

	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	-4.7	-1.1	-16.6	-7.2	-13.0	-5.1	3.1
S&P/ASX Small Ordinaries Accumulation Index	-3.2	-3.2	-3.2	1.8	7.5	2.2	4.4	6.7
Value Added	2.1	-1.5	2.1	-18.4	-14.7	-15.2	-9.5	-3.6

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

Overview

The Trust outperformed the Small Ordinaries Index in July, despite a weak market for small companies overall. Positive stock-specific contributors included Experience Co, following a potential M&A transaction, and Benz Mining, which rose strongly on new drilling results despite lower gold prices.

Negative contributors to performance included Elixir Energy, PC Gold, and exposure to the Micro Cap Resources Trust.

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

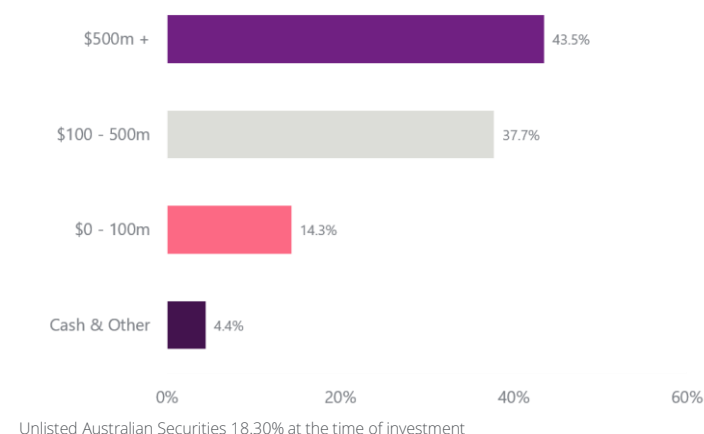
Trust Inception Date

February 2017

Fees

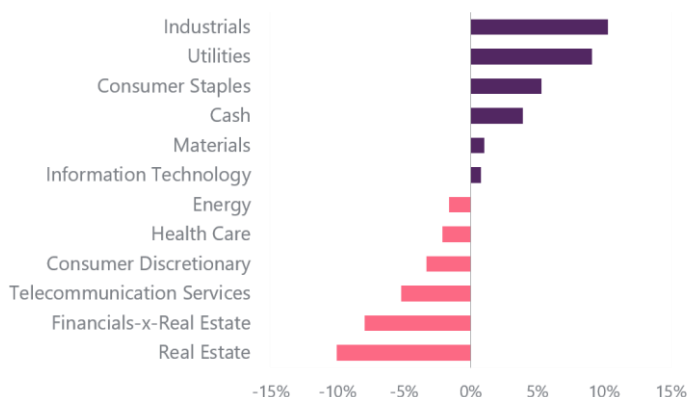
0.80% p.a. + Performance fee

Market Capitalisation Exposure



Top 5 Positions	Trust (%)	Index (%)
GOOD DRINKS AUSTRALIA LTD	9.5	0.0
De.Mem Ltd	8.2	0.0
KOALA COMPANY LTD	6.0	0.0
VEEM Ltd	5.3	0.0
DEEP BLUE COMPANY	5.2	0.0

Sector Active Exposure vs Index



Trust Review

The Trust increased its exposure to Fleetwood during the month. The rationale and investment thesis are summarised below.

Fleetwood operates in the modular building and village accommodation sectors. Balmoral believes a combination of strategic portfolio changes and improving earnings quality should support a re-rating of the company, as annuity-style accommodation income becomes a larger contributor to profit and cashflow from FY28.

Key catalysts:

Strategic acquisition of Red Dog Village – 16 July 2026. Fleetwood announced the acquisition of Red Dog Village, a large accommodation facility in Karratha, for approximately \$20 million plus GST, with operational control expected from January 2027. The acquisition is expected to strengthen Fleetwood's Community Solutions platform in Western Australia.

Divestment of RV Solutions – 16 July 2026. Fleetwood announced the sale of its RV Solutions segment, including Camec, to sharpen its focus on core modular building and accommodation operations. Reported net cash realisation is expected to be approximately \$7.8 million in FY27, with restructuring costs of around \$10–12 million and completion expected by 1 September 2026.

Expected improvement in ROIC and earnings quality. Balmoral's thesis is that these factors should materially lift ROIC and improve earnings quality as annuity-style income increasingly dominates the P&L and cashflows from FY28. The internal model summary page below illustrates this view (Balmoral Investors estimates).

Share Price: \$2.23

Our Target Price: \$4.90

Potential Upside: +119.9%

Fleetwood (AUD\$m)	FY25A	FY26E	FY27E	FY28E	FY35E
Sales	505	488	356	423	351
EBITDA	54	55	50	80	27
EBITDA margin (%)	10.7%	11.2%	14.1%	18.9%	7.7%
EBIT	36	38	33	63	12
NPAT (adjusted)	25	27	24	44	8
ROE (%)	15%	16%	15%	30%	5%



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

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Signatory of:

 PRI



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