

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	7 Years (% p.a.)	10 Years (% p.a.)	Since Inception^ (% p.a.)
Perennial Value Smaller Companies Trust (Net)	0.1	1.8	17.2	17.2	-5.0	3.6	6.4	6.6	8.8
S&P/ASX Small Ordinaries Accumulation Index	-1.4	-4.5	9.3	9.3	-1.5	3.7	6.2	6.4	5.8
Value Added	1.5	6.3	7.9	7.9	-3.5	-0.1	0.2	0.2	3.0

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

Overview

The Trust was up 0.1%, ahead of the benchmark which was down 1.4%. For the financial year 2024 the Trust was up 17.2% (net of all fees) compared to the Index which was up 9.3%.

The performance during the month was driven by a recovery in some out of favour names (such as Experience Co, Fleetwood and Envirosuite) as well as those stocks recently providing profit upgrades (such as MedAdvisor and Navigator).

The Trust's underweight position in the Materials sector also benefitted relative performance with the sector down 6.9%.

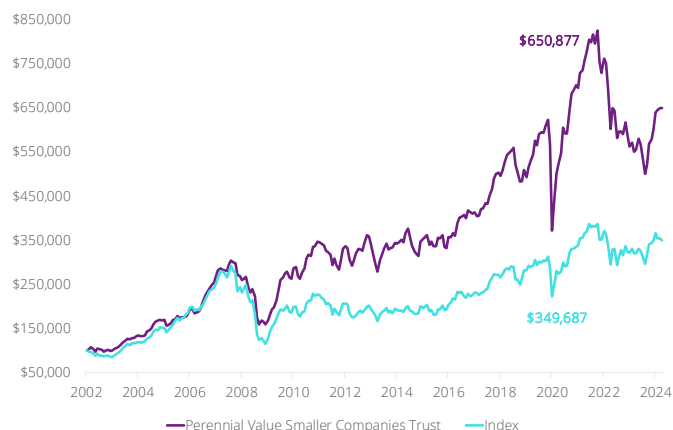
June saw the end of some significant transition selling in small and microcap names which we have previously discussed. In addition, any tax loss selling came to a natural conclusion.

Thus, for the beginning of FY25 we can expect more focus on fundamentals as the key driver of share price returns. On that front, we see continued weakness in domestic cyclical, particularly consumer names, while some other stocks in the engineering, education and healthcare sectors have stronger prospects.

We remain comfortable with the positioning of the Trust with superior growth forecasts* when compared to the Index, strong balance sheets (43% net cash) and a low earnings multiple (14.6x PE).

**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.

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 soon to be listed 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

APIR Code

IOF0214AU

Distribution Frequency

Half yearly

Minimum Initial Investment

\$25,000

Trust Inception Date

March 2002

Fees

1.20% p.a. + Performance fee

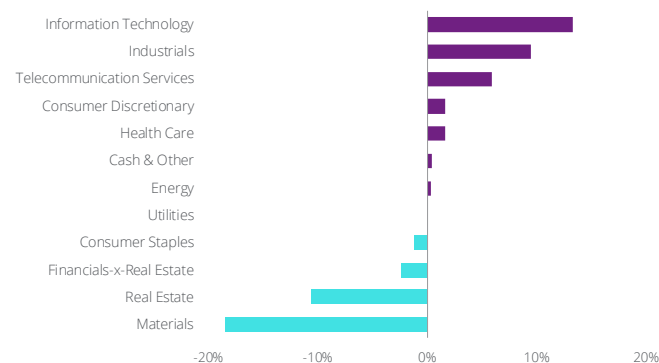
Portfolio Characteristics – FY25	Trust*	Index**
Price to Earnings (x)	14.6	15.2
Price to Free Cash Flow (x)	11.4	11.9
Gross Yield (%)	3.5	3.5
Price to NTA (x)	2.1	2.5

Source: *Perennial Value Management as at 30 June 2024. **FactSet, Goldman Sachs, Macquarie Securities and UBS forecast as at 30 June 2024.

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 (%)
QORIA LTD	7.4	0.0
MEDADVISOR LTD	4.2	0.0
ACROW FORMWORK & CON LTD	3.9	0.0
COOPER ENERGY LTD	3.5	0.2
GTN LTD	3.1	0.0
DUG TECHNOLOGY LTD	3.1	0.0
ALLIANCE AVIATION SERVICES LTD	3.0	0.0
VEEM LTD	2.9	0.0
EXPERIENCE CO LTD	2.9	0.0
SUPERLOOP LTD	2.6	0.0

Sector Active Exposure vs Index



Trust Review

Stocks contributing to performance during the month with positive newsflow included:

- **Envirosuite** (up 18.8%) after confirming press speculation of a takeover approach which is being considered as part of an ongoing strategic review.
- **Superloop** (up 13.8%) with March Quarter nbn data highlighting strong subscriber growth, both within Superloop's core brands and indirectly within its current and forthcoming wholesale customers.
- **Macquarie Technology** (up 12.9%) attributable to two favourable developments. Firstly, the company announced construction has begun at its new and highly anticipated IC3 Super West data centre. Secondly, the stock benefitted from continued investor demand for exposure to the artificial intelligence/data centre thematic.
- **Navigator Global Investments** (up 9.7%) performed well after upgrading FY24 EBITDA guidance to between \$85 and \$89m. Previous market consensus was approximately \$77m. Both of the company's key divisions (Lighthouse and NGI strategic) outperformed expectations.
- **GQG Partners** (up 8.0%) with FUM reported for 31 May 2024 of US\$150.1bn up from US\$142bn in April.

Several stocks with lower market caps continued to attract investor interest as investors continued to broaden their interest from mainstream stocks:

- **Experience Co** (up 30.8%) continued to perform well following the announcement of a strategic review in late April.
- **MedAdvisor** (up 13.6%) continued to attract new investors after their strong profit upgrade in May.
- **Fleetwood** (up 8.4%) recovered after being caught up in transition selling.

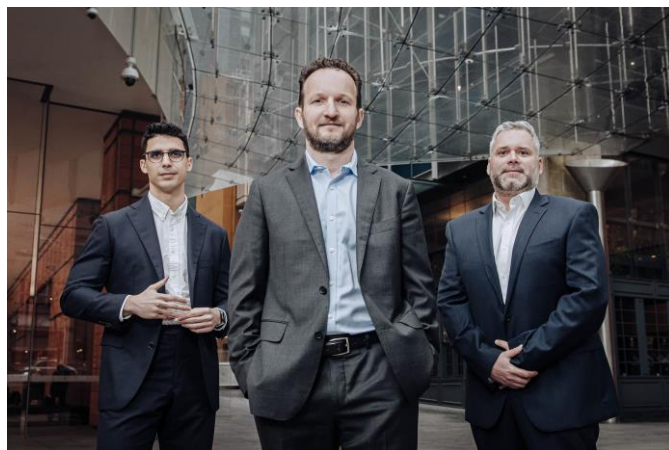
Hansen (down 4.4%) after mixed news with the retirement of its CEO and a contract extension/upsell. Medium-term prospects are solid, driven by operational improvements (within its recently acquired business) as well as expansion into the German utility software market and favourable end-market trends.

Veem (down 3.3%) provided a trading update with net profit expectations for 2H24 higher than market consensus. The company also made some positive management changes, promoting their COO to CEO, and hiring a new CFO. The subdued response likely reflects the view from some short-term traders that the profit upgrade has already been factored in – however our view is we are yet to see any positive benefits from the Sharrow deal which remains a key driver for FY25 profits and beyond.

The Trust finished with 61 positions and cash of 0.5%.

Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	-1.4
Energy	-10.4
Materials	-6.9
Industrials	1.1
Consumer Discretionary	2.6
Consumer Staples	0.0
Health Care	3.7
Financials	3.8
Real Estate	-1.4
Information Technology	0.9
Telecommunication Services	-0.8



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

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