

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since Inception [^] (%)	Since Inception [^] Cumulative (%)
Perennial Global Resources Trust (net)	2.1	6.0	10.6	-	65.6	65.6
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	2.1	-	3.7	3.7
Value added	1.6	4.4	8.5	-	61.9	61.9
S&P ASX200 Resources Total Return Index ¹	-1.3	-5.8	-1.7	-	25.3	25.3

S&P ASX200 Resources Total Return Index is used for reference purposes only.¹

[^]Since Inception: April 2020. Past performance is not a reliable indicator of future performance.

Overview

The Perennial Global Resources Trust finished up 2.1% in October, net of all fees, remaining in positive territory despite the ASX200 Resources Index falling -1.3% in the month. Performance over the 7 months since inception is 65.6% net of all fees.

October was a month in two halves, with strong gains in the commodities space early in the month reversing once it became clear a second round of US stimulus was likely to be deferred until after the election. Regardless of elections outcome, we view further stimulus as likely, which would be a positive for the commodities space.

More broadly, predictions for a sector rotation towards value stocks increased noticeably during October, in part driven by a steady rise in 10yr yields, and a corresponding rise in longer term inflation expectations. There have been many false dawns of such a rotation, but should it occur the Trust's mining services exposure is likely to benefit, with a position-weighted FY21 EV/EBITDA consensus multiple of 2.9x. This modest multiple contrasts with strong growth in; drilling activity, exploration success, new project development and a recovery of capex budgets of the major miners.

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.

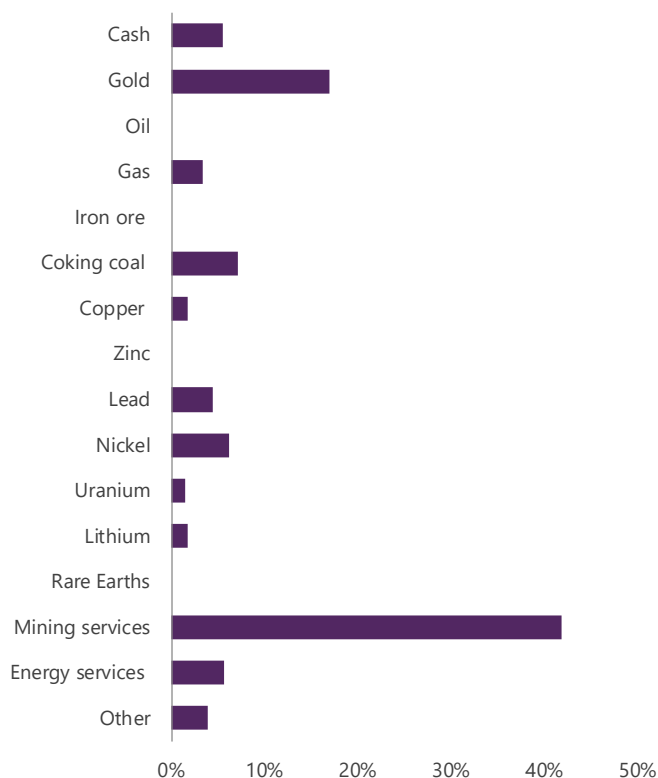
Portfolio Manager	Trust FUM
Sam Berridge	AUD \$13 million
Distribution Frequency	Minimum Initial Investment ³
Yearly	\$25,000
Trust Inception Date	Fees
April 2020	1.20% p.a. + Performance fee
APIR Code	
WPC3240AU	

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

Top 5 Positions

	Trust (%)
AUSTIN ENGINEERING	4.6
NRW HOLDINGS	4.3
EMECO	4.2
PRIMERO	4.1
CENTAURUS METALS	3.9

Sector Exposures



Global, Currency & Commodities (%)

S&P500	-2.8
Nikkei225	-0.9
FTSE100	-4.9
Shanghai Composite	+0.2
RBA Cash Rate	0.25
AUD / USD	70.3c
Iron Ore	+0.6
Oil	-9.8
Gold	+1.5
Copper	+2.5

Trust Review

There was no sector-wide outperformance in the month. Positive returns were very much stock and catalyst specific. Gold sector highlights included;

- **Siren Gold** finished +66.0% on the IPO price and up 320% on the pre-IPO price, which we participated in.
- **Alto Metals** (+30.7%) was bid up on M&A speculation after Middle Island purchased 10.0% of the company on market

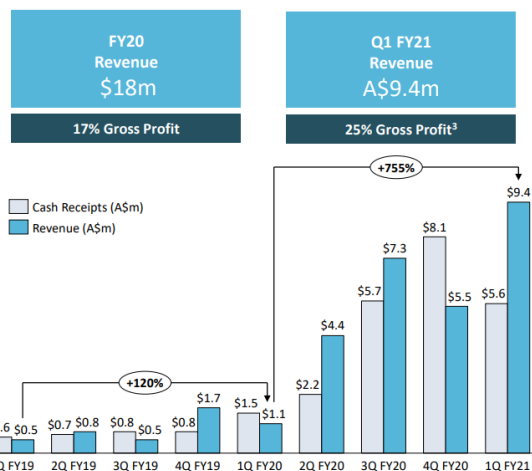
Conversely, **Ora Banda** (-16.2%) was sold down despite reaffirming first gold production for January, **Auteco** (-24.1%) drifted lower on no news.

The mining services sector continues to trade a very cheap multiples, offering the potential for a material re-rating upon upside surprise. For example;

- **Primero** (+27.3%) announced contract awards totaling \$55m, including a three-year master services agreement with Rio Tinto. We believe such an agreement with a tier 1 client is indicative of Primero's maturing as a company.
- **SciDev** (+11.3%) announced sales of \$9.4m (+127% vs pcp) and an improvement in gross margins from 17% in FY20 to 25%. The most pleasing aspect of the update was the balance exposure by sectors now with roughly 1/3 from Mining/Oil&Gas/Infrastructure.
- **Mader** (+11.8%) signed a maintenance agreement with Nevada Gold consistent with its strategy of growing its US presence.

Stocks which didn't have any news flow during the month like **Perenti** (-8.7%) and **Emeco** (-9.5%) drifted lower as investor apathy to the broader sector remained. We find this surprising and contrasts with the euphoric mining sentiment on display at the Diggers and Dealers conference in Kalgoorlie this year, fed by free-flowing equity issuance. We suspect once east coast investors are allowed back into WA, attitudes towards the services will change.

The Trust ended the month with 5.5% cash.



Source: SciDev Oct presentation. A strong result in the September quarter continues the trend of revenue growth for SDV. Through its proprietary water treatment technology, the company offers Global exposure to mining, oil & gas and infrastructure sectors



Source: As COVID concerns have eased in WA, sites visits have recommenced. Pictured walking the ground of a pre-IPO opportunity north of Kalgoorlie.



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