

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since Inception^ (%)	Since Inception^ Cumulative (%)
Perennial Global Resources Trust (net)	2.3	8.3	8.3	-	62.1	62.1
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	1.6	-	3.2	3.2
Value added	1.8	6.7	6.7	-	58.9	58.9
S&P/ASX Small Ordinaries Accumulation Index ¹	2.8	5.7	5.7	-	30.9	30.9

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 finished up 2.3% in September, net of all fees. A strong result in the context of sharp falls across the resources space during the month, with the ASX 200 resources index returning -6.1%

A rising US dollar was the key headwind for commodity prices in September. The dollar was buoyed by comments from the US Fed which put the onus for further monetary support on to the US government. We would consider this a blip, and see further fiscal and monetary support as being necessary and therefore likely near term, which in turn should lead to a softening of the US dollar and higher commodity prices.

The one bright spot across the commodity universe in September was metallurgical coal, with prices rallying circa 15%, and up to 20% in A\$ terms. We had been positioning for a recovery in met-coal pricing for two months (as flagged in our July commentary), with solid returns from Atrium and Coronado in September being the result.

Stable A\$ commodity prices and lower equity prices improved the appeal for the sector and maintained the strong tailwinds for the service businesses. We reduced cash levels towards month end but added some downside protection to the portfolio to reduce the impact of a broader market sell-off, should it occur.

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.

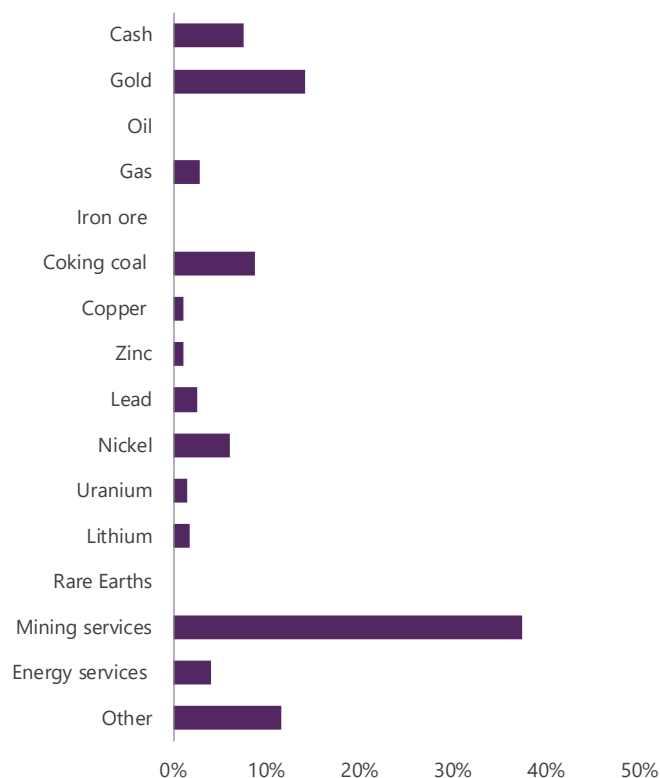
Portfolio Manager Sam Berridge	Trust FUM AUD \$13 million
Distribution Frequency Yearly	Minimum Initial Investment ³ \$25,000
Trust Inception Date April 2020	Fees 1.20% p.a. + Performance fee
APIR Code WPC3240AU	

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

Top 5 Positions

	Trust (%)
AUSTIN ENGINEERING	5.2
EMECO HOLDINGS	4.8
ORA BANDA MINING	4.1
NRW HOLDINGS	4.1
SIREN GOLD	3.5

Sector Exposures



Global, Currency & Commodities (%)

S&P500	-3.9
Nikkei225	+0.2
FTSE100	-1.6
Shanghai Composite	-5.2
RBA Cash Rate	0.25
AUD / USD	71.7c
Iron Ore	-1.4
Oil	-6.8
Gold	-4.2
Copper	+2.1

Trust Review

Metallurgical coal exposures were the highlight during September. After trading well into the cost curve for six months, production curtailments and improving demand outlook led to a sharp rally in the hard coking coal price, up 15% in the month and up to 20% in A\$ terms. The margin impact of such a move off its lows is substantial.

Coronado (+59.2%) was a key beneficiary of the improved metallurgical coal prices. We participated in the recapitalisation of the business earlier this year at \$0.60 which compares to its IPO price of \$4.00 two years earlier. Atrum Coal (+26.1%) also benefitted from the improved met coal pricing outlook, and positive updates regarding progress of its pre-feasibility study on Elan coking coal project.

Ora Banda (+15.6%) outperformed gold peers as in reiterated guidance for first gold production in the March quarter 2021. OBM is on target to become the next Australian gold producer.

Conversely, Auteco (-21.6%) fell post earnings, announcing an increase in its Pickle Crow gold resource to 1moz at 11.3g/t. While the resource is impressive and has grown rapidly, it appears market expectations had run well ahead of the reported number. Further selling pressure came from a weak gold price (-4.0%) during the period. Clearly, there is still further upside to the resource and we expect further updates as drilling continues.

In the services space, Primero (+22.2%) recovered strongly despite a setback in its court case against Wartsila, to announce preferred contractor status for Strandline's Coburn mineral sands project in Western Australia. More broadly, we see the recovery in the met and more recently thermal coal price as removing a key headwind for mining services space in the coming months.

During the month we participated in the raising for zinc and silver developer Pacifico as well as the IPO's for petroleum services company SRJ Technologies and NZ based gold developer Siren Gold (commences trade in October).

The Trust ended the month with 7.5% cash.



Source: Bloomberg. A slowdown in Fed balance sheet expansion (white) and delays to further stimulus measures weighed on markets during the month, commodities included (represented by US\$ gold in yellow). That said, we expect further stimulus to be forthcoming in the near term.



Source: Bloomberg. A recovery in ex-China steel utilisation contributed to a recovery in metallurgical coal prices during the month.



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