

	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)	-2.4	-0.3	-0.3	14.1	-7.0	2.8	5.9	5.6	8.7
S&P/ASX Small Ordinaries Accumulation Index	-2.0	0.0	1.4	8.5	-2.9	3.9	5.9	5.8	5.8
Value Added	-0.4	-0.3	-1.7	5.6	-4.1	-1.1	0.0	-0.2	2.9

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

Overview

The Trust was down 2.4% net of all fees, compared to the Small Ordinaries Index (the benchmark) which was down 2.0%.

Global markets started August with a large selloff driven by the Yen carry trade unwinding and impacting most asset classes. Attention then turned to August reporting season providing some recovery.

Against this weaker backdrop our resource exposures were impacted (e.g. Metals Acquisition Corp down 10.9% and Cooper Energy down 15.2%) – in both cases despite solid results for the reporting period but with the market instead pricing in uncertainty on the future.

On the Industrial front we had a strong reporting season with 65% of our companies reporting in-line results and 29% beating expectations for the FY24 result. Boards and management teams tended to take a conservative view on forward guidance, thus analyst moves for the year ahead were more subdued with 52% left inline and 21% translating to upgrades for future years.

By implication there were several stocks which delivered well in FY24 but this has not translated into higher earnings expectations for FY25. We see opportunities in these stocks as management teams undertake roadshow meetings over September to better articulate the outlook – we expect names such as Veem, Acrow, Alliance Aviation and Medadvisor to re-rate as the outlook is better understood. We remain comfortable with the positioning of the Trust with superior growth forecasts* when compared to the Index, strong balance sheets (48% net cash) and a low earnings multiple looking at FY26 (12.8x 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.*

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

APIR Code

IOF0214AU

Distribution Frequency

Half yearly

Minimum Initial Investment

\$25,000

Trust Inception Date

March 2002

Fees

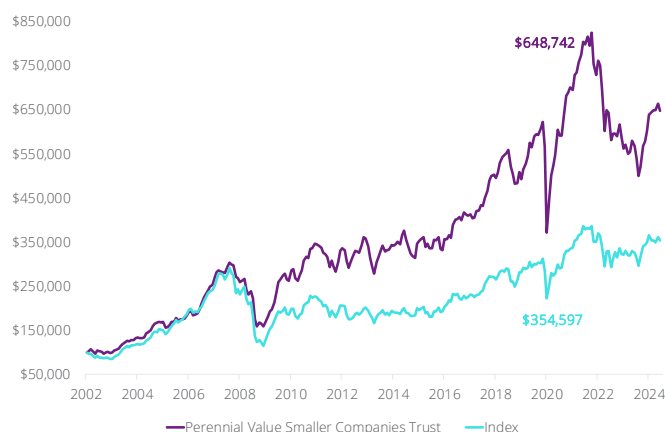
1.20% p.a. + Performance fee

Portfolio Characteristics – FY26	Trust*	Index**
Price to Earnings (x)	12.8	15.0
Price to Free Cash Flow (x)	9.8	11.9
Gross Yield (%)	4.4	3.8
Price to NTA (x)	1.8	2.5

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

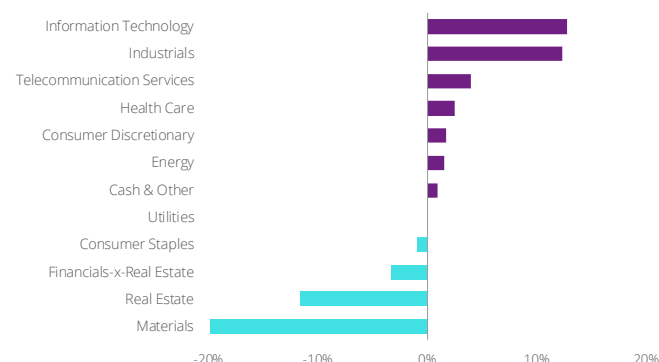
Growth of \$100,000 Since Inception



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.

Top 10 Positions	Trust (%)	Index (%)
QORIA LTD	6.6	0.0
VEEM LTD	4.3	0.0
DUG TECHNOLOGY LTD	3.9	0.0
ACROW FORMWORK & CON LTD	3.9	0.0
COOPER ENERGY LTD	3.7	0.2
GTN LTD	3.6	0.0
SRG GLOBAL LTD	3.3	0.0
MEDADVISOR LTD	3.1	0.0
GENETIC SIGNATURES LTD	3.0	0.0
ALLIANCE AVIATION SERVICES LTD	3.0	0.0

Sector Active Exposure vs Index



Trust Review

Earnings updates from portfolio companies were encouraging during the month, highlights included:

- **Universal Store** (+19.2%) – up again despite pre-releasing the FY24 result in July. The stock reacted positively to an accelerating L4L sales performance in 1H25, further detail behind UNI's strong margin execution and plans for further store rollout.
- **GTN** (+20.0%) performed well following a strong result and a turnaround story that continues to evolve. The outlook looks strong with a July/August trading update at +10% revenue growth, which is well above its media peers. Despite the impressive execution and earnings momentum, the business remains very cheap on sub 5x PE after adjusting for cash.
- **SRG Global** (+16.0%) after acquiring private water infrastructure firm Diona for \$111m. The acquisition, financed via a mixture of debt and equity was 10% earnings accretive for SRG.
- **Superloop** (+15.5%) delivered an exceptional result for FY24 and guidance for FY25. The turnaround from the time of our first investment has been pleasing to see with the domestic fibre assets now much better utilised post several smart acquisitions and organic growth in the Superloop consumer brand. Other non-core assets have been either divested or shut-down. Looking forward the deal with Origin Energy further adds to utilisation of the current asset base.
- **DUG Technology** (+14.0%) after reporting earnings slightly ahead of consensus, with a strong outlook. DUG is experiencing rapid growth from its Middle East business, which has overtaken the US for the number of active drill rigs.

Stocks which delivered well but so far have had a subdued response from the market were:

- **Acrow** (down 17.2%) reported a result in-line with guidance. FY25 outlook for double digit profit growth was slightly behind expectations. However, given the strength of the company's tender pipeline and potential acquisitions, this may prove conservative.
- **Medadvisor** (down 11.9%) reported strong revenue growth and moved into profitability for both EBITDA and net profit. The company gave encouraging medium term targets highlighting the expectation for continued strong growth in revenue and profit.
- **Experience Co** (down 6.5%) was down for the month following a result that was broadly in line with expectations. The business showed strong earnings momentum in July and should return to free cash flow generation in FY25

Gas producer **Cooper Energy** traded down 15.2% despite improving production from its Orbost operation and a tight outlook for gas markets. We look forward to news on financing solutions to its ECSP growth project in the coming months.

Early in September the changes to the Small Cap Index were announced with 6 of our portfolio companies being promoted to the Index for the first time. Identifying stocks before they become more widely followed as Index stocks is a key part of our strategy – hence seeing so many inclusions was particularly pleasing.

The Trust finished with 56 positions and cash of 0.9%.

Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	-2.0
Energy	-13.1
Materials	0.4
Industrials	-2.5
Consumer Discretionary	-3.7
Consumer Staples	-2.6
Health Care	2.3
Financials	0.3
Real Estate	1.3
Information Technology	-2.1
Telecommunication Services	-6.7



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

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Signatory of:

 Principles for Responsible Investment



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