

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Global Resources Trust (Net)	9.5	18.5	35.3	38.3	63.8	168.3
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	4.8	6.5	6.5	13.4
<b>Value Added</b>	<b>9.0</b>	<b>16.9</b>	<b>30.5</b>	<b>31.8</b>	<b>57.3</b>	<b>154.9</b>
S&P ASX200 Resources Total Return Index*	9.9	20.4	19.8	28.4	40.5	97.4

^ **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 9.5% in March (net of all fees), as commodities outperformed all sectors. March marked the end of the second year for the Perennial Global Resources Fund, returning 63.8% p.a. since inception.

Supply interruptions stemming from Russian sanctions, depleted inventories and steady demand combined to push the commodities sector higher in March. While Russian sanctions have certainly contributed to market tightness, in our view it would be a mistake to view the supply/demand balance as purely a geopolitical event. There had been an extended period of underinvestment in energy and minerals supply prior to the Ukraine invasion, and that will remain the case well after the Ukraine situation is resolved.

Furthermore, it appears mining and energy CEOs, and investors have learnt their lesson from the last cycle. During the 2006 – 2012 period, ready access to capital and high conviction in China-driven demand resulted in a rush to growth, tipping most commodities into over-supply. This is no longer the case, with elevated dividends and a preference for positive free cash flow suggesting the supply response will be more measured this time around.

## 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 \$24.5 million

### Distribution Frequency

Annual

### Minimum Initial Investment<sup>1</sup>

\$25,000

### Trust Inception Date

April 2020

### Fees

1.20% p.a. + Performance fee

### APIR Code

WPC3240AU

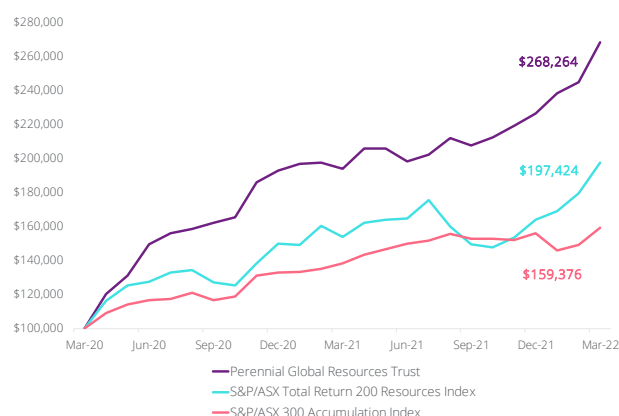
<sup>1</sup> Perennial Global Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
Jindalee	5.1
ClearSky Industries	5.0
GenusPlus	4.8
Green Technology Metals	4.7
Dacian	4.3

Source: Perennial Value Management. As at 31 March 2022

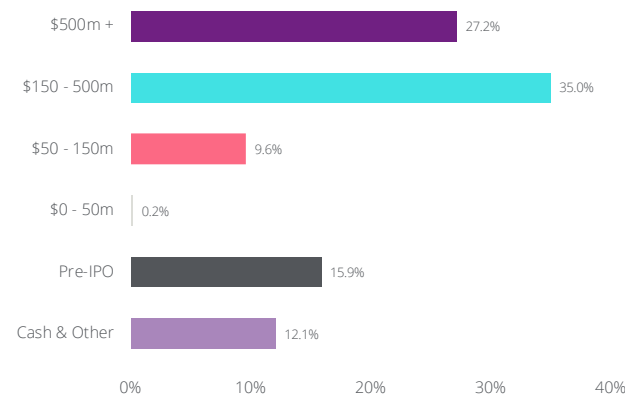
The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

## Growth of \$100,000 Since Inception

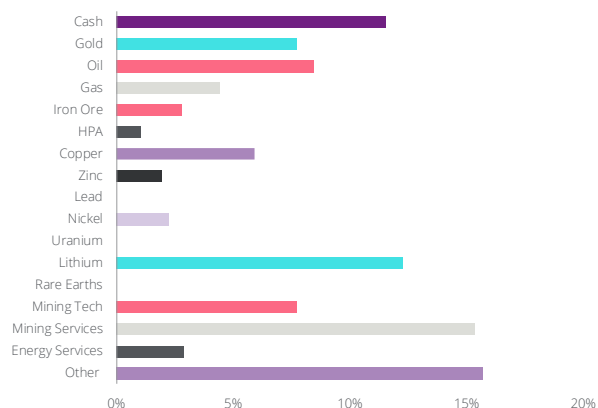


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

## Market Capitalisation Exposure



## Sector Exposure



## Trust Review

Gains were achieved right across the commodity spectrum during March. Battery tech performers included:

- **Jindalee**, up 26.5% after releasing results from its McDermitt Lithium product in the US.
- **Green Technology Metals**, up 9.2% on lithium resource drilling results and anticipation of subsequent resource upgrades.
- **Queensland Pacific Metals**, up 38.5% on signing a nickel laterite ore supply agreement and higher nickel prices (+32.2%) in the month.

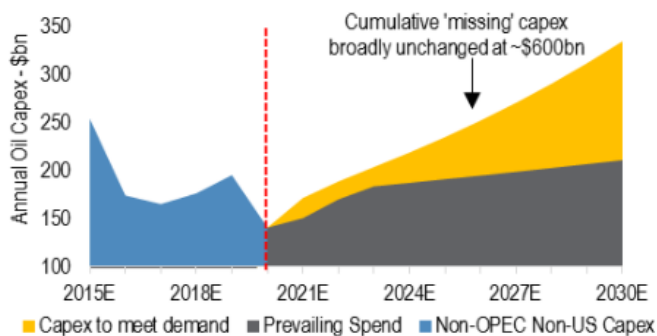
Base metal exposures also performed well:

- **Alcoa**, up 19.5% on strong aluminium pricing and a growing relative benefit to peers via access to cheap, green hydropower.
- **Metro Mining**, up 33.3% after increasing contracted orders for CY22 to 3.8Mt, thereby largely mitigating the key headwind for the company in recent history.
- **Centaurus**, up 13.2% after the company's 100% owned Jaguar nickel project denoted as a "Strategic Minerals Project" by the Brazilian Federal Government.

Old energy exposures also had a good month, including:

- **Woodside**, up 12.5% as European countries seek to diversify themselves away from Russian gas. A thematic which will likely take some time to payout.
- **XOP Energy ETF**, up 15.1% on a strengthened oil price (+6.9%).
- **Vintage Energy**, up 22.2% on signing a maiden gas sales agreement with AGL, fully funding its Vali Gas Field development.

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.



Source: JP Morgan, Company data. At the core of current inflationary conditions is an energy shortage born of a prologued period of under investment. Current capex plans are not adequate to bridge the gap.

## Global, Currency & Commodities (%)

S&P 500	+3.6
Nikkei 225	+4.9
FTSE 100	+0.8
Shanghai Composite	-6.1
RBA Cash Rate	0.10
AUD / USD	75.1c
Iron Ore	+13.6
Oil	+6.9
Gold	+1.5
Copper	+6.7

The Trust finished the month with 38 positions and cash of 12.1%.



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

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