

	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)	2.9	2.6	2.6	23.5	-5.9	2.4	6.4	6.5	8.8
S&P/ASX Small Ordinaries Accumulation Index	5.1	6.5	6.5	18.8	-0.6	4.4	6.5	7.0	6.0
Value Added	-2.2	-3.9	-3.9	4.7	-5.3	-2.0	-0.1	-0.5	2.8

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

Overview

The Trust was up 2.9% net of all fees, compared to the Small Ordinaries Index (the benchmark) which was up 5.1%. For the last 12mths the Trust is up 23.5% ahead of the benchmark which is up 18.8%.

The beginning of the rate cut cycle in the US boosted risk appetite as well as economic stimulus in China. Small Resources were up 7.2% for the month outpacing Industrials. We are underweight Resources overall given concerns regarding excess supply and continued weak demand in Iron Ore and Lithium.

We did however have good performance from areas where we are more positive such as Copper (Metals Acquisition +19.6% & Capstone +13.1%) as well as a new position in Bauxite (Metro Mining +19.4%). Our energy exposures by contrast were weaker reflecting short-term selling pressure despite improving stock and sector fundamentals – e.g. DUG -20.2% and Cooper Energy -5.1%.

Our largest holding, Qoria, performed well up 13.9% after announcing a new partnership in the UK as well as an acquisition and capital raise. There was strategic interest in Envirosuite (+75.6%) with Hitachi Construction Machinery investing \$10m at a premium and entering a collaboration agreement. Laggards given a lack of newsflow included VEEM (down 14.1%) and Genetic Signatures (down 11.3%).

The Trust has superior growth forecasts* when compared to the Index, strong balance sheets (43% net cash) and a low earnings multiple (13.5x PE on FY26 forecasts).

**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

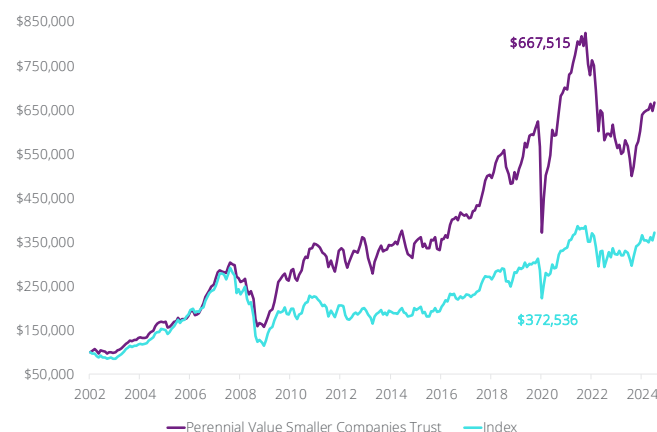
1.20% p.a. + Performance fee

Portfolio Characteristics – FY26	Trust*	Index**
Price to Earnings (x)	13.5	15.9
Price to Free Cash Flow (x)	10.7	12.7
Gross Yield (%)	3.5	3.8
Price to NTA (x)	1.9	2.6

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

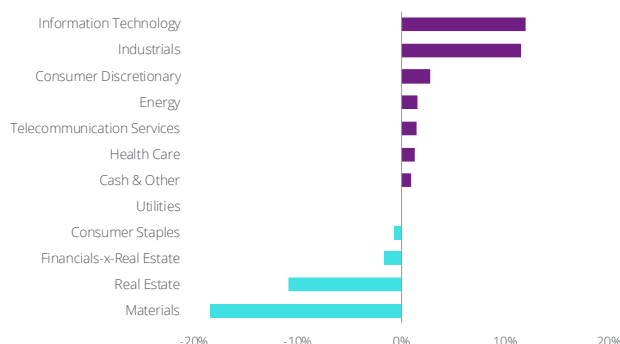
Growth of \$100,000 Since Inception



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	6.7	0.0
COOPER ENERGY LTD	4.5	0.2
ACROW FORMWORK & CON LTD	4.3	0.0
DUG TECHNOLOGY LTD	3.9	0.0
VEEM LTD	3.8	0.0
ALLIANCE AVIATION SERVICES LTD	3.3	0.0
MEDADVISOR LTD	3.1	0.0
UNIVERSAL STORE HOLDINGS LTD	3.0	0.0
GENETIC SIGNATURES LTD	2.9	0.0
ENERO GROUP LTD	2.7	0.0

Sector Active Exposure vs Index



Trust Review

Highlights for the month included:

- **Envirosuite** (+75.6%) rebounded from an oversold level after the strategic review process concluded with Hitachi Construction Machinery investing \$10m at a substantial premium and entering a collaboration agreement.
- Bauxite miner **Metro Mining**, a new position, rallied 19.4% as ship movements monitored throughout the month implied a solid quarter of production. Also, bauxite prices continued to tick up, increasing 4.7% in the quarter.
- **Acrow** (+16.0%) announced new hire contracts for the quarter of \$24.8m an impressive 51% higher than the same time last year. This growth was also supported by a larger debt facility.
- **Qoria** (+13.9%) announced a partnership with Schools Broadband in the UK. This opens up the opportunity to sell Qoria's market leading monitoring product to up to 1.5m students. This was followed by a capital raise to help fund the acquisition of OctopusBI, a data analytics firm.
- **Fletcher Building** undertook a significant equity raise of NZ\$700m thereby eliminating previous balance sheet concerns held by the market. Importantly, the stock finished the month 20.5% higher than the issue price.
- Recent Index inclusions also did well with **Gentrack** (+12.2%) and **RPM Global** (+12.8%) attracting new investor interest.

Laggards for the month were:

- Energy services company **DUG Technology** drifted down 20.2% as investors focused on some softer near-term sales commentary, rather than medium interest in DUG-Nomad, which the company believes could be bigger than the current core business.
- Gas producer **Cooper Energy** traded down 5.1% despite improving production from its Orbest 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.
- **VEEM** (down 14.1%) drifted as short-term traders lost patience given a lack of newsflow. This is despite several positives ahead for the company in the coming years such as defence opportunities (they are one of the few companies worldwide capable of large, high end propellor manufacturing) and the start of the Sharrow partnership (a revolutionary design to which VEEM now has exclusive rights for in-board applications).
- **Premier Investments** (down 12.7%) reported softer-than-expected results, dragged down by Smiggle and impacted by the outgoing management team. Pleasingly, results for Peter Alexander and Apparel Brands were strong with a potential merger with Myer an upcoming positive catalyst.

In all cases we added to our positions on weakness given improving fundamentals and more attractive valuations.

The Trust finished with 57 positions and cash of 0.9%.

Market Review – Australia (%)

S&P/ASX Small Ordinaries Index	5.1
Energy	9.3
Materials	7.3
Industrials	4.7
Consumer Discretionary	5.9
Consumer Staples	0.6
Health Care	8.3
Financials	3.3
Real Estate	4.1
Information Technology	8.8
Telecommunication Services	6.3



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

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