

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Strategic Natural Resources Trust (Net)	-0.3	6.7	2.8	3.6	15.3	29.7	143.1
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	1.1	6.5	6.5	6.5	24.0
Value Added	-0.8	5.1	1.7	-2.9	8.8	23.2	119.1

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

Overview

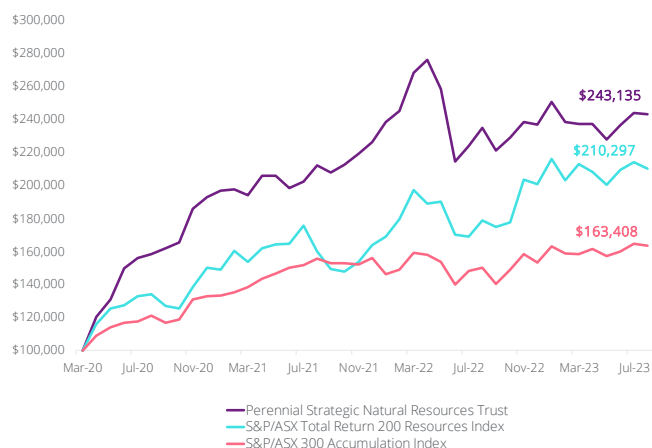
In August the Trust was down 0.3% net of all fees, outperforming the ASX 200 Resources index by 1.6%.

Commodity prices were broadly lower in August with the sole bright spot being “old energy” with oil (up 2.4%) and thermal coal (up 13.6%) both up. This was primarily driven by weak economic data out of China and stimulus measures from the government continuing to underwhelm.

While disappointing, commodity prices staged a recovery towards the end of the month as China finally began to move beyond their previous piecemeal efforts to bolster their economy. Of particular note was the announcement of an acceleration of Chinese special bond issuance to fund infrastructure investment and their lowering of deposit requirements for both first time and second/third home buyers.

Additionally fears around the depth of steel production cuts have been pared back with output still up year to date. On top of an improving macro-outlook this points towards improved commodity demand through the end of the year into 2024.

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 \$14.1 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

April 2020

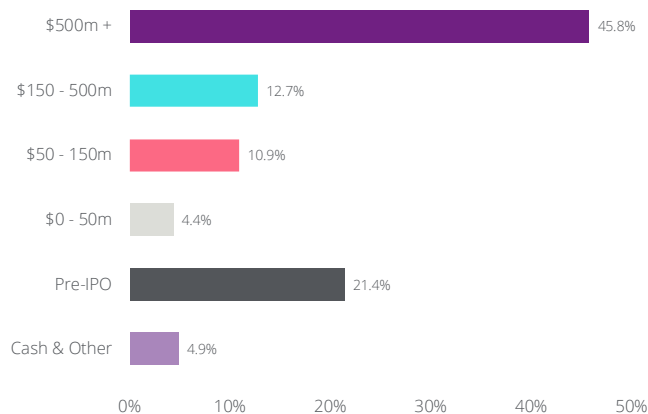
Fees

1.20% p.a. + Performance fee

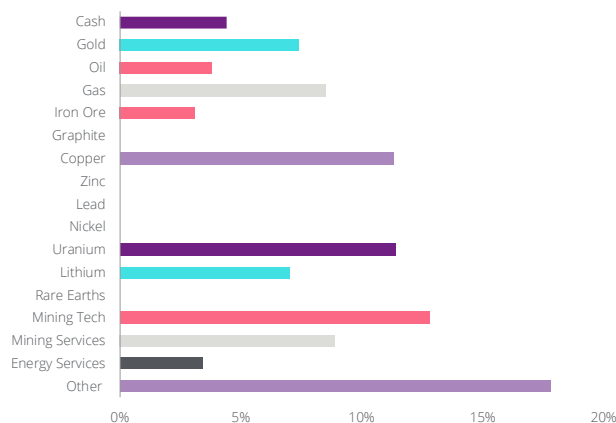
APIR Code

WPC3240AU

Market Capitalisation Exposure



Sector Exposure



Top 5 Positions	Trust (%)
Metals Acquisition	5.6
Baraja	5.4
Red Earth Energy Storage	5.2
Emesent	5.2
Cameco	4.4

Source: Perennial Value Management as at 31 August 2023.

Trust Review

Key contributors during the month included:

- **Cameco** (+7.9%) continued to climb higher, following the increasing uranium price, up 5.2% in the month.
- **Azure Minerals** (+39.7%) post the announcement of further excellent drilling results at its Andover asset.
- **Paladin Energy** (+15.0%) driven by the spot uranium price increasing on supply fears post the coup in Niger and production downgrades from peers.

Stocks which weighed on performance during the month included:

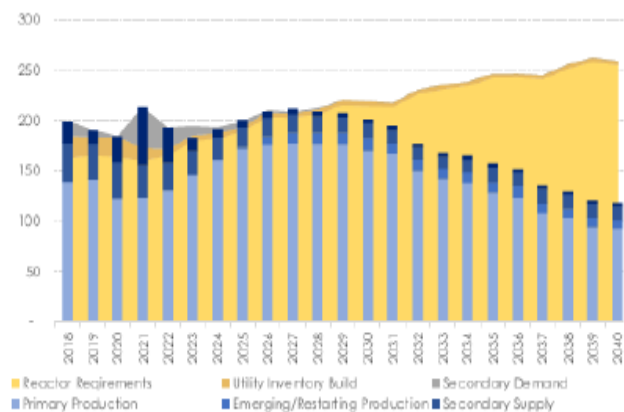
- **Alcoa**, down 16.9% on aluminium price weakness and concerns around the ongoing viability of its bauxite mines in Western Australia.

Uranium had a strong month and is currently at a 16 month high of US\$59.75/lb. The improvement in the price has been driven by supply discipline, rising demand, a tight spot market and the delay of Kazakhstani (~40% of global supply) shipments as a result of the Russia-Ukraine conflict. This has been further bolstered by the recent military coup in Niger (~5% of global supply, ~25% of EU supply) and downgrade by Cameco (equating to ~2% of global supply), exacerbating supply concerns.

Short term volatility aside the fundamentals for the market look strong. There are around 440 nuclear reactors globally with ~60 under construction, over 100 ordered or planned and another 300 proposed. Notably there has also been a step change in policy from governments this year towards nuclear. Recognition is growing that nuclear's low carbon intensity, flexible and reliable baseload supply will be an imperative part of the energy mix if net zero targets are to be achieved.

Future demand will only continue to increase as existing contracts roll over, current supply declines and the number of reactors grows, driven by the advancement of small modular reactors (SMRs).

The supply/demand outlook is compelling



Source: Berenberg forecasts, Company presentations

The Trust finished the month with 47 positions and cash of 4.9%.

Global, Currency & Commodities (%)

S&P 500	-1.8
Nikkei 225	-1.7
FTSE 100	-3.4
Shanghai Composite	-5.7
RBA Cash Rate	4.10
AUD / USD	64.8c
Iron Ore	0.0
Oil	+2.4
Gold	-1.3
Copper	-3.2



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

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Signatory of:



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