

	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)	-1.7	-4.3	-4.5	3.2	-5.2	1.9	3.0	6.0	8.3
S&P/ASX Small Ordinaries Accumulation Index	-2.8	-1.5	7.2	7.3	2.1	5.6	4.7	6.5	5.9
Value Added	1.1	-2.8	-11.7	-4.1	-7.3	-3.7	-1.7	-0.5	2.4

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

Overview

The Trust was down 1.7% net of all fees, outperforming the Small Ordinaries Index (the benchmark) which was down 2.8%.

Unlike the prior month there was a huge amount of newsflow to drive the fundamental value of the companies we hold, with the bulk of companies providing either half year or full year earnings announcements. Of the 48 company results from the Trust, 50% were in-line and 40% were ahead of expectations. For the year ahead this meant consensus upgrades of more than 3% for just over a third of the portfolio.

It was pleasing to see the portfolio deliver strong earnings results despite the mixed economic environment. This was against a very volatile period for the Australian market, with JPMorgan data showing volatility around results at a 20yr high.

Takeover activity has started to pick up again which also benefited the Trust. Envirosuite rose 63% after a takeover approach from a credible buyer who has now accumulated options over close to 15% of the company (despite this the stock still trades at a material discount to the bid price).

Overall the Trust has superior growth forecasts* when compared to the Index, strong balance sheets (40% net cash) and a low earnings multiple (11.6x PE on FY26 forecasts, a 29% discount to the benchmark).

**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

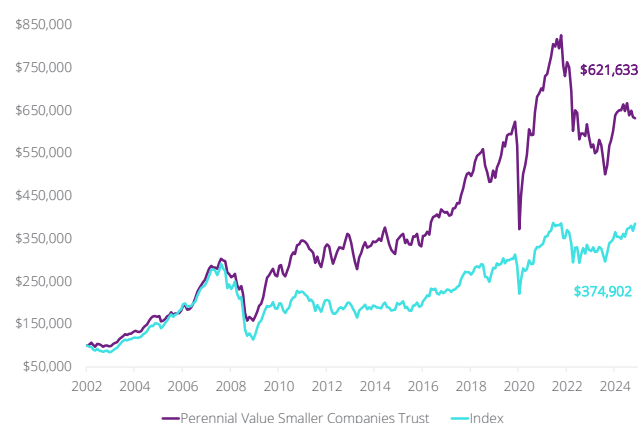
1.20% p.a. + Performance fee

Portfolio Characteristics – FY26	Trust*	Index**
Price to Earnings (x)	11.6	16.3
Price to Free Cash Flow (x)	10.5	13.1
Gross Yield (%)	3.6	3.3
Price to NTA (x)	1.5	1.7

Source: *Perennial Value Management as at 28 February 2025. **FactSet, Goldman Sachs, Macquarie Securities and UBS forecast as at 28 February 2025.

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.

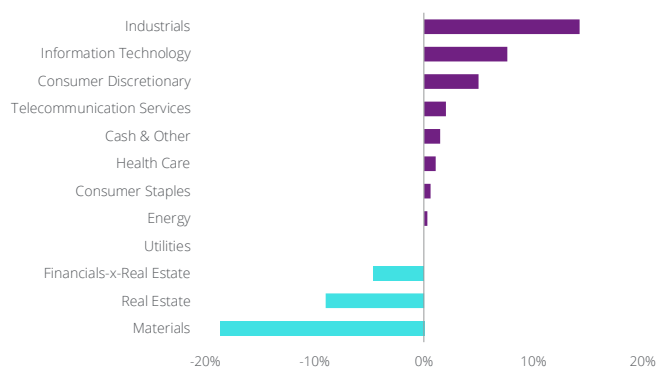
Growth of \$100,000 Since Inception



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 (%)
ACROW FORMWORK & CON LTD	5.2	0.0
QORIA LTD	4.5	0.0
ALLIANCE AVIATION SERVICES LTD	3.8	0.0
AMPLITUDE ENERGY LTD	3.6	0.2
DUG TECHNOLOGY LTD	3.5	0.0
NAVIGATOR GLOBAL INVESTMENTS LTD	3.3	0.0
LARK DISTILLING CO. LTD	3.1	0.0
GENETIC SIGNATURES LTD	3.0	0.0
EVT LTD	3.0	0.6
UNIVERSAL STORE HOLDINGS LTD	3.0	0.0

Sector Active Exposure vs Index



Trust Review

Many stocks in the portfolio delivered impressive results:

- **Fleetwood** (+26.6%) delivered earnings ahead of expectations and has strong earnings visibility for its Searipple accommodation asset. Pleasingly results were also improved for its previously underperforming Building solutions business
- **Navigator** (+25.2%) performed well after reporting 1H25 profit which exceeded expectations due to strong performance fees. Navigator's fund manager is performing well which should lead to positive fund inflows in the coming quarters.
- **Event Hospitality** (+23.4%) delivered a result ahead of market expectations but it was the intention to divest a key property asset which grabbed the market's attention. The property value in the portfolio has long underpinned our positive view on the valuation of the stock so it is pleasing to see the board take steps to start unlocking this
- **Experience Co** (+8.3%) reported a strong 1H25 result with 49% EBITDA growth, driven by growth in the company's Reef and Treetops Adventure businesses. The strong lift in earnings is in contrast with the share price which remains depressed despite the small bounce in February
- **Qoria** (flat for the month) reported a strong 1H25 result with ARR up 26%, expanded gross profit margins, and a very strong pipeline for future sales.

By contrast **MedAdvisor** (down 8.1%) was unable to provide certainty on an improved second half following a shift in the sales mix for the US business and thus continued to drift lower. We continue to see significant value in the Australia business which has high margins and stable revenue – and thus would prefer the focus of further capital remaining here rather than the volatile US business.

Of some of the stocks that had weaker results some were able to articulate a brighter picture for the remainder of the year:

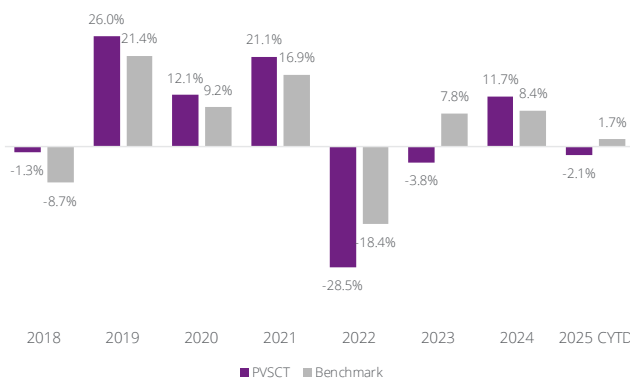
- Energy tech firm **DUG Technology**, finished 12.3% lower, albeit off its lows after reporting a strong increase in the order book for January which should drive improved earnings for the balance of CY25.
- **Veem** (down 8.4%) was summed up well by the CEO who said after a "Temporarily challenging half" they are "gearing up for a busy second half". Visibility for the rest of the CY25 is materially improved, especially for the propellor segment with orders on hand already exceeding revenue for CY24

Envirosuite received a takeover approach from Ideagen at a 133% premium to the prior closing price albeit the stock is still trading at a discount to the 10c bid price (+63.3% to close the month at 8.4c). We think the bid is credible and also de-risked to some degree given it came after the company reported a solid 1H25 result with 9% ARR growth and positive EBITDA.

We believe takeover activity will continue to increase with many of our portfolio companies likely targets given the attractive valuations at current prices.

The Trust finished with 56 positions and cash of 1.5%.

Calendar Year Performance vs Benchmark



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.



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

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Signatory of:

PRM Principles for Responsible Investment



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