

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since Inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Global Resources Trust (net)	9.0	-	31.1	-	31.1	31.1
Benchmark (Absolute return of +6.50% p.a.)	0.5	-	1.0	-	1.0	1.0
Value added	8.5	-	30.1	-	30.1	30.1
S&P/ASX Small Ordinaries Accumulation Index ¹	10.6	-	26.4	-	26.4	26.4

¹S&P/ASX Small Ordinaries Accumulation Index is used for reference purposes only.

²Since Inception: April 2020. Past performance is not a reliable indicator of future performance.

Overview

The Perennial Global Resources Trust performed well during the month, up 9.0% net of all fees.

Markets trended higher during May, on increasing optimism of a quick post-COVID recovery. This was reflected in commodity price movements, with oil and base metals outperforming gold during the month. Commodity equities enjoyed an additional tail wind from a tentative style rotation from growth to value, which was observed across markets globally. Mining services companies in particular did well out of this trade with many now guiding to earnings which are unchanged from the pre-COVID period, despite share prices still well off January levels. NRW Holdings (+13.8%) was the first beneficiary of this thematic, and in doing so lent support to Perenti (+30.8%) and MacMahon (+15.9%).

In line with the improving demand sentiment, we used the large number of capital raisings in the period to add select base metal exposures, funded out of cash and minor profit taking in gold names.

More broadly, we remain sceptical of what we consider to be a largely earnings-free recovery in global markets. As such, the portfolio remains relatively defensively positioned, with elevated cash, gold miners and gold service company exposures.

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 \$5.4 million

Distribution Frequency
Yearly

Minimum Initial Investment³
\$25,000

Trust Inception Date
April 2020

Fees
1.20% p.a. + Performance fee

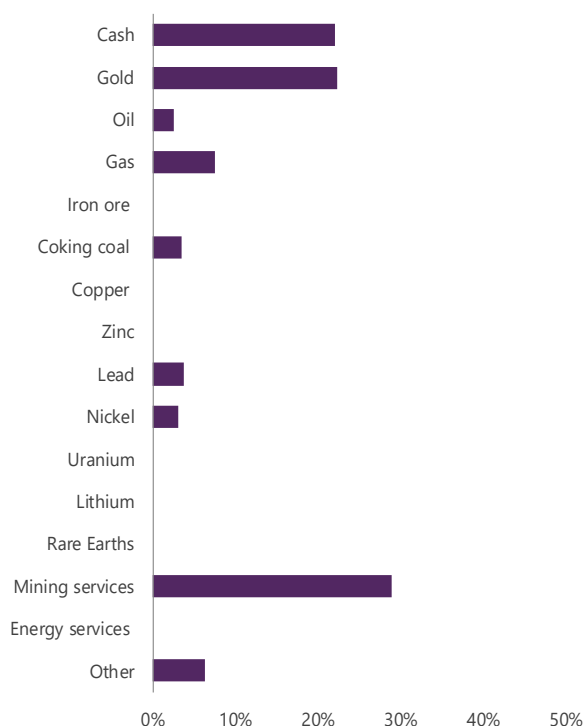
APIR Code
WPC3240AU

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

Top 5 Positions

	Trust (%)
ORA BANDA MINING LTD	6.2
MACMAHON HOLDINGS LTD	5.7
COOPER ENERGY LTD	5.5
PERENTI GLOBAL LTD	5.2
GALENA MINING LTD	3.8

Sector Exposures



Global, Currency & Commodities (%)

S&P500	+4.5
Nikkei225	+8.3
FTSE100	+3.0
Shanghai Composite	-0.3
RBA Cash Rate	0.25
AUD / USD	66.4c
Iron Ore	+18.5
Oil	+36.6
Gold	+0.2
Copper	+1.1

Trust Review

An increase in risk tolerance saw base metals and oil outperform gold during the month. However, gold equities continued to make solid gains. COVID related concerns in Brazil pushed iron ore higher, helping to reaffirm the sustaining capex outlook for that sector, a positive for iron-ore-facing service companies.

Ora Banda (+35.0%) reported a series of positive explorations results, contributing to a 60% increase in gold reserves in the month. We expect further reserve additions as previously reported drilling results are added to the Davyhurst reserve over the coming months. Gold producers **Dacian** (+20.8%), **Red 5** (+42.1%) and **Ramelius** (+30.5%) also performed strongly during the month.

Mining services names **MacMahon** (+15.9%), **Perenti** (+30.8%), **Lycopodium** (+10.7%) and **NRW holdings** (+13.8%) all performed well. NRW reinstated pre-COVID guidance during May, giving a positive read through for the rest of the sector. We keenly anticipate guidance updates from MacMahon and Perenti as we approach the end of the financial year.

Mineral sands developer **Strandline Resources** (+28%) gained traction with the market regarding financing of its Coburn project in Western Australia. Coburn is a large project relative to Strandline's market cap, but it is looking increasingly likely a mixture of NAIF and bank debt, plus offtake financing will largely cover the capex hurdle, making the equity component much more achievable in our view.

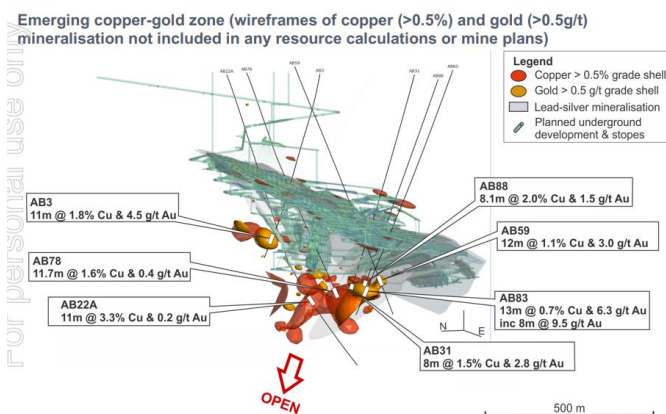
We added base metal developed **Galena** (+9.8% from purchase) during the month, which traded up in anticipation of progress on the debt component of financing for the Abra lead deposit. A debt solution triggers an additional \$60m in equity from JV partner Toho, which should see G1A funded through to production.

Cooper Energy (-3.5%) was one of the few drags on performance, due to delays in the ramp-up of the Orbost gas plant, which is to be supplied by COE's Sole gas project. The Orbost plant design is well established and we remain confident name plate production levels will be achieved.

We remained active during the month, participating in placements for **Chalice Gold Mines**, **Nickel Mines** and **Novonix**, and as well as establishing a position in **Mitchell Services**.

The trust ended the month with 22.0% cash.

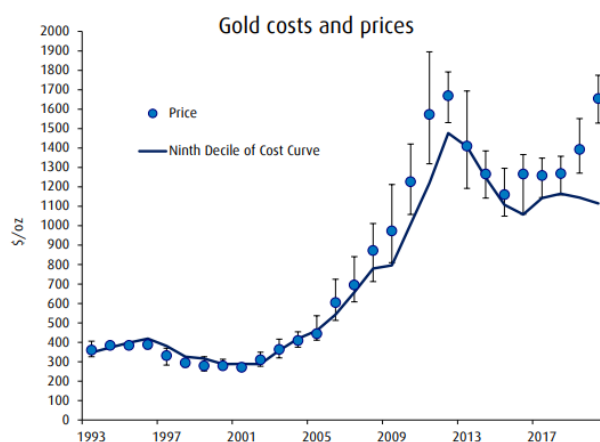
ABRA UPSIDE: POTENTIAL COPPER-GOLD AT DEPTH



Slide from Galena presentation, highlighting free option on copper potential below lead/silver ore body which supports development decision

Source: Galena Mining

Exhibit 2: Gold costs have traditionally moved in lockstep with prices, but now we have divergence, and higher margins



Source: LBMA, BMO Capital Markets



Portfolio Manager Sam Berridge

Contact Us

Level 27, 88 Phillip Street Sydney NSW 2000

1300 730 032

invest@perennial.net.au

www.perennial.net.au

Signatory of:



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