Active Engagement Trust

Perennial Smaller Companies | ae alignment. execution.

FOR WHOLESALE INVESTORS ONLY

About the Trust

The Trust will provide access to an actively managed portfolio of predominately listed Australian and New Zealand companies. Perennial, as the appointed Manager, will partner with AE Advisors to help the portfolio companies assess capital management and growth strategies in addition to actively engaging with the portfolio companies' boards and management.

Perennial believes this product provides capital, strategic support and a pool of director talent to a segment of the market that is overlooked by mainstream investors. Such situations are most likely to occur in companies below $150m market cap, however the Trust will have a flexible mandate to also invest in larger companies if they have similar undervalued characteristics.

The Trust will aim to build a portfolio of 10-15 Core Positions at any one time. These Core Positions must be approved by the instilled Investment Advisory Board, which brings together a diverse range of successful business and finance executives

Active Engagement Investing

Active Engagement Investment Style

- Aims to invest like private equity investors without paying a premium for control

Combined Skills of Perennial and AE

- Strategic Direction – M&A growth/ exit options
- Financial Restructuring – Capital Management
- Operational Improvements – Patience to invest for sustainable growth
- Corporate Governance – Introduction to quality operators, directors and executives
- Investor Relations – market messaging/ positioning.

Fund Characteristics

Fund Objective

The investment objective of the Trust is to generate an absolute return after the Management Fee and Expense Recovery in excess of 9.0% p.a. This is a target only and there is no guarantee that the Trust will be successful in achieving its investment objective.

The Trust will predominantly invest in Australian and New Zealand companies listed on the ASX and NZX (at the time of initial investment), or companies intending to be listed on the ASX and the NZX.

Inception Date	February 2025
Number of stocks	10 – 30 stocks
Minimum initial investment	$250,000
Fees	1.50% + performance fee 20% (above hurdle)
Liquidity	Quarterly
Risk/Return profile	High
Income distribution	Annually
APIR Code	WPC7291AU
Manager	Perennial Value Smaller Companies
Advisory Partner	Adelaide Equity Partners Limited

Power of the Perennial / AE Partnership

- **Diverse Perspective –** Brings a diverse range of perspective to analysing investment opportunities
- **Value Creation Strategies** - The team can implement sophisticated value creation strategies
- **Rigorous Due-Diligence** – The combination allows for comprehensive due diligence
- **Opportunistic Approach** – Combining different investment skill sets, taking advantage of a range of opportunities.
- **Broad Deal Sourcing** – Blended backgrounds, tapping into extensive networks, identifying undervalued opportunities
- **Identify Operator Talent** - Increases ability to identify the ideal key management talent to execute strategy to unlock value

Asset Allocation

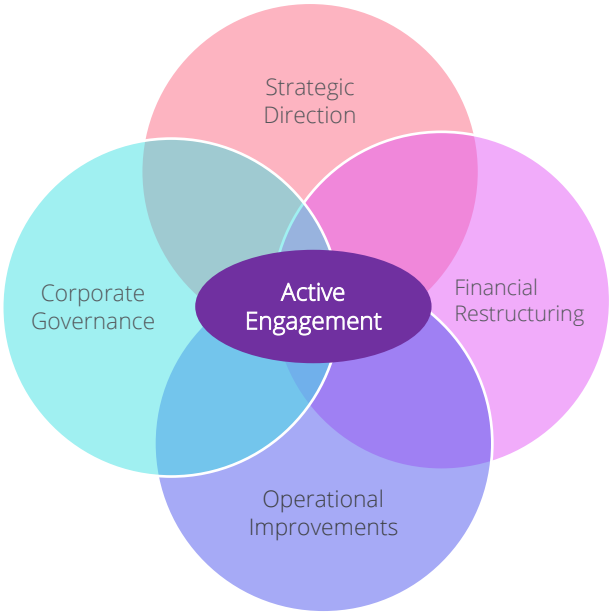
Australian Equities	0 – 80%
Cash and Equivalents	20 – 100%

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Active Engagement Focus



Strategic Direction	Financial Restructuring	Operational Improvements	Corporate Governance
• Acquisitions, dispositions and spin offs	• Debt restructurings	• Cost effectiveness	• Ensure skilled, aligned and committed board
• Ensure clear strategic direction	• Buy-back programs	• Asset utilisation	• Management quality and focus
• Assess capital allocation framework	• Dividends vs capital reinvestment	• Appropriate unit economics	• Properly defined roles and incentives

Investment Team



Andrew Smith

Head of Smaller Companies & Active Engagement

B.Com (Hons), GradDipAppFin, GAICD

Years with Perennial: 17
Years in the Industry: 22

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Advisory Board Expertise

- Detailed review and approval of any high conviction investments (>6% of FUM)
- Alignment - each advisor is an investor or representing an investor in the fund
- Governance and due diligence assistance
- Network of operational, director talent and additional deal flow

Investment Advisory Board



Mark Lindh – Chair of Advisory Board

- Representing large investor group
- Corporate Adviser
- Experienced ASX director



Nicholas Bagot

- 20yrs+ in investment banking and corporate law at Goldmans and Citi
- Adviser to public companies and private equity specializing in Industrials, Media and Technology



Karl Paganin

- 25yrs in corporate finance and as senior legal counsel
- Current ASX chair and director of two Small cap Industrial companies



Cameron Priest

- Tech entrepreneur and investor
- Founder TradeGecko, Amp, Neu Ventures

Contact us

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Disclaimer: This information has been prepared and issued by Perennial Investment Management Limited (ABN 13 108 747 637, AFSL No. 275101) (PIML) as Trustee and Responsible Entity and Perennial Partners Limited (ABN 90 612 829 160) (Perennial Partners) as a Corporate Authorised Representative (No. 1293138) of the Investment Manager Perennial Value Management Limited (ABN 22 090 879 904, AFSL No. 247293) (PVM).

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