

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception [^] (% p.a.)	Since Inception [^] Cumulative (%)
Perennial Global Resources Trust (Net)	4.8	-9.2	9.4	10.7	42.3	134.8
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	1.1	6.5	6.5	16.3
Value Added	4.3	-10.8	8.3	4.2	35.8	118.5
S&P ASX200 Resources Total Return Index*	5.9	-6.1	5.1	11.7	27.2	78.8

[^] **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 4.8% in August (net of all fees) with strong gains from both old and new energy exposures. Over the twelve months to the end of August, the Trust has returned 10.7% net of all fees.

Markets continued July's momentum into early August, before Powell's Hawkish tone at the Jackson Hole symposium snuffed out hopes of a "Fed-pivot," with markets rolling over into month end. In Europe, the power crisis ratcheted up another notch, with CY23 power prices touching €1,000 per MWhr. That's roughly 6x the equivalent price in NSW. As a result, the steady flow of metal refinery closures continued as power costs pushed margins into negative territory.

While it's difficult to predict metal price trajectory as both demand and supply tick down, it's more certain that demand will recover much faster than supply in due course. This is because refineries will not pre-empt a margin recovery, they will wait for prices to recover to such a point that margins are comfortably positive. This will result in supply lagging demand, and a spike higher in metal prices.

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 Managers

Sam Berridge and Ewan Galloway

Trust FUM

AUD \$16.4 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

April 2020

Fees

1.20% p.a. + Performance fee

APIR Code

WPC3240AU

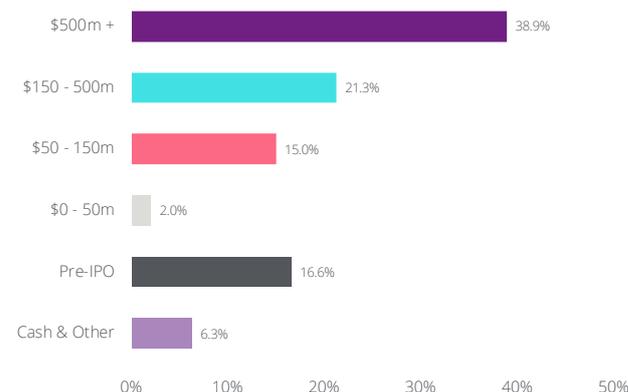
¹ Perennial Global Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
GenusPlus	7.0
Baraja	4.7
Emesent	4.3
Jindalee Resources	4.1
Alcoa	3.9

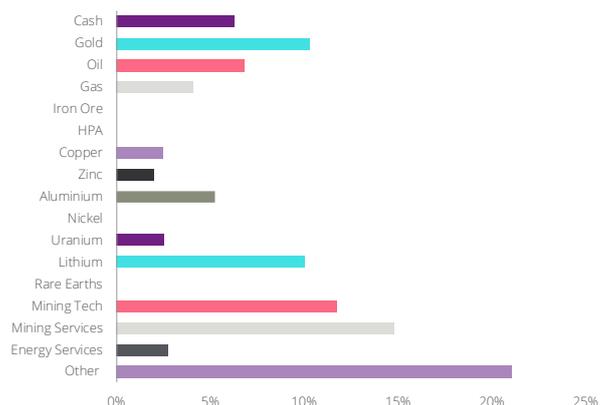
Source: Perennial Value Management as at 31 August 2022

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

Large gains in both old and new energy exposures drove the positive return for the month. Old energy included:

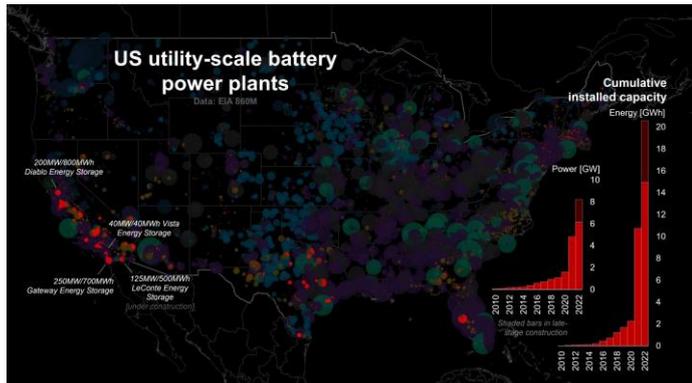
- **Cooper Energy** up 20.0% on an improving production outlook for its Sole gas development in Victoria, and the continuing increase in domestic gas prices
- **Woodside** up 7.1% after delivering a solid 1H financial result and record interim dividend
- **US Oil E&P ETF** up 5.6% as strong domestic US gas prices offset the earnings headwinds of a softer oil price (down 12.3%)

Strong gains from New Energy exposures included:

- **Pilbara Minerals** up 31.8%, as a strengthening price and volume outlook offset higher cost and capex guidance for FY23
- **Green Technology Metals** up 7.5% on further resource extensions of its spodumene deposit in Canada
- **Boss Energy** up 8.0% from the point of purchase, bounced upon the announcement by the Japanese government recommitting to nuclear power, including the restart of another five reactors

After two strong months of gains across the portfolio, we pivoted to a more defending positioning in late August, increasing cash. As the power crisis in Europe starts to bite, and COVID related closures in China increase, the run into year end is likely to be volatile. We are looking for a change in COVID policy in China, and perhaps a change in rhetoric from western central banks as the catalysts for an improving metal outlook.

In the context of that volatility, there are certain exposures which look quite robust. Those include energy exposures, particularly Australian domestic gas, and companies which benefit from increasing power prices.



Source: EIA

One beneficiary of increased power prices are companies involved in stationary storage. High power prices in the US (in particular California) are bringing forward demand for large scale power storage by roughly 10 years. The same is likely occurring in Europe. This tailwind to battery demand is being underestimated by markets in our view.

Global, Currency & Commodities (%)

S&P 500	-4.2
Nikkei 225	+1.0
FTSE 100	-1.9
Shanghai Composite	-1.6
RBA Cash Rate	1.85
AUD / USD	68.6c
Iron Ore	-16.2
Oil	-12.3
Gold	-3.1
Copper	-1.7

The Trust finished the month with 32 positions and cash of 6.3%.



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

[Invest Online Now](#)

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Signatory of:



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