

	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)	2.8	0.5	1.0	-15.6	-0.9	-7.2	-0.3	3.3	7.3
S&P/ASX Small Ordinaries Accumulation Index	5.2	-0.2	1.8	-1.2	9.8	2.2	5.7	6.5	6.2
Value Added	-2.4	0.7	-0.8	-14.4	-10.7	-9.4	-6.0	-3.2	1.1

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

Overview

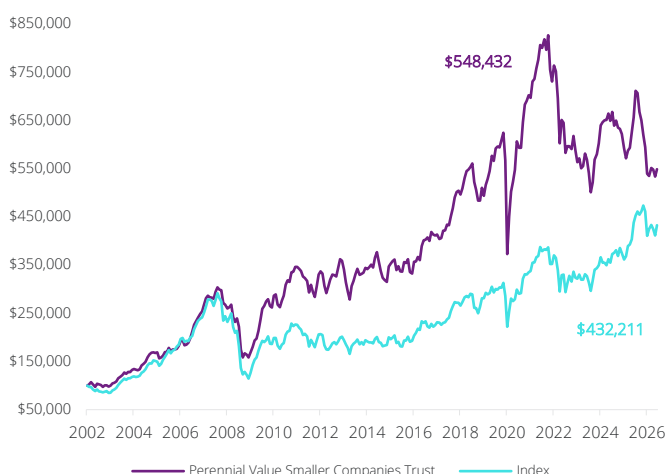
The Trust was up 2.8% net of all fees, underperforming the benchmark, which was up 5.2%.

Through August we saw a significant divergence across the small cap market with the Small Resources Index rising 17.4% compared with a more modest 0.2% gain for Small Industrials. Resource stocks benefited from strong commodity price performance, particularly across gold and other precious metals.

August was also an exceptionally busy month for the market with reporting season providing greater visibility across earnings, balance sheets and the outlook for the year ahead. Encouragingly, the majority of portfolio companies delivered positive fundamental updates, with results generally meeting or exceeding expectations and management teams providing constructive outlook commentary into FY27. While share-price reactions remained varied across the market, the underlying operating performance across the portfolio continues to provide confidence in the earnings and growth outlook for the year ahead.

The portfolio metrics are healthy at a 35% discount to the market P/E ratio and 29% discount on Price to Free cashflow.

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

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

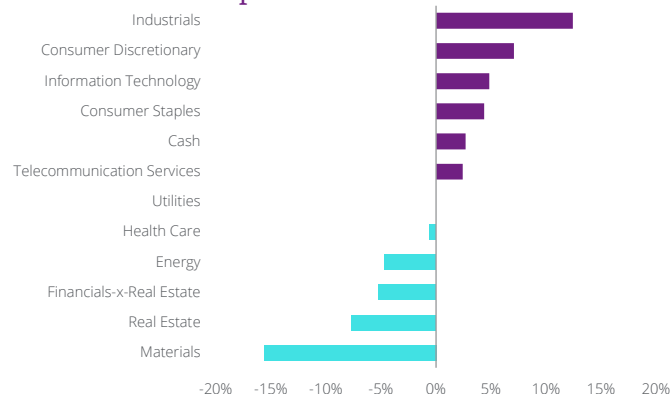
Top 10 Positions	Trust (%)	Index (%)
Viva Leisure Ltd	5.5	0.0
Navigator Global Investments Ltd	5.3	0.0
Dug Technology Ltd	5.0	0.0
Lark Distilling Co Ltd	4.9	0.0
Schoolblazer Ltd	4.4	0.0
EVT Ltd	3.9	0.5
Experience Co Ltd	3.7	0.0
Fleetwood Ltd	3.4	0.0
Capricorn Metals Ltd	3.3	0.0
Koala Company Ltd	2.9	0.0

Portfolio Characteristics – FY27	Trust*	Index**
Price to Earnings (x)	11.6	17.7
Price to Free Cash Flow (x)	8.8	12.3
Gross Yield (%)	2.5	3.6
Price to NTA (x)	0.9	1.6

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

Sector Active Exposure vs Index



Trust Review

Attributing to the portfolio for the month of August;

Koala (+39.3%) performed strongly through August following its first full-year result since listing, delivering an excellent FY26 outcome with strong revenue growth, significant EBITDA expansion and earnings ahead of prospectus expectations. The result highlighted the continued strength of Koala's international growth strategy, with the US remaining the standout market as the business continues to scale rapidly. Looking into FY27, continued momentum in the US alongside the early-stage expansion into the UK provides a meaningful runway for further growth, while increasing international scale should continue to support earnings and margin expansion.

SciDev (+31.8%) rose through August, primarily following the announcement of its first data center related work, where the company secured engagements with two of Australia's largest hyperscale data center operators. While the initial revenue contribution is modest, the work provides an important entry point into a rapidly growing market and highlights the relevance of SciDev's water treatment and management capabilities. With significant investment continuing across Australian data center infrastructure, the opportunity has the potential to become a meaningful new growth channel for the business over time.

Capricorn Metals (+29.3%) was a strong contributor for the month, benefiting from a significant rally across the resources sector and further strong performance in gold spot, which was up 9.7% over the month. The company also guided to higher production in FY27 as the Karlawinda expansion moves through commissioning, while the acquisition of the adjacent Piastri Project further expanded its prospective Golden Range footprint. Sentiment was also supported by continued progress at Mt Gibson following receipt of Federal approval, further de-risking Capricorn's next major growth project.



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

Fleetwood (+23.7%) was a strong contributor for the month following a well-received FY26 result, with continued strength across Community Solutions and solid cash generation underpinning the result. Importantly, the outlook for Building Solutions also improved, with a stronger order book, a growing tender pipeline and restructuring benefits expected to support a meaningful earnings recovery through FY27. The company also completed the divestment of its RV Solutions business during the period, further simplifying the portfolio and allowing greater focus on its core operations.

Detracting from the portfolio during the month was;

DUG Technology (-18.7%) despite delivering a strong FY26 result, with revenue increasing 38%, normalised EBITDA up 78% and the company returning to profitability alongside strong operating cash generation. The share price weakness appeared to reflect an overreaction to the headline Services order book, which was subsequently clarified as not including the fast growing software revenues. DUG later confirmed total contracted revenue (inclusive of software) was US\$68.0 million at year-end, up from US\$53.0 million in FY25, while a further US\$9.3 million contract win announced during August providing an even stronger starting position heading into FY27. We added to our position while the market was confused.

Smartgroup (-16.8%) detracted for the month following its 1H26 result, despite delivering EBITDA growth of 16% and novated leasing settlements increasing 17%. The weaker share price reaction reflected softer commentary around demand normalising from exceptionally strong first-half levels, together with some sequential pressure on leasing yields and higher investment spend. Operationally, the business continued to perform well despite a more cautious near-term outlook.

VEEM (-7.6%) detracted during the month following its FY26 result, which was ahead of market expectations and delivered revenue and EBITDA at the upper end of guidance. The outlook for FY27 remains strong, with defence activity expected to build as deliveries under the six-year \$65m ASC Collins Class contract ramp up, alongside further opportunities across Austal and international defence programs. Propulsion activity also strengthened into the second half, with improving propeller orders and the commercialisation of the VEEM Extreme range providing further momentum into FY27.

The Trust finished with 51 positions and cash of 2.7%.

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