

	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	0.8	-1.7	-13.8	-2.5	-7.0	-1.0	3.3	7.2
S&P/ASX Small Ordinaries Accumulation Index	-3.2	-3.2	-3.2	1.8	7.5	2.2	4.4	5.8	6.0
Value Added	1.5	4.0	1.5	-15.6	-10.0	-9.2	-5.4	-2.5	1.2

^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 benchmark, which was down 3.2%.

Australian small-cap equities remained under pressure during the month, with investors continuing to favour larger and more liquid companies. Market sentiment was cautious ahead of the August reporting season, while elevated interest rates and uncertainty around the earnings outlook due to the current economic environment continued to weigh on the smaller company universe.

Performance remained highly dispersed at the individual company level, with the market rewarding businesses that delivered clear operational progress or positive strategic developments, while those facing greater earnings uncertainty experienced sharp share price weakness. This environment continues to create opportunities for active investors, particularly where market volatility has become disconnected from underlying company fundamentals.

Heading into the August reporting season, we believe the portfolio is well positioned across companies with sound balance sheets, improving earnings momentum and sensible valuation support. While reporting season is likely to remain volatile, we expect greater visibility on the FY27 outlook to increasingly highlight the underlying fundamentals across the portfolio.

The portfolio metrics are healthy at a 29% discount to the market P/E ratio and 47% discount on Price to Free cashflow.

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

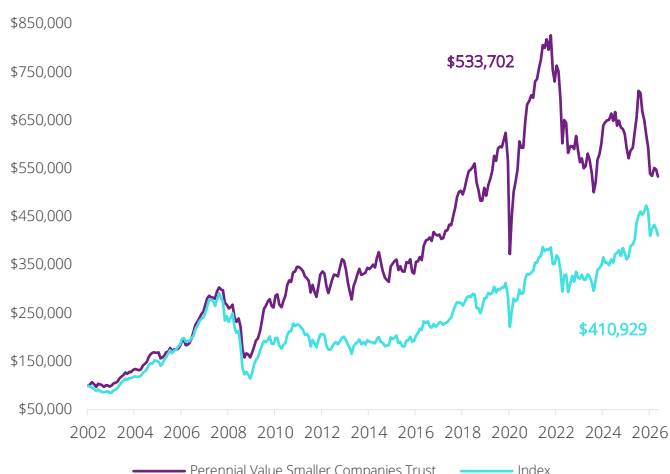
1.20% p.a. + Performance fee

Portfolio Characteristics – FY27	Trust*	Index**
Price to Earnings (x)	9.6	13.6
Price to Free Cash Flow (x)	7.6	14.4
Gross Yield (%)	3.2	4.0
Price to NTA (x)	0.9	2.1

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

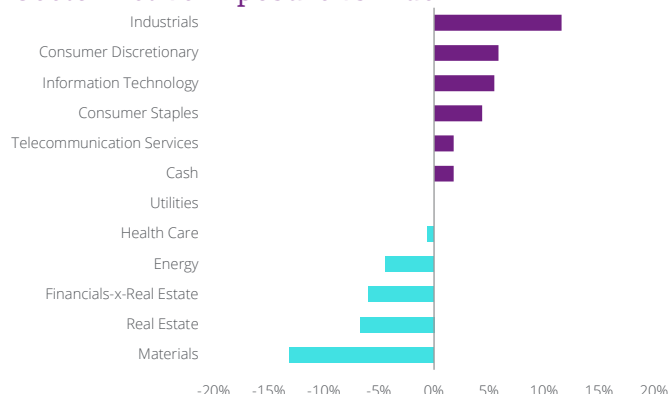
Growth of \$100,000 Since Inception



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 (%)
Viva Leisure Ltd	5.5	0.0
DUG Technology Ltd	5.0	0.0
Navigator Global Investments Ltd	4.9	0.0
Lark Distilling Co Ltd	4.9	0.0
Experience Co Ltd	3.8	0.0
Schoolblazer Ltd	3.7	0.0
EVT Ltd	3.5	0.5
VEEM Ltd	3.3	0.0
Service Stream Ltd	3.1	0.5
Smartgroup Corp	2.9	0.6

Sector Active Exposure vs Index



Trust Review

Attributing to the portfolio for the month of July;

Microba (+33.3%) rose in July following a positive quarterly update, with testing volumes delivering another period of quarter-on-quarter growth as adoption continued to build across its key markets. The company also renewed its distribution agreement with SYNLAB, maintaining an important channel for the sale of its microbiome testing products across international markets. Importantly, management reaffirmed its pathway to group breakeven, supported by continued volume growth, operating leverage and ongoing cost discipline.

Fleetwood (+30.0%) was a positive attributor for the month following several positive corporate updates, led by the acquisition of Red Dog Village, a 2,169-room worker accommodation facility in Karratha. The acquisition significantly expands Fleetwood's presence in the Pilbara and has the potential to contribute \$10–20 million of annualised EBIT, depending on occupancy and market conditions, while complementing its existing Searipple Village operations. The company also reported a stronger-than-expected June cash balance and agreed to divest its non-core Camec business, further simplifying the group and allowing management to focus capital on its higher-quality Community and Building Solutions divisions.

Experience Co (+29.3%) following an announcement regarding its Skydive business, with the company proposing to combine its Australian and New Zealand skydiving operations with New Zealand-based Inflight Group. Under the proposed transaction, Experience Co would receive \$41 million of upfront cash, a \$5 million vendor note and retain a 32.5% interest in the combined business. The transaction would strengthen the balance sheet, crystallise value from the division and provide greater flexibility for future investment or capital management.



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

Veem (+26.6%) rose with the share price move reflecting a delayed reaction to the positive trading update released in June, as well as an unwind of the tax-loss selling that weighed on the stock late in the financial year. The update highlighted a significant improvement in second-half trading, supported by increased defence activity and a recovery in marine propulsion demand, with FY26 revenue and EBITDA guidance reaffirmed. With the factory expansion now complete and new machinery being commissioned, the company is well positioned to benefit from increased capacity and stronger activity going into FY27.

Lark (+4.0%) contributed positively through the month following a solid quarterly update, with fourth-quarter net sales increasing 44% and full-year sales rising 15%. Growth was led by Global Travel Retail, where sales more than doubled following the rollout of the new Signature Whisky Range, alongside encouraging early performance in the domestic market. The update highlighted improving sales momentum as the company continues to reposition the brand and broaden distribution, while retaining a strong balance sheet supported by its valuable whisky bank, which remains a strategic asset for future growth.

Detracting from the portfolio during the month;

PEXA (-28.0%) detracted during July following the release of IPART's draft review of electronic conveyancing fees, which proposed a reduction in PEXA Exchange's regulated revenue requirement. The draft outcome created some near-term uncertainty around the earnings outlook, while softer housing transaction volumes and broader weakness across housing-exposed companies also weighed on sentiment. The recommendations remain subject to consultation and would not take effect before FY28.

Cobram Estate Olives (-26.4%) performed weaker through July following an Australian harvest update that confirmed lower production due to the expected off-year cycle and below-average oil content. Sentiment was also affected by elevated water costs and uncertainty regarding a disputed purchase-price adjustment relating to the California Olive Ranch acquisition, although integration remains on track and the company expects a substantially stronger Australian harvest in 2027.

Navigator Global Investments (-7.6%) was down through July despite delivering a positive June-quarter AUM update, with ownership-adjusted AUM increasing 6% to US\$33.6 billion, supported by net inflows and strong investment performance across the portfolio. Lighthouse remained a standout, with AUM reaching a record US\$20.3 billion and continued growth across its higher-fee hedge fund strategies. While the update was not reflected in the share price through the month, we remain positive heading into the full-year result in August, where further detail on earnings momentum and the recently completed Stable Growth Portfolio acquisition should provide greater clarity on the outlook.

The Trust finished with 56 positions and cash of 1.8%.

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