

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Global Resources Trust (Net)	4.3	-18.9	4.3	10.7	41.3	123.9
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	0.5	6.5	6.5	15.8
<b>Value Added</b>	<b>3.8</b>	<b>-20.5</b>	<b>3.8</b>	<b>4.2</b>	<b>34.8</b>	<b>108.1</b>
S&P ASX200 Resources Total Return Index*	-0.8	-10.7	-0.8	-3.8	25.2	68.9

<sup>^</sup> 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 returned 4.3% in July (net of all fees) as the market bounced from depressed levels. Over the twelve months to the end of July, the Trust has returned 10.7% net of all fees.

Broad market rallies from depressed levels were observed in July, albeit moves in commodity markets were more selective. The conversation around inflation and rates became more nuanced during July, with several economists becoming vocal on their calls for rate cuts in second half of 2023. On this basis it's clear the duration of the rates cycle is materially shorter than for a commodities cycle, which requires four to six years for material new supply to come online, and that's without adjusting for the increased demand requirements of decarbonisation.

During July, spot LNG prices hit new highs and EV sales continued to take market share. The drivers of each of these observations will be long lasting, which is not reflected in the prices of commodity exposed equities at the moment.

## 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 \$15.4 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

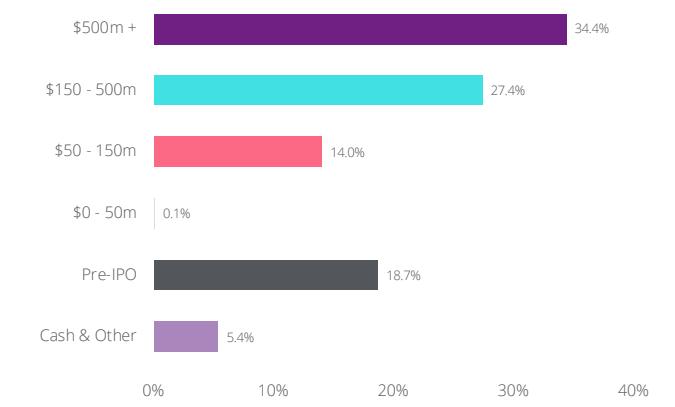
<sup>1</sup> Perennial Global Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
GenusPlus	7.8
Baraja	5.0
Emesent	4.6
Green Technology Metals	4.3
Jindalee Resources	4.2

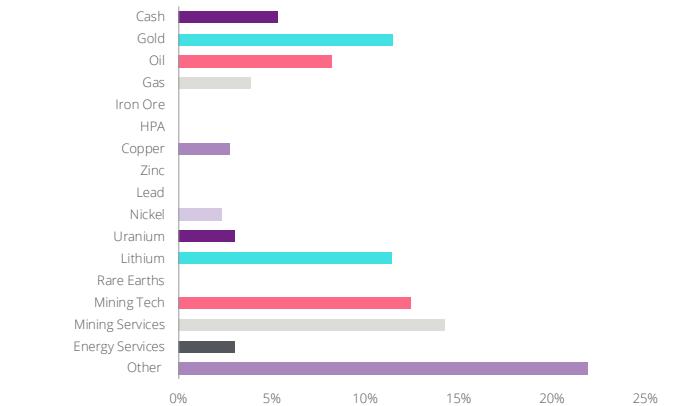
**Source:** Perennial Value Management as at 31 July 2022

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

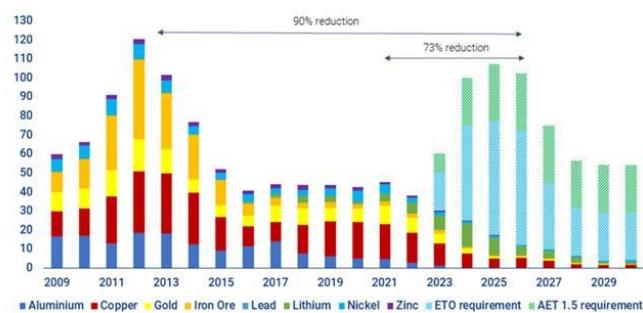
Some strong bounces were observed across the portfolio in July, as tax loss selling abated and concerns regard rate hikes eased. These included:

- **Strandline** up 21.2% on positive updates towards first mineral sands production at its Coburn project in Western Australia.
- **Alcoa** up 11.6% on stronger aluminium prices and a positive quarterly update.
- **Dacian** up 40.2% after receiving a takeover bid from Genesis Minerals.
- **Pilbara Minerals** rebounded 21.0% as lithium prices held firm rather than capitulating as had been expected in June.

Stocks which weighed on performance during the month included

- **GenusPlus** down 6.3% after posting counter cyclical gains in June.
- **Cooper Energy** down 8.2% on non-material news. We believe the market is continuing to digest the recent capital raise.
- **Aeris** and **Teck** were down 8.3% and 4.3% respectively on weaker copper prices.

While short term demand fluctuations driven by the rates cycle have impacted commodity and related equity prices in the short term, the bigger picture of declining metal inventories and looming shortages driven by decarbonisation demand remains very much in place.



Source: Wood Mackenzie

The above image contrasts the capital invested in new supply for a range of commodities against the near-term requirements to maintain a global temperature increase of 2.0% (ETO requirement) and 1.5% degrees (AET requirement). Further to our earlier point, there has not been a supply response this cycle. The vast majority of the modest uptick in expenditure from the major miners over the last three years was a return of maintenance and sustaining capital, not growth capital. As long as this mismatch between future demand and supply remains, the outlook for the commodities space will remain bright.

## Global, Currency & Commodities (%)

S&P 500	+9.1
Nikkei 225	+5.3
FTSE 100	+3.5
Shanghai Composite	-4.3
RBA Cash Rate	1.35
AUD / USD	69.8c
Iron Ore	-4.1
Oil	-4.2
Gold	-2.3
Copper	-3.7

The Trust finished the month with 30 positions and cash of 5.4%.



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

[Invest Online Now](#)

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Signatory of:



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