

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	2 Years (% p.a.)	3 Years (% p.a.)	5 Years (% p.a.)	Since inception [^] (% p.a.)
Perennial Value Smaller Companies Trust (Net)	-1.5	-0.4	-0.8	2.9	29.2	13.3	13.2	10.6
S&P/ASX Small Ordinaries Accumulation Index	-1.5	3.7	-0.4	2.9	19.9	7.6	9.6	6.7
Value Added	0.0	-4.1	-0.4	0.0	9.3	5.7	3.6	3.9

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

Overview

For the month of April, the Trust was down 1.5% (net of all fees) in line with the Index which was also down 1.5%.

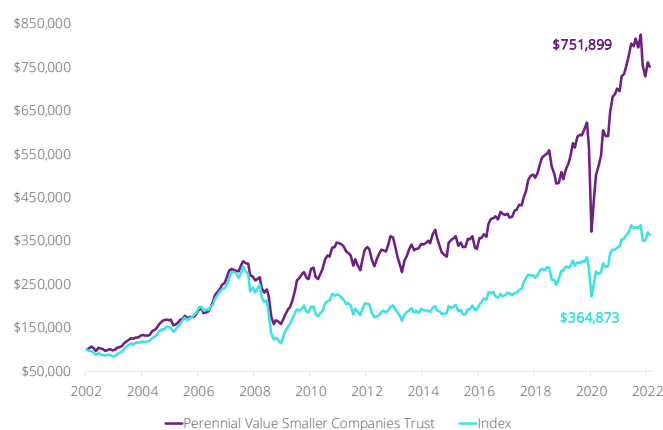
The market backdrop was generally weak with a mixed performance from Resources, while moves were mainly stock specific in Industrials (outside of a noticeable trend towards re-openers).

Several high profile growth names (not held in the Trust) were materially lower on earnings updates with EML Payments, Megaport and Life360 down between 31-47%. While the Trust benefitted from not owning these names it was offset by the strong performance of Coal names in the Index (which we don't own given our exclusion on an ESG basis).

For the Trust, the best performers were Viva Energy, Genetic Signatures, GUD and Elders. Platinum moved lower with disappointing performance given their China exposure, while less liquid names like Veem and Limeade were also a drag.

The portfolio-average PE ratio of 11.9x remains at a sizeable discount to the index which is 15.2x for FY24.

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 \$213 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

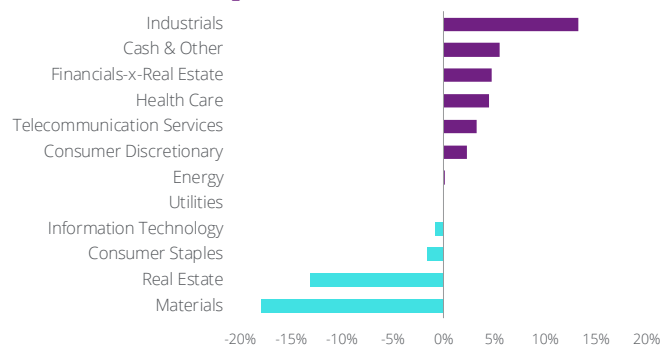
Portfolio Characteristics – FY24	Trust*	Index**
Price to Earnings (x)	11.9	15.2
Price to Free Cash Flow (x)	7.8	15.0
Gross Yield (%)	4.4	3.6
Price to NTA (x)	2.7	1.9

Source: *Perennial Value Management as at 30 April 2022. **FactSet forecast as at 30 April 2022

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	5.4	0.0
NAVIGATOR GLOBAL INVESTMENTS L	4.5	0.0
COOPER ENERGY LTD	3.8	0.2
INTEGRAL DIAGNOSTICS LTD	3.5	0.3
SUPERLOOP LTD	3.0	0.0
SEVEN GROUP HOLDINGS LTD	3.0	1.2
RPM GLOBAL HOLDINGS LTD	2.5	0.0
CSR LTD	2.4	1.1
FLETCHER BUILDING LTD	2.3	0.6
VIVA LEISURE LTD	2.2	0.0

Sector Active Exposure vs Index



Trust Review

Viva Energy (+19.6%) performed well as refining margins improved in the March quarter and retail volumes grew despite disruption from Omicron and east coast floods. Commercial fuel volumes were stronger at +12% with Aviation sales a key driver.

Genetic Signatures (+10.7%) with year-to-date sales up 34% and \$10m of positive cashflow thus far. Domestic COVID tests have been a strong driver historically but will clearly decline going forward so it was encouraging to see International sales, mainly from Europe, move to 19% in the quarter and the Enteric detection kit selected as the national test for Public Health Wales.

GUD Holdings (+10.7%) reflecting broader interest post an in-person investor day and site tour, which our team attended, showcasing all divisional managers. We thought the presentations for recent acquisitions, APG and Vision-X, were impressive with business quality and unique growth drivers clearly demonstrated.

Both **Elders** (+7.4%) and **Ridley** (flat) outperformed the broader benchmark as good domestic agricultural growing conditions and robust commodity prices continued to play out during the month.

Superloop (+1.1%) provided a solid update during the month, announcing the completion of the sale of its Hong Kong and Singaporean assets which were above book value – this is a very significant announcement which de-risks the investment case as the company now moves to a net cash position. Importantly, they also provided a positive trading update for 3Q22 and re-affirmed FY22 EBITDA guidance. We are encouraged by the good momentum within all three operating segments; the recovery of a few previously COVID-impacted areas of the business; and now the balance sheet strength to pursue additional organic and inorganic growth.

Maas Group (+5.1%) announced it increased its Corporate debt facility to \$500m from the current \$300m. It also executed non-binding term sheets on 3 acquisitions worth \$82m.

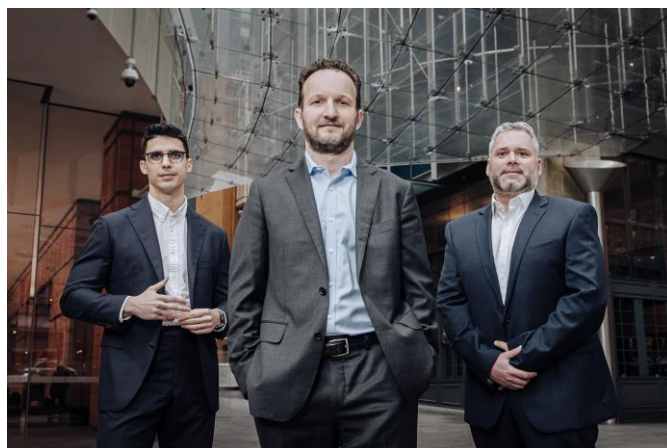
In Resources, stock moves were very diverse with the more speculative names in Lithium down sharply. Iron ore and scrap names were down modestly, while Coal names were the best performers. This divergence opened up an opportunity to start adding to Industrial metals in the sell-off (including some mid-cap names) as well as rotating into some capital raisings which will complete in early May.

Less liquid names such as **Limeade** (down 13.8%), **Frontier Digital** (down 13.4%) and **Veem** (down 23.2%) drifted lower despite generally positive earnings updates. These moves were more reflective of the continued move by investors out of less liquid names as well as the technology sector.

At month end, the Trust finished with 62 positions and cash of 5.5%.

Market Review – Australia (%)


S&P/ASX Small Ordinaries Index	-1.5
Energy	+8.0
Materials	-2.0
Industrials	-0.8
Consumer Discretionary	-2.4
Consumer Staples	+6.7
Health Care	-1.5
Financials	+0.5
Real Estate	+0.4
Information Technology	-10.7
Telecommunication Services	-2.7



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

[Invest Online Now](#)

Contact us

 Level 27, 88 Phillip Street
Sydney NSW 2000

 1300 730 032

 invest@perennial.net.au

 www.perennial.net.au

Signatory of:

 PRI Principles for Responsible Investment

 Significant Investor Visa (SIV) Compliant

Issued by: Perennial Partners Limited (ABN 90 612 829 160) (Perennial) as a Corporate Authorised Representative (No. 1293138) of the Investment Manager Perennial Value Management Limited (ABN 22 090 879 904, AFSL No. 247293). Responsible Entity: Perennial Investment Management Limited (ABN 13 108 747 637, AFSL No. 275101). This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation and is not intended to constitute advertising or advice of any kind and you should not construe the contents of promotional statement as legal, tax, investment or other advice. This promotional statement does not constitute an offer or inducement to engage in an investment activity nor does it form part of any offer documentation, offer or invitation to purchase, sell or subscribe for interests in any type of investment product or service. You should read and consider any relevant offer documentation applicable to any investment product or service and consider obtaining professional investment advice tailored to your specific circumstances before making any investment decision. While every effort has been made to ensure the information in this promotional statement is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors. Investments in the Trusts must be accompanied by an application form. The current relevant product disclosure statements, additional information booklet, application forms and target market determination can be found on Perennial's website www.perennial.net.au. Use of the information on our website is governed by Australian law and is subject to the terms of use. No distribution of this material will be made in any jurisdiction where such distribution is not authorised or is unlawful.