

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Strategic Natural Resources Trust (Net)	0.0	-5.4	10.5	-14.1	25.4	32.4	137.2
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	5.4	6.5	6.5	6.5	21.4
Value Added	-0.5	-7.0	5.1	-20.6	18.9	25.9	115.8

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

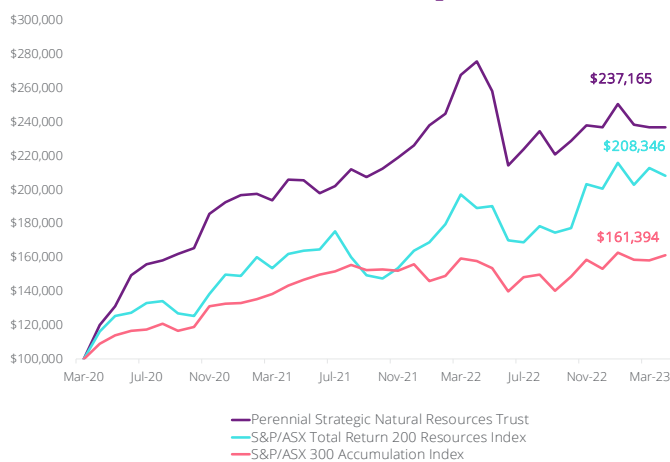
Overview

The Trust was flat in April (net of all fees), in a negative month for resources broadly (ASX200 Resources -2.3%).

M&A was a feature of commodity equities during the month, with Glencore's approach for Teck (just as BHP secured OZL) setting off speculation of another wave of consolidation sweeping across the commodity space. This is consistent with feedback from CESCO Copper Week, during which the lack of experienced project development teams was cited as a disincentive for greenfields project development.

Extrapolating that point further, securing the right people is increasingly seen as important as securing assets. Thus, the appeal of M&A is winning out over greenfield developments. Ultimately, miners spending money on M&A rather than organic growth is bullish for 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 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

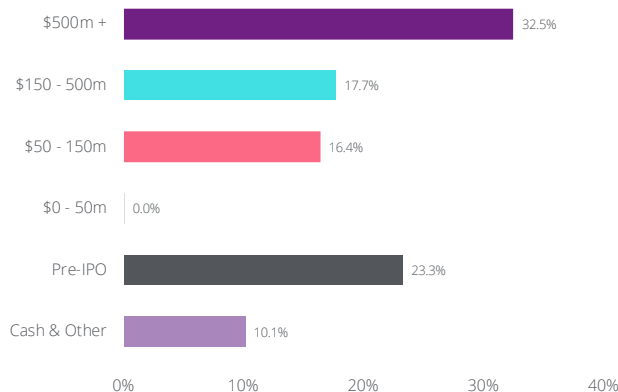
¹ Perennial Strategic Natural Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
GenusPlus	6.4
Baraja	6.0
Red Earth Energy Storage	5.6
Emesent	5.5
Pilbara Minerals	4.3

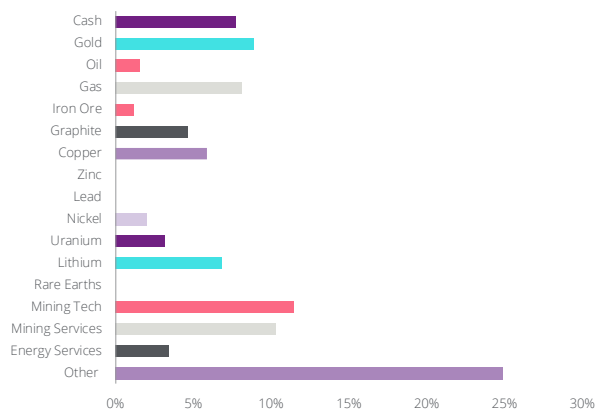
Source: Perennial Value Management as at 30 April 2023

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

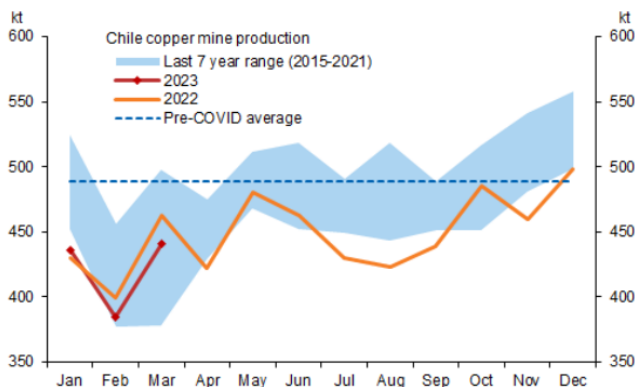
M&A was the primary driver of positive returns within the portfolio during the month:

- **Teck**, up 28.1% after receiving a non-binding indicative approach from **Glencore** (up 0.9%). Teck rejected the approach but has come under pressure from investors to engage with Glencore while also scrapping its separation plan for the metallurgical coal business
- **Genesis**, up 22.1% after announcing a restructured deal to acquire **St Barbara**, Gwalia gold mine, located 30km from Genesis's Ulysses deposit.
- **Talon Energy**, up 13.3% on news it's close to first gas in the Perth Basin and is divesting its Mongolian assets to simplify its company structure.

Stocks which weighed on performance during the month included:

- **Aeris Resources**, down 29.1% on soft production numbers released as part of its quarterly report. Production was impeded by heavy rains adjacent to its Mt Colin mine, which prevented ore from being trucked to the concentrator. This has resulted in a \$27m working capital build, which will start to unwind next quarter.
- **Magna Mining**, down 14.7% on no news and a higher nickel price.

Thus far 2023 has continued to throw up challenges to mine supply, as a variety of factors impede production guidance. One area of under performance which is capturing commodity market attention is Chile's copper production, the world's largest producer. Despite spending US\$16.8bn on capex over the five years to 2020, Chile's largest producer, Codelco, has failed to grow or even sustain historic levels of production. These trends are hard to reverse and highlight the challenge of meeting the world's decarbonisation goals.



Source: Cochilco, Goldman Sachs Global Investment Research

The Trust finished the month with 38 positions and cash of 10.1%.

Global, Currency & Commodities (%)

S&P 500	+1.5
Nikkei 225	+2.9
FTSE 100	+3.1
Shanghai Composite	+1.5
RBA Cash Rate	3.60
AUD / USD	66.1c
Iron Ore	-17.3
Oil	-0.3
Gold	+1.1
Copper	-5.2



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

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Signatory of:



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