

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since Inception^ (%)	Inception^ Cumulative (%)
Perennial Global Resources Trust (net)	2.2	19.0	31.6	-	97.0	97.0
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	3.7	-	5.4	5.4
Value added	1.7	17.4	27.9	-	91.6	91.6
S&P ASX200 Resources Total Return Index ¹	-0.6	19.0	17.0	-	49.1	49.1

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

In a more volatile month than we've seen of late, the Trust finished January up 2.2% net of all fees. Strong gains across markets at the beginning of January were largely given back, as stretched valuations and euphoric sentiment in some sectors gave way to caution.

As noted in our [December commentary](#), we were concerned the broader market had run too hard, and had increased the level of downside protection for the portfolio in anticipation of a sell-off. This protection certainly helped in maintaining a positive absolute return for the month, consistent with the Trust's objective.

New energy metals was the standout sector, as momentum continued to grow for a theme that could last a decade. Strong gains were observed for companies exposed to lithium, graphite and high purity alumina. In this regard, **Orocobre** (+11.9%), **Galaxy Resources** (+20.6%), **Jindalee Resources** (+108.2%), and **FYI Resources** (+37.5%) all enjoyed solid gains.

Looking forward into February, we expect a strong round of financial results from our mining services exposures, and long list of stock-specific catalysts as activity picks up in the new year. We remain cognisant of frothy conditions across the broader market and maintain an elevated level of downside protection as a result.

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 \$16 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	

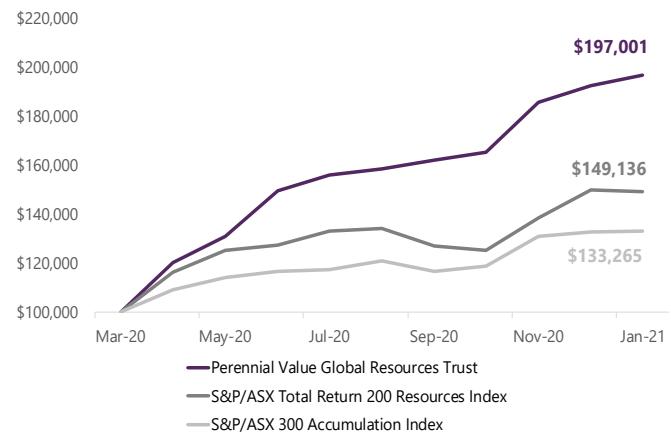
³ Perennial Global Resources Trust is open to wholesale investors only.

Top 5 Positions

Trust (%)

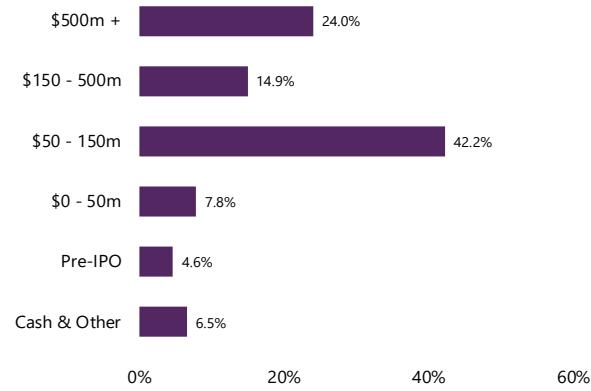
Mayfield Group Holdings	4.5
Austin Engineering	4.5
Siren Gold	3.6
ClearSky Ltd	3.4
Ora Banda Mining	3.2

Growth of \$100,000 Since Inception

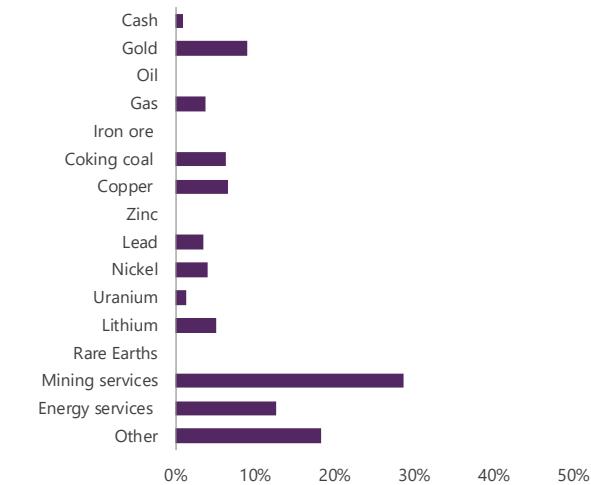


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Market Capitalisation Exposure



Sector Exposures



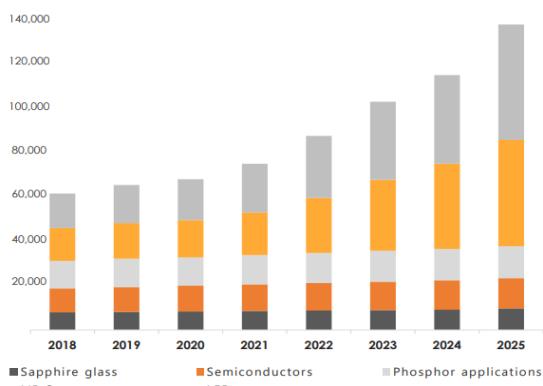
Trust Review

New energy metals were the flavour of the month in January as lithium prices continued to recover and the transition to electric vehicles continued to gain momentum. Specifically EV sales numbers out of China spiked in January and General Motors joined the chorus of automotive manufactures switching to EV, committing to phase out internal combustion engines from its product range by 2035.

Stock specific exposures which benefited from this thematic in January included:

- **Jindalee Resources** (+108%) bounced hard after comments from major lithium producer **Albemarle**, stating it would start evaluating lithium clays for commercial production. Jindalee's McDermitt and Clayton lithium clay projects are located proximal to the Gigafactory in Nevada. The McDermitt resource stands at 155Mt, which we expect to grow as drilling continues.
- **Galaxy** (20.6%) and **Orocobre** (11.9%) rallied as quarterly reports showed lithium sales increasing sharply, indicative of improving demand.
- High purity alumina developer, **FYI Resources** (+37.5%) continued to re-rate following successful pilot plant trial with its JV partner **Alcoa**. The group is due to release updated feasibility numbers for the construction of a commercial scale plant in Kwinana in the coming months. High purity alumina, or HPA is used in the manufacture of lithium batteries, LED lights and sapphire glass.

HPA FORECASTED DEMAND GROWTH (KTPA)



Source: FYI Resources. Demand for high purity alumina (HPA) is expected to increase rapidly on the back of battery demand

In our more conventional commodity exposures:

- **Australian Potash** (+18.5%) rallied on promising gold assays on tenements surrounding its Lake Wells potash project. The Lake Wells project is progressing well, but a gold discovery would be a welcome surprise
- **Coronado Global Resources** (+15.4%) rallied in line with a rapidly improving metallurgical coal price.
- **Strandline** (+12.8%) rallied on continued progress towards a final investment decision on its Coburn mineral sands project in Western Australia. We expect financing to be completed in the near-term
- Copper explorer **New World Resources** (-10.7%) was weaker despite releasing positive results from its Antler Copper project in Arizona, USA. We understand there is some investor frustration at delays to further assay results due to a backlog at labs in the US. We took the opportunity to add on weakness.

Vaccine rollout anecdotes during the month were broadly positive, with Israel leading the world with 30% of the population having received their first dose. We expect further upside surprise from vaccine rollouts globally. While there may a 6-to-9-month lag between countries, a likely outcome of the global vaccination effort is a period of synchronized global growth, which historically has been a strong tailwind for commodity demand.

Global, Currency & Commodities (%)

S&P500	+1.6
Nikkei225	+1.5
FTSE100	+0.9
Shanghai Composite	+0.6
RBA Cash Rate	0.10
AUD / USD	76.4c
Iron Ore	-0.6
Oil	+8.6
Gold	-2.0
Copper	+1.7



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