

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since Inception ¹ (%)
Perennial Global Resources Trust (net)	20.3	-	-	-	20.3
Benchmark (Absolute return of +6.50% p.a.)	0.5	-	-	-	0.5
Value added	19.8	-	-	-	19.8
S&P/ASX Small Ordinaries Accumulation Index ²	14.3	-	-	-	14.3

¹ Since inception: 1 April 2020. Past performance is not a reliable indicator of future performance.

² S&P/ASX Small Ordinaries Accumulation Index is used for reference purposes only.

Overview

The Perennial Global Resources Trust commenced on the 1st of April, returning 20.3% net of all fees for the month.

The Trust capitalised on acutely oversold conditions in the wake of the COVID-19 sell off in March. The sharp fall in oil price in April dragged the Bloomberg commodities index to its lowest level against the S&P500 in half a century. Contemporaneously, unprecedented stimulus and liquidity injections into the financial system globally are adding to the allure of hard assets. Gold is first and foremost amongst these, but we expect in time others will follow.

Initial Trust exposures were weighted towards gold, mining services with operational exposure, and oil stocks with high levels of cash backing.

We remain cautious regarding demand outlook for most commodities in the near term. While commodity prices have run up in anticipation of stimulus-driven demand, we would highlight the bulk of stimulus measures announced to date are not particularly commodity intensive.

As such we maintain an elevated level of cash, and gold as our largest commodity exposure.

Perennial Global Resources Trust

The aim of the Trust is to grow the value of your investment over the long term by investing in a portfolio of listed and unlisted companies exposed to commodity production.

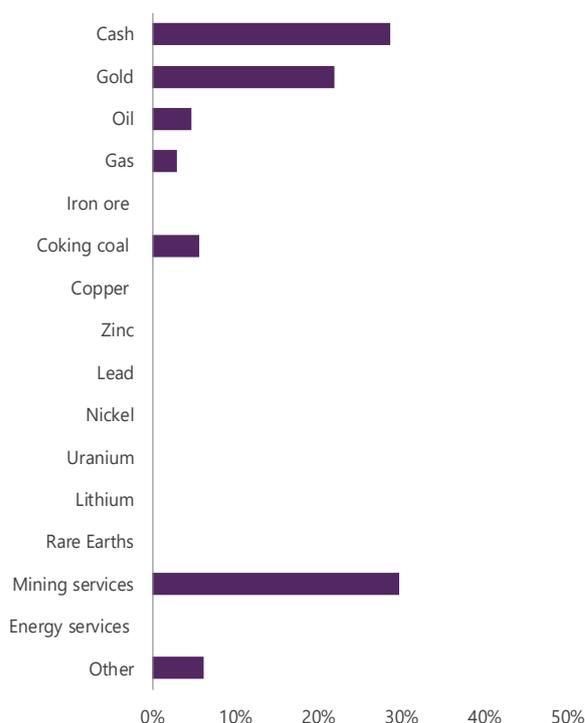
Portfolio Manager Sam Berridge	Trust FUM AUD \$2.7 million
Distribution Frequency Yearly	Minimum Initial Investment ³ \$25,000
Trust Inception Date April 2020	Fees 1.20% p.a. + Performance fee
APIR Code WPC3240AU	

³ Perennial Global Resources Trust is open to wholesale investors only.

Top 5 Positions

	Trust (%)
ATRUM COAL LTD	5.7
PERENTI GLOBAL LTD	5.7
AUTECO MINERALS LTD	5.1
RAMELIUS RESOURCES LTD	4.6
SCIDEV LTD	4.5

Sector Exposures



Global, Currency & Commodities (%)

S&P500	12.7
Nikkei225	6.7
FTSE100	4.0
Shanghai Composite	4.0
RBA Cash Rate	0.25
AUD / USD	65.5c
Iron Ore	-5.9
Oil	+4.6
Gold	+0.7
Copper	-1.2

Trust Review

The gold sector was a standout performer during April, with the price rallying 6.9% in US\$ terms and gold equities reporting little to no production impact from the COVID-19 restrictions.

Gold developer **Auteco** (+125% from purchase) was the best performer in the month. Investors reacted positively to broad director buying, which in our view has positive implications for the release of AUT's maiden JORC compliant resource in the June quarter. Gold producers **Ramelius** (+33.2%) and **Aurelia** (+37.5%), also bounced with the gold price. We participated in the recapitalisation of **Dacian** (+20% from purchase), which returned to the boards with improved management and a net cash position.

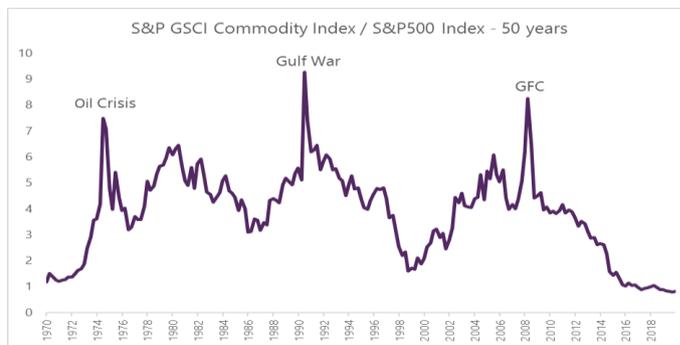
Mining contractor **Perenti** (+49.2%) recovered from oversold levels as investor concerns regarding the COVID-19 impact on operations eased. As was the case for **MacMahon** (+18.9%), which is one of the few companies which haven't withdrawn its guidance from February. **SciDev** (up 67.1%) reported a large jump in sales to \$7.3m for the quarter of which \$4.8m was in March alone, they also crystallised a joint venture with Nuore Group to access global markets.

With the oil price trading at unsustainable levels (US\$25.3/bbl at month end) we took the opportunity to add select exposures **Carnarvon** (+25.0% from purchase) and **Karoo Energy** (+10% from purchase). With elevated levels of cash backing and exposure to high quality (low cost) production, we view these exposures as an option on improved oil prices in the future.

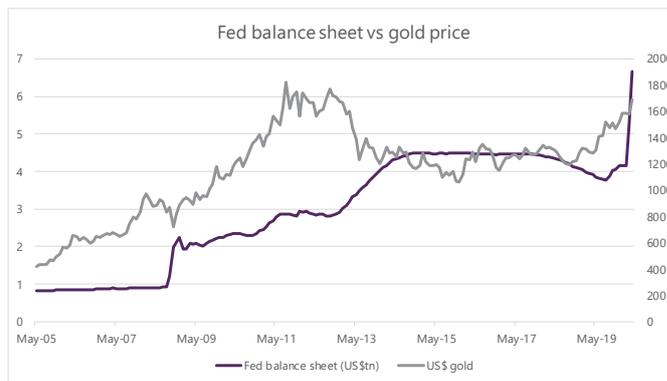
We exited profitable positions in **Stanmore** (+23.0%), **NRW** (+30.0%) and **Emeco** (+26.9%). The former due to Stanmore receiving a takeover offer, and the latter due to concerns around coal price exposure.

Looking forward, we continue to see a positive outlook for gold and gold facing service companies. We will seek to broaden the Trust's commodity exposures once we feel the demand impact of the COVID-19 pandemic is factored in to demand expectations.

The trust ended the month with 28.7% cash.



Source: Bloomberg, Perennial



Source: Bloomberg, Perennial



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