

	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)	-3.5	-2.6	-2.6	-24.9	-0.4	-7.8	-1.4	2.9	7.1
S&P/ASX Small Ordinaries Accumulation Index	-2.3	-0.5	-0.5	-6.7	10.4	2.2	5.0	6.1	6.1
Value Added	-1.2	-2.1	-2.1	-18.2	-10.8	-10.0	-6.4	-3.2	1.0

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

Overview

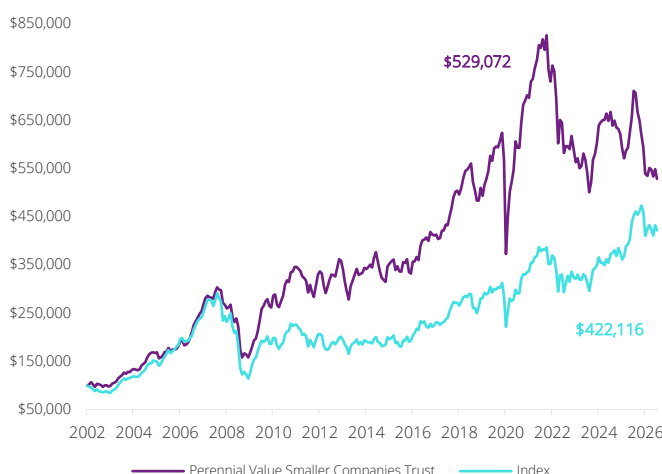
The Trust was down 3.5% net of all fees, underperforming the benchmark, which was down 2.3%.

Small caps were broadly weaker through September, although performance varied meaningfully across the market. Small Industrials held up relatively well, declining 1.3%, while Small Resources fell 4.8%, with weakness across the resources complex weighing more heavily on the broader small-cap index.

September also saw the quarterly S&P/ASX index rebalance, which generated meaningful index-related flows and heightened stock-specific dispersion across the small-cap market around the effective date. Against this backdrop, performance remained highly company-specific, with investors continuing to differentiate between businesses delivering stronger earnings visibility and operational momentum and those facing softer near-term outlooks.

The portfolio metrics are healthy at a 39% discount to the market P/E ratio and 42% 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

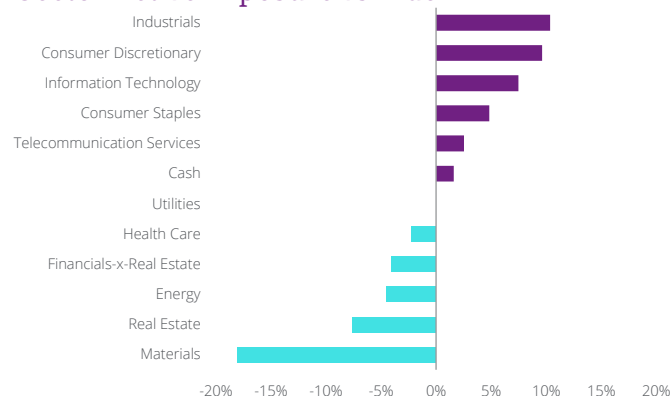
Top 10 Positions	Trust (%)	Index (%)
Navigator Global Investments Ltd	5.9	0.3
Viva Leisure Ltd	5.8	0.0
Lark Distilling Co Ltd	5.1	0.0
Dug Technology Ltd	4.9	0.0
EVT Ltd	4.0	0.4
Schoolblazer Ltd	4.0	0.0
Experience Co Ltd	4.0	0.0
Koala Company Ltd	3.5	0.0
Capricorn Metals Ltd	3.2	0.0
Service Stream Limited	3.0	0.5

Portfolio Characteristics – FY27	Trust*	Index**
Price to Earnings (x)	8.4	13.8
Price to Free Cash Flow (x)	6.6	11.3
Gross Yield (%)	3.4	4.2
Price to NTA (x)	0.8	1.4

Source: *Perennial Value Management as at 30 September 2026. **FactSet, Goldman Sachs, Macquarie Securities and UBS forecast as at 30 September 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 September;

Megaport (+24.8%) was a strong contributor, rallying late in September after its Latitude.sh subsidiary secured three new AI infrastructure contracts with a combined TCV of \$978.6m. The wins drove a material upgrade to FY27 revenue guidance to \$720–810m and EBITDA margins to 42–44%, with the contracts expected to reach full run-rate by 4Q27. While capex guidance increased by ~\$500m to support the new deployments, customer prepayments and existing liquidity leave the business fully funded, with strategic contract wins since April now totalling \$2.3bn.

Southern Cross Electrical Engineering (+18.6%) continued to perform strongly through September, supported by ongoing momentum following its record FY26 result and its addition to the S&P/ASX 300, which became effective during the month. We had built the position well ahead of the index announcement, positioning the portfolio to benefit from the subsequent index-related demand. Fundamentally, the outlook remains strong, with a record \$810m order book, FY27 EBITDA guidance of at least \$100m excluding acquisitions, and data centre revenue expected to roughly triple as recently awarded projects ramp up.

Koala (+10.1%) continued to re-rate through September as the market further digested its strong maiden FY26 result, which delivered revenue growth of 20%, EBITDA growth of 139% and a record 65.3% gross margin, all ahead of prospectus expectations. Momentum was particularly strong in the US, where revenue increased 68% in local currency, while the company used its ASX SMI Dcaps presentation during the month to reinforce the significant runway for further international growth across the US and UK.



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

Navigator Global Investments (+3.3%) finished September higher after New York Life Investment Management agreed to acquire an initial 60% stake in Invictus Capital Partners, crystallising significant value from Navigator's investment while retaining exposure to further upside. Navigator expects US\$40–43m of upfront proceeds, alongside potential earn-outs, ongoing profit distributions and further consideration for its remaining interest in 2031. The transaction represents a strong return on capital invested in Invictus and provides additional funding to recycle into new growth opportunities.

Detracting from the portfolio during the month was;

Schoolblazer (-18.2%) detracted after a disappointing September trading update, with weaker-than-expected fourth-quarter trading driving FY26 revenue guidance down to \$165–170m and underlying EBITDA to \$11–13m. While the largely fixed cost base amplified the earnings impact, the company continues to win new schools and has guided to a recovery in FY27 EBITDA to \$18–20m, supported by integration benefits, efficiency initiatives and continued contract momentum.

Fleetwood (-16.8%) gave back part of its strong August gain through September, with no material change to the underlying operating outlook. The completion of the RV Solutions divestment leaves a simpler business focused on Building Solutions and Community Solutions, while the planned acquisition of the 2,169-bed Red Dog Village in Karratha is expected to further strengthen its accommodation portfolio and provide an additional growth platform into FY27.

PeopleIN (-14.2%) detracted as the market digested the FY26 result, with EBITDA up modestly for the year despite a much stronger second half and improved cash conversion reducing net leverage to 1.37x. Engineering, Trades and Labour was the standout, with EBITDA up 75%, while weaker conditions across Food and Agriculture and Professional Services weighed on the group result. The absence of formal FY27 guidance contributed to a more cautious market response, although it was pleasing to see Managing Director Thomas Reardon increased his alignment with shareholders through on-market purchases, taking his substantial holding to 5.4%.

The Trust finished with 51 positions and cash of 1.6%.

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