

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Global Resources Trust (Net)	2.8	11.7	23.5	23.9	59.7	145.0
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	4.3	6.5	6.5	12.8
Value Added	2.3	10.1	19.2	17.4	53.2	132.2
S&P ASX200 Resources Total Return Index*	6.4	16.9	9.1	12.1	35.8	79.7

^ Since inception: April 2020. Past performance is not a reliable indicator of future performance.

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

Overview

The Trust was up 2.8% in February (net of all fees), with energy and gold holdings leading performance, partially offset by a softer month for battery metal exposures. The return for the 12mths to date is 23.9% net of all fees.

The key driver of markets in the month was tension, then disbelief at Russia's invasion of Ukraine on the 24th of Feb. The subsequent sanctions imposed on Russia will ripple through commodity markets for months, if not years. A geopolitical blow up in eastern Europe wasn't part of our base case, but it certainly adds weight to a lower growth, higher inflation outlook.

Furthermore, global energy prices spiking will likely accelerate the transition towards electric vehicles for those that can afford them ensuring the strong run in battery metal prices continues. Thus we are confident the dip in some of our battery metal exposures during the month will prove to be temporary.

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.

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 \$22 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

April 2020

Fees

1.20% p.a. + Performance fee

APIR Code

WPC3240AU

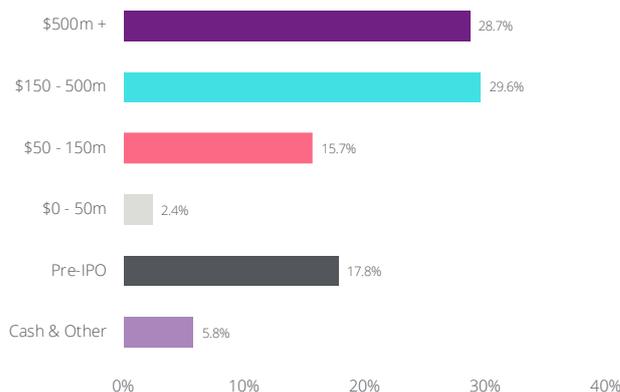
¹ Perennial Global Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
Green Technology Metals	6.5
ClearSky Industries	5.5
Jindalee	4.8
Dacian Gold	4.7
GenusPlus	4.6

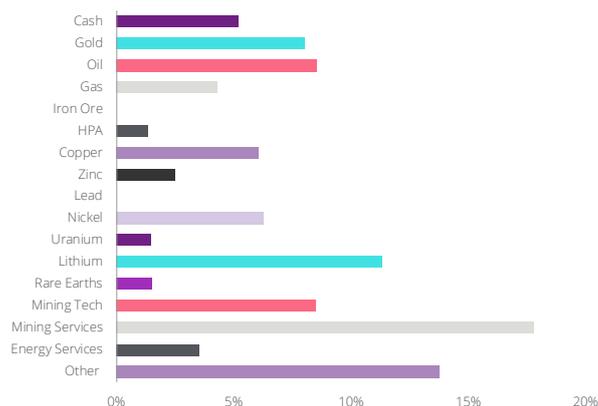
Source: Perennial Value Management. As at 28 February 2022

The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

Market Capitalisation Exposure



Sector Exposure



Trust Review

Gold and energy exposures led gains during the month, including:

- **Dacian Gold**, up 20.0% on higher gold prices and anticipation of strong tick up in production in the second half.
- **Woodside**, up 13.8% after beating earnings and dividend expectations. Woodside will sell up to 25% of its LNG cargoes into the higher priced spot market.
- **Capricorn Metals**, up 19.9% on higher gold prices and better than expected cashflow from operations.

Base metal exposures also performed well;

- **Alcoa**, up 32.9% on strong aluminium pricing and a growing relative benefit to peers via access to cheap, green hydropower
- **Capstone Mining**, up 21.4% on higher than expected earnings in the first half and steadily climbing copper prices.
- **Foran Mining**, up 7.9%, on strong feasibility study numbers on its 100% owned McIlvenna Bay development, Canada.

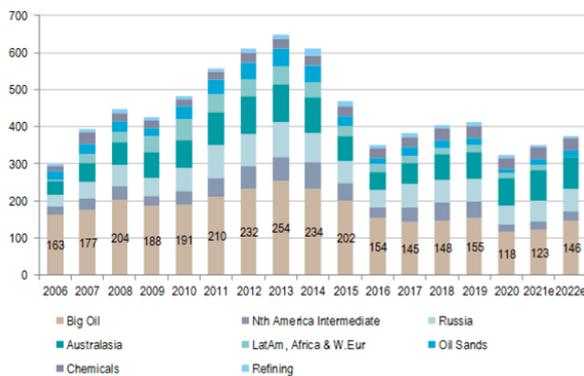
One of our private investments **ClearSky Industries**, announced the sale of its share in Western Plant Hire, resulting in a 104% valuation uplift to our prior holding cost. The company has guided it will distribute cash proceeds from the sale to share holders.

Stocks which weighed on performance during the month included:

- Lithium developer, **Green Technology Metals**, was down 16.9% in the month on no material news. We expect strong news flow from GT1 in the months ahead and bought back some of the stock we sold higher up.
- **Alpha HPA**, down 23.1% on a modest upgrade to capex for its Precursor Production Facility in Queensland.
- **Metro Mining**, down 11.1% despite announcing that the successful completion of loading vessels through the wet season has meant a bridging facility would not need to be drawn down prior to the seasonal ramp up of production in April.

Our core thesis of a barbell portfolio positioning, weighted towards old and new energy has been reinforced by the Ukraine developments. The supply shocks to the oil, gas, nickel and coal markets have echoes of the Brumadinho Dam disaster in 2019 which pushed the iron ore market into a deficit, from which it still hasn't fully recovered. The inflationary impacts of recent events are going to be felt for months if not years. This is an abrupt change in macro economic conditions compared to the prior 12 years, to the benefit of commodities as an asset class.

Oil, gas and chemicals company capex (US\$bn)



Source: MST Financial, Factset, Company report. Recent events have overshadowed the structural deficit which already existed in oil/n gas markets. A function of an extended period of under-investment.

Contact us



Level 27, 88 Phillip Street
Sydney NSW 2000



1300 730 032



invest@perennial.net.au



www.perennial.net.au

Signatory of:



Principles for Responsible Investment

Significant Investor Visa (SIV) Compliant

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Global, Currency & Commodities (%)

S&P 500	-3.1
Nikkei 225	-1.8
FTSE 100	-0.1
Shanghai Composite	3.0
RBA Cash Rate	0.10
AUD / USD	72.5c
Iron Ore	-1.8
Oil	10.7
Gold	6.2
Copper	3.0

The Trust finished the month with 40 positions and cash of 5.8%.



Investment Team: Ewan Galloway (left) and Sam Berridge (right)

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