

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since Inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Global Resources Trust (net)	4.3	29.9	4.3	-	56.2	56.2
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.5	0.5	-	2.0	2.0
<b>Value added</b>	<b>3.8</b>	<b>28.4</b>	<b>3.8</b>	<b>-</b>	<b>54.2</b>	<b>54.2</b>
S&P/ASX Small Ordinaries Accumulation Index <sup>1</sup>	1.4	9.9	1.4	-	25.6	25.6

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

<sup>2</sup>Since 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 4.3% net of all fees. Performance since inception rising to 56.2% net of all fees.

Gains in commodity markets accelerated in July, with base metal and oil prices up between 5.1% (copper) and 13.2% (zinc). Similarly, gold also pushed higher in July, finishing the month up 10.9%. In our view, the key factor driving these price rises wasn't an improving demand outlook, rather a sharp fall in the US dollar, with the DXY index finishing down 4.2% in the month, breaking a number of previous levels of resistance (chart page 2).

This scenario warrants caution in our view. While FX moves and a flight towards real assets can both be tailwinds for commodity prices, ultimately supply and demand reign supreme. With COVID infection rates and lockdowns pushing up job losses in the US once again, and what appears to be a tick up in infections in Europe, the trajectory of demand recovery is open to question. Further, this reporting season is likely to be more volatile than usual.

Accordingly, after a period of strong performance, we reduced our base metal and mining services exposures, in favour of building cash towards month end.

## 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.

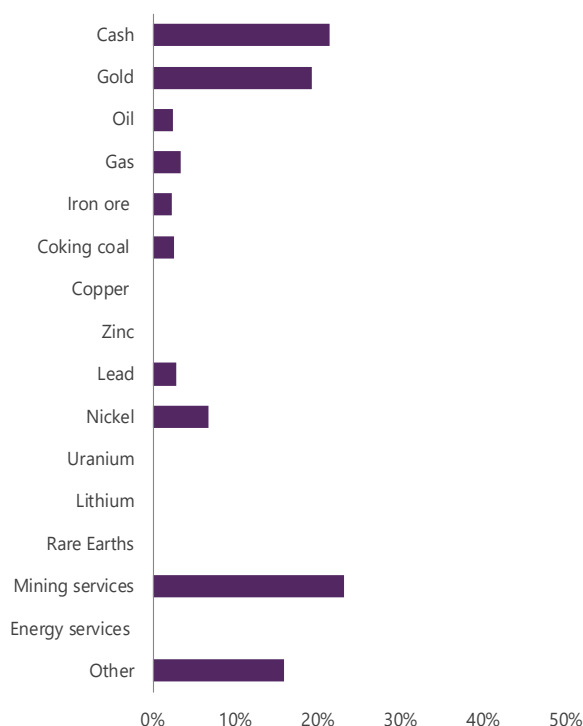
Portfolio Manager Sam Berridge	Trust FUM AUD \$11 million
Distribution Frequency Yearly	Minimum Initial Investment <sup>3</sup> \$25,000
Trust Inception Date April 2020	Fees 1.20% p.a. + Performance fee
APIR Code WPC3240AU	

<sup>3</sup> Perennial Global Resources Trust is open to wholesale investors only.

## Top 5 Positions

	Trust (%)
ORA BANDA MINING	5.0
CENTAURUS METALS	4.2
SWICK MINING SERVICES	3.7
AUTECO	3.6
MACMAHON	3.5

## Sector Exposures



## Global, Currency & Commodities (%)

S&P500	+5.5
Nikkei225	-2.6
FTSE100	-4.4
Shanghai Composite	10.9
RBA Cash Rate	0.25
AUD / USD	71.4c
Iron Ore	+4.3
Oil	+1.7
Gold	+7.2
Copper	+1.6

## Trust Review

Positive performance during the month came from a reasonably even mix of gold, base metal and mining services names.

**Ora Banda** (+29.0%) rallied post an equity raise which will fully fund the company into production. Based on current guidance, OBM will be the next Australian-based gold producer.

**Primero** (+11.5%) updated the market with further growth to its FY21 order book, and flagged the likelihood of large contract additions near term. With regard to the Wartsila dispute, we continue to wait for the judge to hand down his finding of Wartsila's appeal. We remain of the view this is likely to be a positive outcome for PGX.

Positive exploration results were reported by **Atrum** (+11.1%) from its Isolation South coking coal project in Canada. These give a positive read through for scope expansions to the scoping study released earlier in the year. In contrast, after a period of several months trading below a level of historic cost support, substantial production cuts look like bringing the coking coal market back into balance.

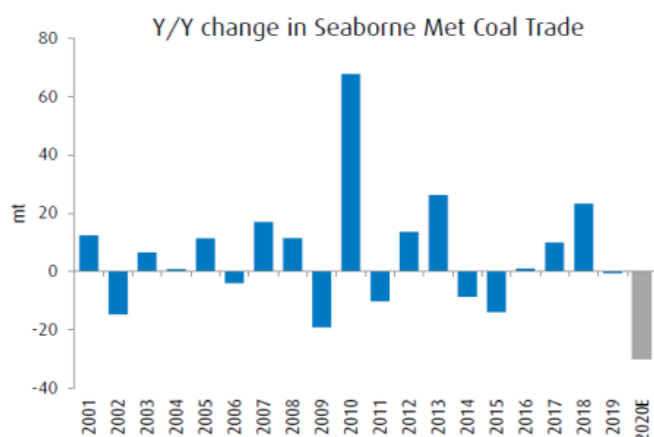
Perennial cornerstoned a raising for **SciDev** (+13.8%) in the month, with funds to be put towards expanding product inventory and supporting the accelerating growth of SciDev's product sales both in domestically and overseas. Later in the month, the company announced a partnership with Flotek to provide chemistry solutions for the US shale industry.

Weighing on performance was **Metro Mining** (down 21.7%), which fell upon reporting delays in securing offtake for its Bauxite Hills mining operation. Negotiations, while advanced, have been complicated by COVID travel restrictions. A steady recovery in aluminium and alumina pricing, coupled with MMI's position in the bottom half of the cost curve gives us confidence that further offtake agreements will be secured near term.

The trust ended the month with 21.4% cash.



Source: Bloomberg  
The recent fall in the US dollar index (white, inverted) has contributed to an acceleration in the rise of the gold price (yellow)



Source: Customs Statistic, Wood Mackenzie, BMO Capital Markets  
2020 has seen a larger cut to coking coal production than 2009, paving the way for a rapid price recovery once demand normalises.



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