

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since Inception^ (%)	Since Inception^ Cumulative (%)
Perennial Global Resources Trust (net)	12.3	17.3	24.2	-	85.9	85.9
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	2.7	-	4.3	4.3
<b>Value added</b>	<b>11.8</b>	<b>15.7</b>	<b>21.5</b>	<b>-</b>	<b>81.6</b>	<b>81.6</b>
S&P ASX200 Resources Total Return Index <sup>1</sup>	10.4	3.1	8.5	-	38.4	38.4

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

<sup>1</sup>Since Inception: April 2020. Past performance is not a reliable indicator of future performance.

## Overview

November was a strong month for markets in general, including commodities. The Trust finished up 12.3% net of all fees. Performance over the eight months since inception rose to 85.9% net of all fees.

Markets reacted positively to the Biden victory and vaccine development headlines. Base metal and oil prices rallied strongly in anticipation of a period of synchronised global growth, which we're inclined to agree with. Even if there are some short term disappointments with the vaccine rollout, the outlook for strong year-on-year global growth seems probable. This, coupled with a USD which continues to weaken, makes for a positive outlook for the commodities space.

Pleasingly, the positive commodity sentiment flowed on to the services sector, with strong returns from **NRW Holdings** (+21.6%), **Primero** (+29.8%) and **Emeco** (+36.8%), which were all top 5 holdings at the end of October. Despite these gains, the sector still looks exceedingly cheap, trading comfortably below mid-cycle multiples.

The risk-on sentiment was negative for gold (-5.4%), with many instances of -10% returns across the space. Despite these headwinds top 5 holding **Siren Gold** (+43.4%) continued to perform well.

For the time being, 2021 looks like being a positive year for the commodities sector.

## 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 \$15 million
Distribution Frequency Yearly	Minimum Initial Investment <sup>3</sup> \$25,000
Trust Inception Date April 2020	Fees 1.20% p.a. + Performance fee

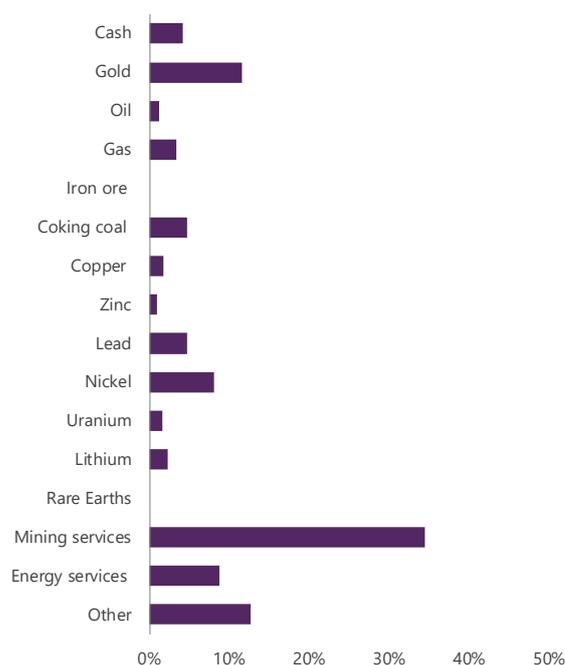
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WPC3240AU

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

## Top 5 Positions

	Trust (%)
Mutiny Gold Limited	5.0
Austin Engineering	4.4
Centaurus Metals	3.8
Siren Gold	3.5
Alliance Aviation	3.3

## Sector Exposures



## Global, Currency & Commodities (%)

S&P500	+10.8
Nikkei225	+15.0
FTSE100	+12.4
Shanghai Composite	+5.2
RBA Cash Rate	0.10
AUD / USD	73.4c
Iron Ore	+6.2
Oil	+21.6
Gold	-9.5
Copper	+7.8

## Trust Review

Buoyant markets, energy and base metal prices contributed to gains across much of the portfolio in November. The trust had a large exposure to the mining services sector coming into the month and pleasingly the sector was well bid in November;

- **Emeco** (+36.8%) bounced post its AGM in which the company confirmed flat year-on-year earnings in the first half of FY21. The company was trading on a mid-single digit PE at the time, suggesting the market was pricing in a downgrade.
- **NRW Holdings** (+21.6) was buoyed by the value rotation, and announcing a take over of **Primerio** (+29.8)
- **SciDev** (+12.8%) bounced post a positive AGM update

Miners and developers were also well bid as commodity prices rallied

- The Jaguar nickel deposit being drilled out by **Centaurus** (+21.1%) returned more positive intersections in November
- Coking coal exposures did well in the month, with **Montem Resources** (+56.3%) rallying post reporting thick intersections at its Chinook Vicary deposit in Alberta, Canada.
- **Coronado** (+40.9%) was bid up on anticipation of China recommencing imports of Australian coking coal

The gold price rolled over (-5.4%) on news of COVID vaccine progress and a more optimistic outlook for global growth. We had expected this to some extent and halved our gold exposure at the beginning of the month. We retained near-term gold producer **Ora Banda** (-6.5%) and gold/base metal producer **Aurelia** (-8.1%)

- **Siren gold** (+43.4%) bucked the trend and rallied on a positive exploration update from its Reefton project in New Zealand.

As we begin to look towards 2021, we expect the roll out of vaccines and accommodative financial conditions to support global growth in the medium term. Generally low levels of inventories right across the commodity spectrum won't provide much of a buffer to prices should demand start to exceed supply. Thus, we are optimistic on the prospects of the commodities sector and related industries over the next twelve months.

The Trust ended the month with 4.1% cash.



Source: Photo from site visit to Ora Banda during November. OBM remains on time and on budget for first gold in January



Source: A site visit to Pantoro (PNR) during the month offered a glimpse at the advances in mining rehabilitation over the years. The top photo is of a tailings dam built in the 1930's, with no walls at all. The bottom is more reflective of present date rehabilitation practices.



Portfolio Manager, Sam Berridge

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