

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception [^] (% p.a.)	Since Inception [^] Cumulative (%)
Perennial Strategic Natural Resources Trust (Net)	-5.8	3.0	3.0	6.4	37.4	121.1
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	1.6	6.5	6.5	17.1
Value Added	-6.3	1.4	1.4	-0.1	30.9	104.0
S&P ASX200 Resources Total Return Index*	-2.1	2.8	2.8	17.0	25.1	75.0

[^] **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.

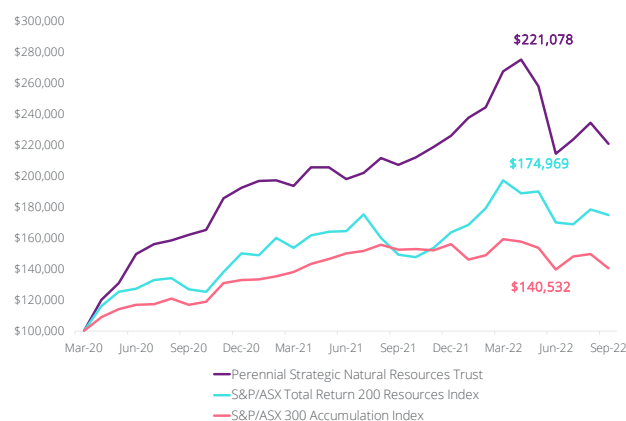
Overview

The Trust returned -5.8% in September (net of all fees) against a backdrop of sharply negative returns across most markets. Over the twelve months to the end of September, the Trust has returned 6.4% net of all fees.

The positive sentiment from July and August evaporated in September, as speculation of a Fed policy pivot proved premature. Fed commentary continued to push the USD higher, which is starting to cause broader issues, particularly in countries which are net energy importers.

Amidst the gloom there is some reason for optimism, in October China holds its National Party Congress. It has been speculated that this may mark the end of China's covid-zero policy which has been hampering efforts to stimulate its economy. This could be characterized by saying the Chinese government has had one foot on the brake and one foot on the accelerator. Should the covid zero policy be removed, it would be a material positive for commodity 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 Strategic Natural 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 **Trust FUM**
Sam Berridge and Ewan Galloway AUD \$13.3 million

Distribution Frequency **Minimum Initial Investment¹**
Annual \$25,000

Trust Inception Date **Fees**
April 2020 1.20% p.a. + Performance fee

APIR Code
WPC3240AU

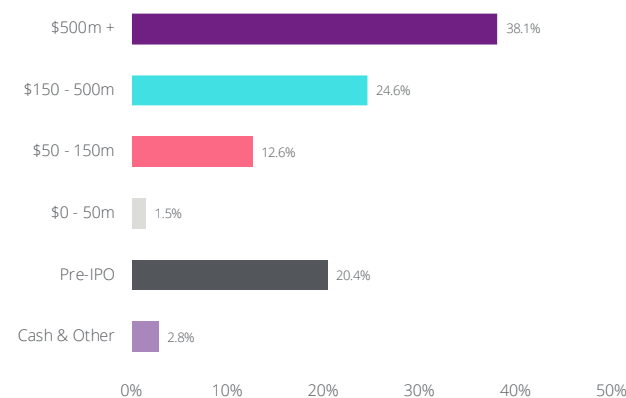
¹ Perennial Strategic Natural Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
GenusPlus	8.6
Baraja	5.8
Emesent	5.3
Jindalee Resources	4.7
Cooper Energy	4.5

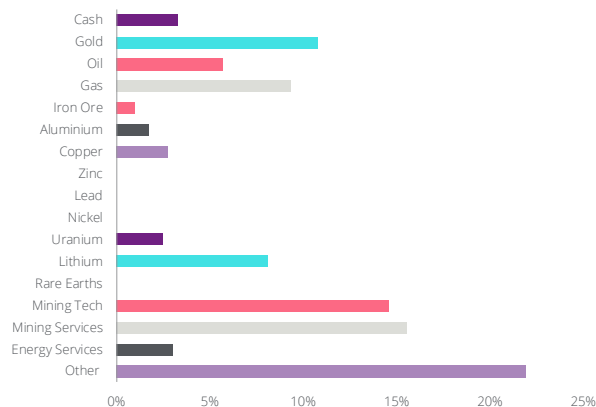
Source: Perennial Value Management as at 30 September 2022

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

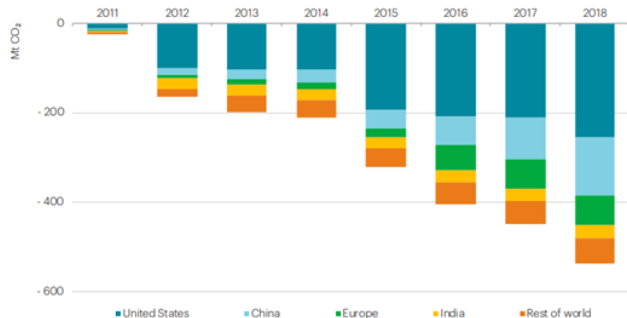
Despite some sizeable falls for individual stocks during September, the overall Trust performance held up reasonably well. In situations where stocks were sold down, the underlying earnings outlook remains robust and thus we took the opportunity to add to our positions in most cases.

- **GenusPlus**, down 15.8% on outlook commentary of a “period of consolidation in FY23”. The market has misinterpreted this as meaning flat earnings, it doesn't. It refers to consolidation of recently acquired businesses. We anticipate guidance of FY23 earnings growth at the AGM in November. In addition, we note recent sizable buying by directors
- **Capricorn Metals** and **Pantoro** down 17.8% and 13.2% respectively on a weaker US\$ gold price (down 2.9%), despite the A\$ gold price rising 3.8% during the month due to a weaker AUD:USD exchange rate. We added to our position on weakness
- **Alcoa** down 32.0% after flagging that Q3 earnings would be impacted by lower pricing and higher input costs. However, a significant amount of global production has been curtailed and Alcoa will likely be a major beneficiary when demand inevitably returns

Brighter spots in the portfolio included

- **Green Technology Metals**, up 4.9%, as the spodumene price continued to march higher during the month
- **Mineral Resources**, up 2.8% on media speculation of a spin out of its lithium business

CO₂ savings from coal-to-gas switching by region compared with 2010



Source: IEA, IPCC

We gave an update on the commodity outlook earlier in the month, focusing on the many moving parts of the decarbonisation challenge. The chart above highlights the role gas will play in transitioning to cleaner energy. To date coal-to-gas switching has been the largest net contributor to carbon reduction.

Global, Currency & Commodities (%)

S&P 500	-9.3
Nikkei 225	-7.7
FTSE 100	-5.4
Shanghai Composite	-5.6
RBA Cash Rate	2.35
AUD / USD	64.3c
Iron Ore	+2.0
Oil	-8.8
Gold	-2.9
Copper	-3.0


The Trust finished the month with 36 positions and cash of 2.8%.



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

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Signatory of:



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