Perennial Strategic Natural Resources Trust

Monthly Report June 2023

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Strategic Natural Resources Trust (Net)	3.8	-0.3	10.2	10.2	16.5	30.4	136.5
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	6.5	6.5	6.5	6.5	22.1
Value Added	**3.3**	**-1.9**	**3.7**	**3.7**	**10.0**	**23.9**	**114.4**

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

Overview

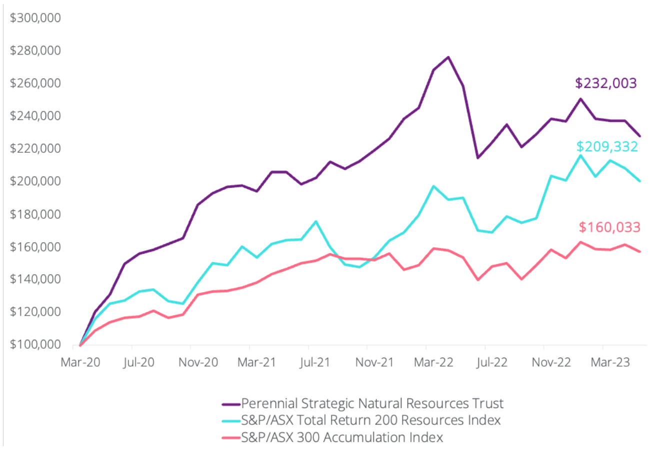
In a strong finish for the financial year, the Trust finished up 3.8% net of all fees, driven by positive news flow from core holdings.

Aside from aluminium and gold, commodities were modestly up in June. Initially this was driven by hopes of Chinese stimulus, bolstered by comments from the Chinese Premier Li Qiang that the economy was poised for growth. However, any increase was tempered by China's June PMI coming in below market expectations and ongoing weakness in the property sector.

Post China's weak data points in June, the market's focus is turning to the Politburo meeting taking place at the end of July. Here we expect to see a more detailed stimulus package announced, to both drive growth and stave off deflation. Although China's 2023 GDP is forecast to be above their 5% target, they will be forced to stimulate the economy to offset a weak second quarter.

Global demand remains robust and inventories remain low. As end users continue to worry about supply becoming a major bottleneck, we remain confident that the ongoing global energy transition will prove bullish for commodities.

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 $13.5 million

Distribution Frequency
Annual

Minimum Initial Investment[1]
$25,000

Trust Inception Date
April 2020

Fees
1.20% p.a. + Performance fee

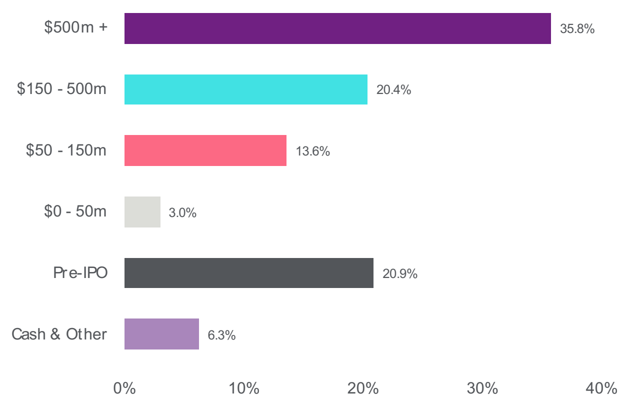
APIR Code
WPC3240AU

Top 5 Positions	Trust (%)
Baraja	5.7
Red Earth Energy Storage	5.4
GenusPlus	5.4
Emesent	5.2
Genesis Minerals	4.3

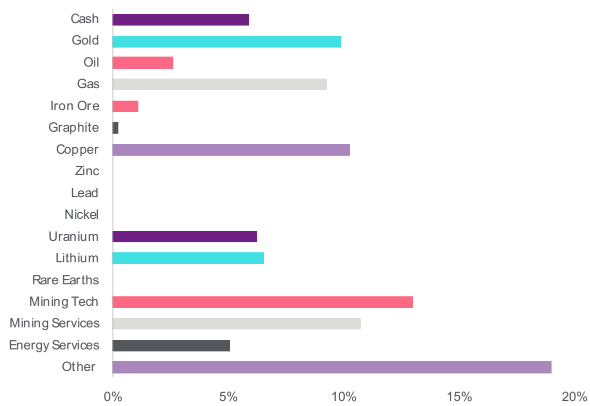
Source: Perennial Value Management as at 30 June 2023

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

Key contributors during the month included:

- **Azure Minerals** (+43.3%) from our purchase price, reported company-making lithium intersections from its 60% owned Andover lithium project in the Pilbara
- **Paladin Energy** (+33.9%) on the back of the Namibian Government refuting press speculation that they were planning to seize stakes in projects, confirmation at the investor day that the restart of Langer Heinrich was on track for Q1-CY24 and continued strength in the uranium price
- **Energy Recovery** (+17.4%) after announcing they were awarded Refrigeration Innovation of the Year for their PX G1300 pressure exchanger and broker target prices being lifted as they incorporated the CO2 opportunity into their models

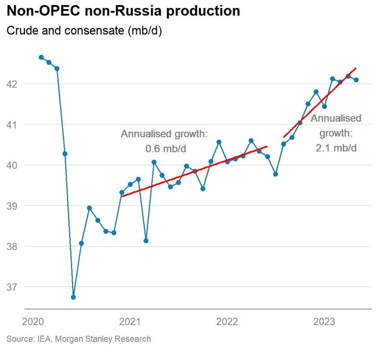
Stocks which weighed on performance during the month included:

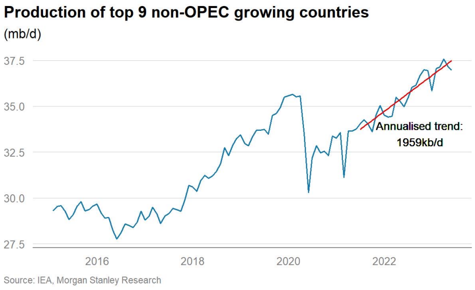
- **Jindalee Resources**, down 16.5% as the recent bounce in the lithium price pauses for breath

Although oil was up for the month it has remained range bound between US$70-78/bbl over the last 3 months, even in the face of OPEC+ cuts, as fears around over strong supply and a global recession weigh on the price.

While OPEC+ have announced cumulative cuts of ~2mbd since April the oil price has not sustained a meaningful rally highlighting their struggle to bring the price back above US$80/bbl. Part of the problem has been that non-OPEC+ supply has remained resilient and continued to grow. On top of this Russian production has failed to be dented by the price cap of US$60/bbl imposed by Western nations.

Given these factors, looking forward we remain cautious on the near-term outlook for oil. Due to global oil production being dominated by essentially government run companies, we expect them to prioritise production and maximising cash flow to support their economies, while demand remains robust, rather than holding out for a higher oil price.





Source: Morgan Stanley, Company presentations

The Trust finished the month with 41 positions and cash of 5.9%.

Global, Currency & Commodities (%)

S&P 500	+6.5
Nikkei 225	+7.5
FTSE 100	+1.1
Shanghai Composite	-0.1
RBA Cash Rate	4.10
AUD / USD	66.6c
Iron Ore	+7.1
Oil	+3.2
Gold	-2.2
Copper	+2.4

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

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Contact us

Level 27, 88 Phillip Street
Sydney NSW 2000

1300 730 032

invest@perennial.net.au

www.perennial.net.au