

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since inception^ (% p.a.)
Perennial Value Smaller Companies Trust (Net)	-2.7	-1.2	5.1	23.3	16.4	14.8	11.1
S&P/ASX Small Ordinaries Accumulation Index	-0.3	-1.5	4.1	18.4	13.5	11.7	7.0
Value Added	-2.4	0.3	1.0	4.9	2.9	3.1	4.1

^Since inception: March 2002. Past performance is not a reliable indicator of future performance.

Overview

The Trust was down 2.7% (net of all fees) compared to the Index which was down 0.3%.

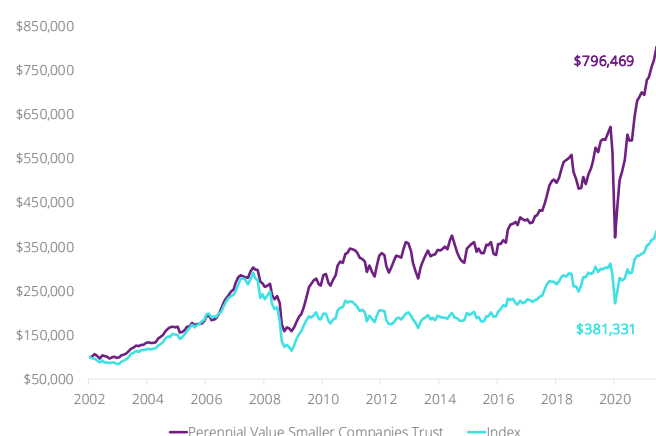
The bulk of the weakness was despite no company news flow with some growth stocks (where we see value) coming under pressure from offshore comps – namely Betmakers Technology and Doctor Care Anywhere – in each case, we believe fundamentals are actually improving.

Energy names were also weaker as oil prices were down sharply, impacting Cooper Energy (down 15.5%) and Beach (down 15.1%).

More positive was the move in Capricorn Metals (up 18.7%) ahead of Index inclusion as well as the largest holding, Alliance Aviation (up 12.8%) after a positive AGM update.

The portfolio-average PE ratio of 12.2x remains at a sizeable discount to the index which is 18.4x for FY23.

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 Smaller Companies 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, Julian Guido & Marco Correia

Trust FUM

AUD \$224 million

Distribution Frequency

Half yearly

Minimum Initial Investment

\$25,000

Trust Inception Date

March 2002

Fees

1.20% p.a. + Performance fee

APIR Code

IOF0214AU

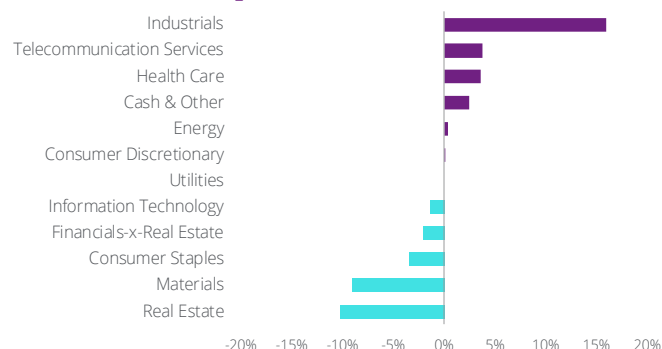
Portfolio Characteristics – FY23	Trust*	Index**
Price to Earnings (x)	12.2	18.4
Price to Free Cash Flow (x)	9.7	18.2
Gross Yield (%)	4.1	2.9
Price to NTA (x)	2.2	2.5

Source: *Perennial Value Management as at 30 November 2021. **FactSet forecast as at 30 November 2021

The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

Top 10 Positions	Trust (%)	Index (%)
ALLIANCE AVIATION SERVICES LTD	5.8	0.0
SRG GLOBAL LTD	3.5	0.0
INTEGRAL DIAGNOSTICS LTD	3.4	0.3
NAVIGATOR GLOBAL	3.3	0.0
SUPERLOOP LTD	3.2	0.0
SEVEN GROUP HOLDINGS	3.1	1.2
CLASS LTD	2.6	0.0
COOPER ENERGY LTD	2.5	0.1
VIVA LEISURE LTD	2.5	0.0
FLETCHER BUILDING LIMITED	2.3	0.8

Sector Active Exposure vs Index



Trust Review

Our largest holding **Alliance Aviation Services** (+12.8%) provided a positive trading update and clearly outlined the timing of new aircraft entering the fleet over FY22 – while this will make a limited impact this year, we expect a material lift in FY23 as regional tourism continues to recover.

OFX was up 28.5% with strong half year 2022 results, with net operating income growing 27%. We remain constructive on management's strategy and ability to capture higher value customers and drive operating leverage as net operating income grows.

Capricorn Metals, up 18.7%, as the market continues to warm towards its Mt Gibson gold acquisition, and anticipation of inclusion in the GDx gold index, which should result in sustained passive buying demand near term.

Collins Foods (+10.2%) reported better than expected 1h21 results with Sales up 8.5% and EBITDA up 13.1%. Europe was the key highlight with EBITDA up 129% versus a COVID impacted prior period.

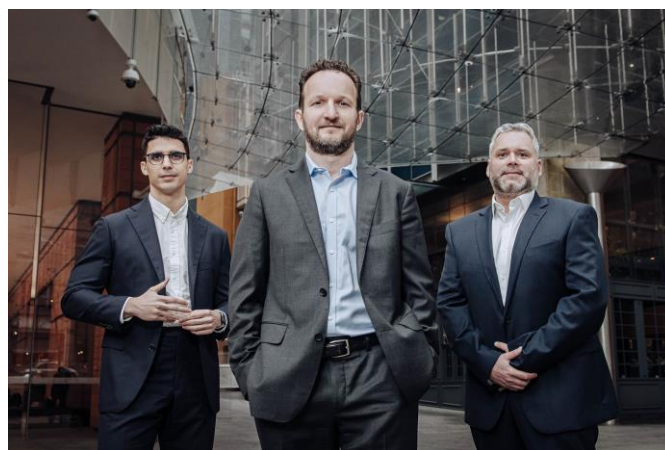
MAAS Group (+9.7%) hosted an investor day which reiterated existing guidance but provided increased clarity on the medium- and longer-term growth options from both its residential and commercial property divisions.

Two other stocks suffering from sector weakness but with no company-specific news flow were **Doctor Care Anywhere** (down 22.5%) and **Betmakers Technology** (down 26.2%). These moves were similar to weakness in peer companies offshore despite fundamental differences making the comparisons less accurate. Betmakers, for example, is a B2B operator and thus does not suffer from the higher marketing costs dragging the likes of PointsBet and DraftKings down; likewise, Doctor Care is also B2B focusing on Insurance companies.

At month end, the Trust finished with 63 positions and cash of 2.4%.

Market Review – Australia (%)


S&P/ASX Small Ordinaries Index	-0.3
Energy	-6.7
Materials	+3.2
Industrials	-1.5
Consumer Discretionary	-6.3
Consumer Staples	-0.8
Health Care	-3.4
Financials	-5.5
Real Estate	-1.7
Information Technology	+3.0
Telecommunication Services	-1.2
Utilities	+2.8



Portfolio Managers: Marco Correia, Andrew Smith and Julian Guido (left to right)

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