

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Strategic Natural Resources Trust (Net)	-0.6	0.1	10.5	-11.6	33.4	33.4	137.2
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	4.8	6.5	6.5	6.5	20.8
Value Added	-1.1	-1.5	5.7	-18.1	26.9	26.9	116.4

^ **Since inception:** 1st April 2020. Past performance is not a reliable indicator of future performance.

Overview

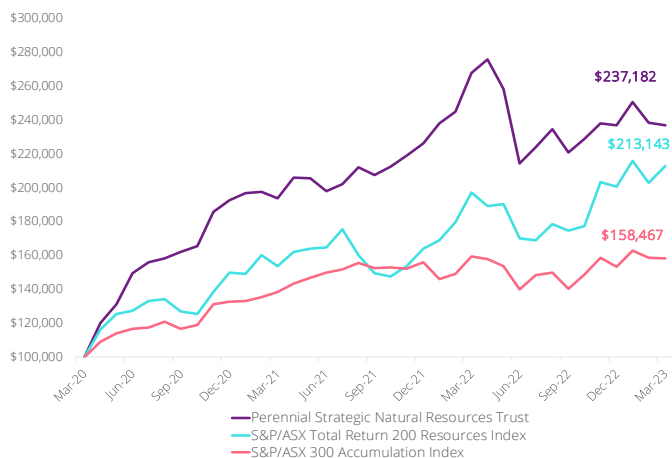
The Trust returned -0.6% in March (net of all fees), rounding out its three-year anniversary. Over that period the trust has returned 33.4% pa for a cumulative return of 137.2%.

Volatility from February continued into March as the market continued to second guess central bank interest rate trajectory. Underlying the financial market noise and seasonal demand strength from China has started to tighten metal markets, with draw-downs in copper inventories in particular looking worrisome.

Similarly, increasingly dire warnings of a shortfall in Eastern Australia energy supply continued, specifically focused on gas. Exxon warned Bass Strait gas, which supplies ~70% of south-east Australia domestic gas demand, will see the number of productive wells halve by winter 2024 as reserves deplete.

While financial market volatility will likely continue in the near term, underlying supply/demand fundamentals are tightening, supporting higher prices for select commodities over the coming months and years.

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

Sam Berridge and Ewan Galloway

Trust FUM

AUD \$13.0 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

April 2020

Fees

1.20% p.a. + Performance fee

APIR Code

WPC3240AU

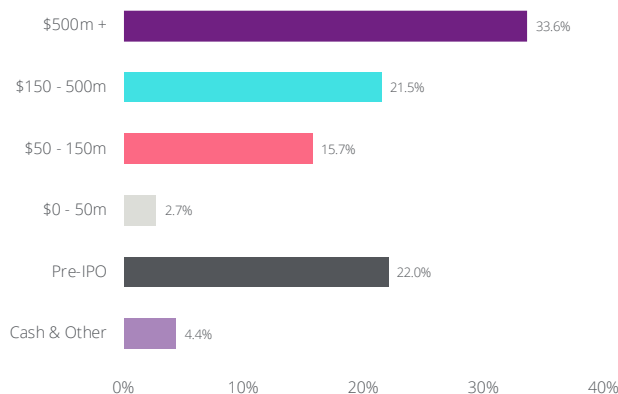
¹ Perennial Strategic Natural Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
GenusPlus	6.5
Baraja	6.1
Emesent	5.6
Red Earth Energy Storage	5.5
Capricorn Metals	4.2

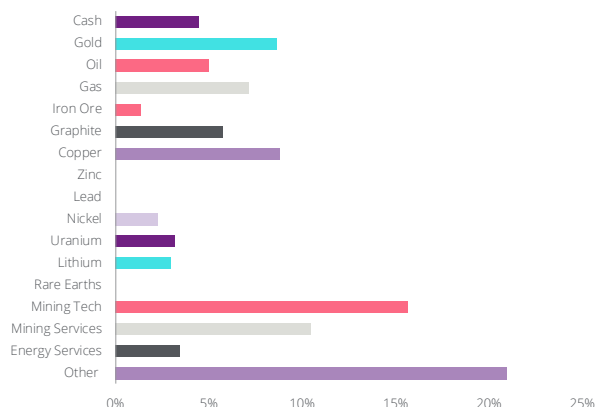
Source: Perennial Value Management as at 31 March 2023

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 copper exposures were the better performing stocks for the month, including:

- **Capricorn Metals**, up 25.6% on the back of a stronger gold price (+7.8%) and beating expectations with its first half financial result
- **Northern Star** up 18.7%, with a stronger gold price offsetting news of a prolonged production outage in its Pogo operation in Alaska
- **Aeris Resources**, up 16.5% on the back of exploration success at its Jaguar mine, as well as some investor relief that the company's Queensland operations escaped relatively unscathed from heavy rain in the month
- **Strandline**, up 13.4% from the mid-month purchase price, gave a positive update on the commissioning and ramp up of its Coburn Mineral Sands mine

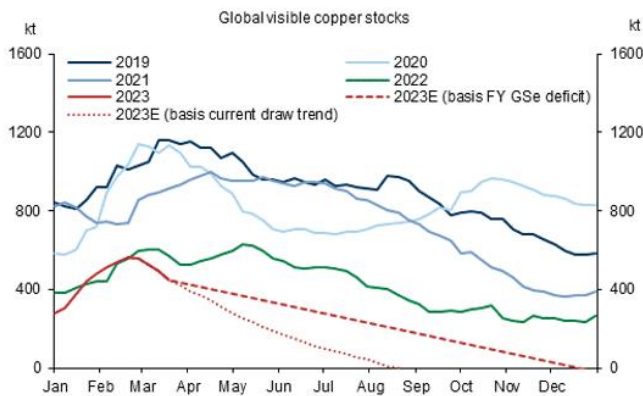
Stocks which weighed on performance during the month included:

- **SciDev**, down 6.0% on no news other than some director buying at \$0.30 per share
- **Cameco, Shell, Woodside** were all down low single digits on a lower oil price

Financial markets can have a large impact on commodity prices, particularly in cases where the paper market for a commodity outsizes the physical market, as is the case for oil. However, ultimately supply-demand reigns supreme and will dictate the direction of a commodity price over the medium and longer term. With that in mind we consider the chart of copper inventories below as positive.

Putting the covid anomaly to the side, copper inventories have been steadily diminishing for the last four years. So far in 2023, the rate of depletion has been rapid and on its current trajectory should deplete inventories towards the end of the calendar year. Should this pattern continue, we would expect a sudden spike in prices, rather than a slow climb higher.

Copper stocks path basis current pace of draws



Source: Goldman Sachs, Bloomberg

The Trust finished the month with 38 positions and cash of 4.4%.

Global, Currency & Commodities (%)

S&P 500	+2.0
Nikkei 225	+2.2
FTSE 100	-3.1
Shanghai Composite	-0.2
RBA Cash Rate	3.60
AUD / USD	66.9c
Iron Ore	+0.8
Oil	-4.9
Gold	+7.8
Copper	+0.1



Portfolio Managers: Ewan Galloway (left) and Sam Berridge (right)

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Signatory of:



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