January has seen some weakness.

Performance for the Trust in the month was positively impacted by the large exposure to the resources market via the Perennial Value Microcap Resources Trust. Weakness in VEEM, Felix Group and Micro-X detracted from performance with no specific news driving the stocks lower.

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.

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

Balmoral Investors
Tim Canham & Wik Farwerck

APIR Code

WPC3982AU

Distribution Frequency

Annual

Minimum Initial Investment

\$25,000

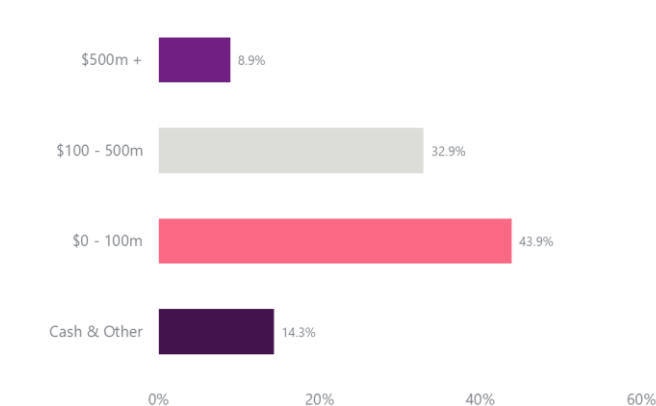
Trust Inception Date

February 2017

Fees

0.80% p.a. + Performance fee

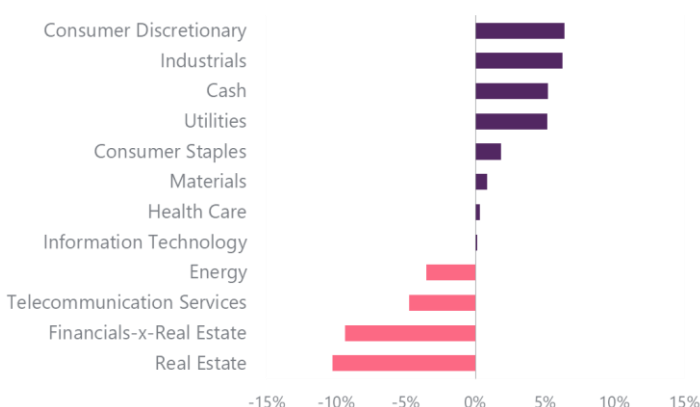
Market Capitalisation Exposure



Unlisted Australian Securities -18.30% at the time of investment

Top 5 Positions	Trust (%)	Index (%)
HANCOCK & GORE LTD	7.1	0.0
DE.MEM LTD	5.1	0.0
GOOD DRINKS AUSTRALIA LTD	4.8	0.0
MICRO-X LIMITED	4.2	0.0
FELIX GROUP HOLDINGS LTD	4.0	0.0

Sector Active Exposure vs Index



Trust Review

The portfolio transition, following the appointment of Balmoral Investors, continued in January. A focus on quality and return on capital invested underpins the investment philosophy. Raising portfolio liquidity and market capitalisation are primary goals.

Several transactions occurred in January, including:

- The exit of the position in Lark Distilling,
- Positions were reduced in several companies, including Hancock and Gore, Cluey, Felix Group and De.Mem.
- Following strength in the resources sector the Fund reduced its position in the Micro Resources Trust.
- New positions were added in SKS Technologies, Aurelia Metals and Baby Bunting.

A brief description of one of the new holdings in the Trust is below.

SKS Technologies (SKS)

SKS is a small electrical design, engineering, construction, and maintenance company with an amazing history. Originally founded in 1981 as KLM Electrical Contracting by today's two Board members Peter and Greg Jinks as a very small electrical cabling business, the business was sold to a listed technology company (Pracom) in 1999. Even though the two brothers stayed with the business, under new ownership, it only took 3 years for the business to dwindle down with too many products on offer, too much growth enforced and loss of its original culture. As luck would have it, after the two brothers resigned in 2003, the business was offered back to them, so they had a second run!

Today, the company displays many attributes that we look for in our investments:

A founder led (current CEO is Matthew Jinks, 16 years with the business with Peter and Greg on the Board) with a combined 36% family ownership. To us, this ownership likely safeguards prudent balance sheet and capital management as well as a higher likelihood of a strong corporate culture.

Case in point: the company has today 12% more shares on issue compared to 2020 despite a strong growth trajectory and it is debt free.

From humble beginnings as electrical cabling company, SKS is currently enjoying strong revenue and earnings growth through a well-controlled diversification (i.e. Data Centre Services): 1H15 revenue was up 116% on pcg and PBT grew from \$1.8m in 1H24 to \$8.4m in 1H25. The company has upgraded its earnings guidance for FY26 by 18% in February 2026.



Portfolio Managers: Tim Canham and Wik Farwerck (left to right)

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