

	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)	-4.6	-12.3	4.6	-1.9	0.1	-2.1	3.6	6.3	8.0
S&P/ASX Small Ordinaries Accumulation Index	2.7	2.7	20.6	22.8	12.1	7.5	8.7	9.5	6.7
Value Added	-7.3	-15.0	-16.0	-24.7	-12.0	-9.6	-5.1	-3.2	1.3

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

Overview

The Trust was down 4.6% net of all fees, underperforming the benchmark, which was up 2.7%. The trust was negatively impacted by the extreme divergence in performance between the resources sector (+12.5%) compared to the industrials sector (-2%). The fund benefited from mining positions such as Nexgen Energy (+33%), Capstone Copper (+9%), and mining services provider, Imdex Limited (+10%) but is underweight the sector overall.

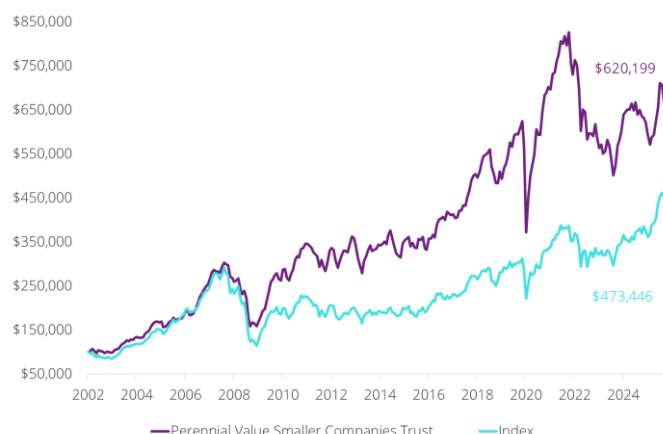
We held off reducing our underweight given the sharp moves upwards in gold and copper in the month created an elevated risk of a near term pullback. We will monitor any such pullbacks for an opportunity to reduce our underweight position relative to the benchmark given a solid medium-term outlook for gold and copper in particular.

Outside of the mining sector, two strong performers during the month were L1 Group (+15%), and Navigator Global Investments (+7%). Both benefited from strong fund performance which will drive better than expected performance fees. Microba (+17%) was another strong performer after reporting high growth in testing volumes for the quarter.

A major market theme for the month was the significant decline in the Technology sector due to market fears around the future impact of AI. The Trust was underweight this sector as a whole and reduced positions at attractive prices in earlier months, limiting the impact to small positions in Qoria and Gentrack. We view both as very defensive against future AI threats and thus oversold at current prices.

Another key theme for the month was the underperformance of smaller sized companies. Many of the fund's smaller market cap holdings are performing very well operationally, but sold off on no news during the month (Viva Leisure -13.9%, DUG -14.6%, Scidev -18%, People Infrastructure -23% and Veem -23.5%). We expect that the delivery of earnings newsflow in February and forward outlook statements will see a reversal of this trend given the strong value on offer in these names.

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	APIR Code
Andrew Smith & Julian Guido	IOF0214AU
Distribution Frequency	Minimum Initial Investment
Half yearly	\$25,000
Trust Inception Date	Fees
March 2002	1.20% p.a. + Performance fee

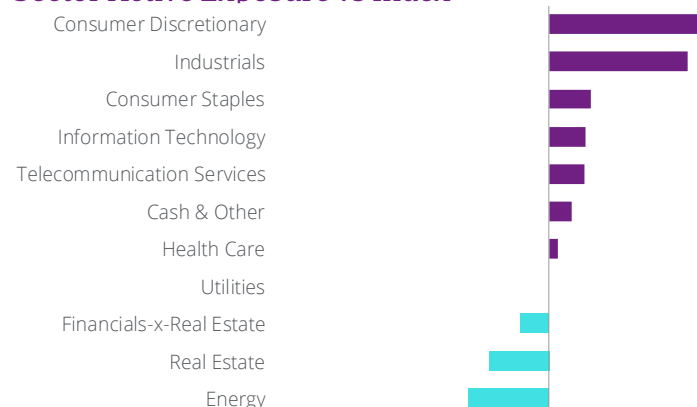
Portfolio Characteristics – FY26	Trust*	Index**
Price to Earnings (x)	13.0	18.8
Price to Free Cash Flow (x)	12.3	14.2
Gross Yield (%)	3.0	2.5
Price to NTA (x)	1.1	1.9

Source: *Perennial Value Management as at 31 January 2026. **FactSet, Goldman Sachs, Macquarie Securities and UBS forecast as at 31 January 2026.

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 (%)
ACROW LTD	4.6	0.0
DUG TECHNOLOGY LTD	4.6	0.0
NAVIGATOR GLOBAL INVESTMENTS LTD	4.4	0.0
VIVA LEISURE LTD	3.5	0.0
FLEETWOOD LTD	3.4	0.0
PEXA GROUP LTD	3.1	0.6
SCIDEV LTD	3.1	0.0
EXPERIENCE CO LTD	3.0	0.0
ALLIANCE AVIATION SERVICES LTD	3.0	0.0
MICROBA LIFE SCIENCES LTD	2.8	0.0

Sector Active Exposure vs Index



Trust Review

Positive contributors during the month included:

Nexgen Energy - (+33.4%) performed strongly driven by rising uranium prices and positive drilling results.

Microba (+17.1%) - after their quarterly report showed continued strong growth, with core testing volumes up 90% on the pcp.

L1 Group (+15.5%) - performed well after the company reported higher than expected performance fees, and better net flows in their quarterly AUM report.

Imdex Limited (+10.2%) - performed because the company will be a key beneficiary of recent higher commodity prices (particularly gold) as it will result in increased exploration budgets from mining companies.

Capstone Copper Corp - (+9.2%) benefitted from rising copper prices and record quarterly production.

Navigator Global Investments - (+7.1) rose after the company's quarterly AUM report showed strong performance for the company's funds which is likely to result in higher performance fees than market expectations. The company also said the outlook for net flows was positive.

Detracting from performance during the month were:

Qoria - (-42.7%) reported a mixed quarter with cashflows slightly behind expectations, but with a very positive outlook for second half recurring revenue growth. We viewed the selloff as overdone and added to the position during the month. Subsequent to month end Qoria entered into a very attractive merger agreement with US based Aura.

Several positions in smaller market cap names underperformed despite no news for the month including **Veem** -23.5%, **People Infrastructure** -23%, **Scidev** -18.1%, **DUG** -14.6%, **Viva leisure** -13.9%.

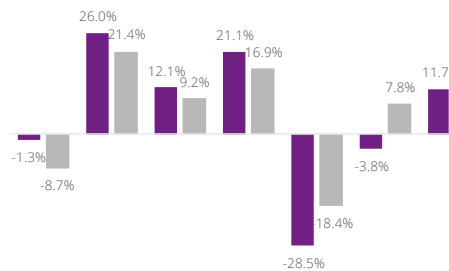
Gentrack (-11.5%) continued to decline in line with other ASX300 and global software stocks despite a positive investor day in the prior month, and being at what we view as the lower end of risk from competition from new AI based players.

The Trust finished with 55 positions and cash of 1.7%.



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

Calendar Year Performance vs Benchmark



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