Perennial Strategic Natural Resources Trust

Perennial Partners

Monthly Report September 2023

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Strategic Natural Resources Trust (Net)	1.2	4.0	4.0	11.3	14.9	29.3	146.0
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	1.6	6.5	6.5	6.5	24.7
Value Added	**0.7**	**2.4**	**2.4**	**4.8**	**8.4**	**22.8**	**121.3**

^ Since inception: 1st April 2020. Past performance is not a reliable indicator of future performance. Performance is shown to 29 September 2023, which was a public holiday in Melbourne. Since our unit registry is based in Melbourne, no unit price was struck for this day. An indicative unit price was calculated so that the performance of the fund may be compared to that of the market (the ASX was open on 29 September 2023). No reliance should be placed on the indicative unit price for 29 September 2023.

Overview

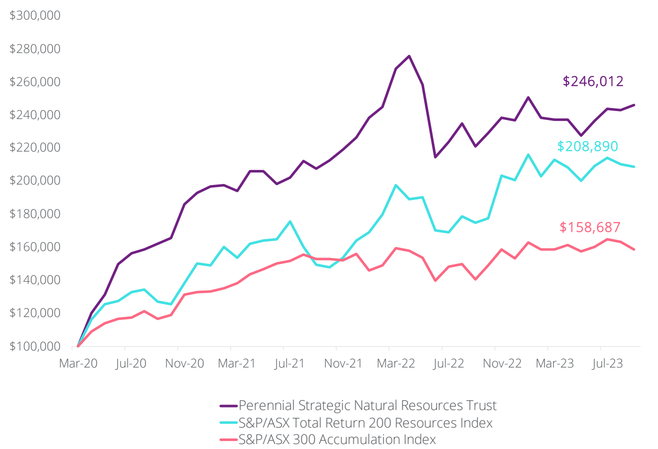
Pleasingly, the trust delivered a positive return in September, finishing up 1.2% (net of all fees). This was despite negative returns across most asset classes in the month, including the ASX200 Resources index which finished down 0.7%

Old energy continued its out performance from August into September, with oil (+9.2%) and gas (+14.4%) both performing well. In what is possibly a case of 'what was old, is new again', uranium had a breakout month finishing up 20.3% as 12-year period of excess inventory finally came to an end.

On the macro economic front, follow through on Chinese stimulus measures remains lackluster. Also, the acceleration higher of US rates, both in nominal and real terms acted as a headwind for most asset classes. That said, as shown by the positive returns from the commodities above, supply/demand balances trump all other macro-economic considerations.

Looking ahead, we're of the view the pace of the recent run up in rates globally can't be sustained for long. In the interim, positive supply/demand dynamics remain selectively supportive for the commodities sector.

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 Investment[1]
$25,000

Trust Inception Date
April 2020

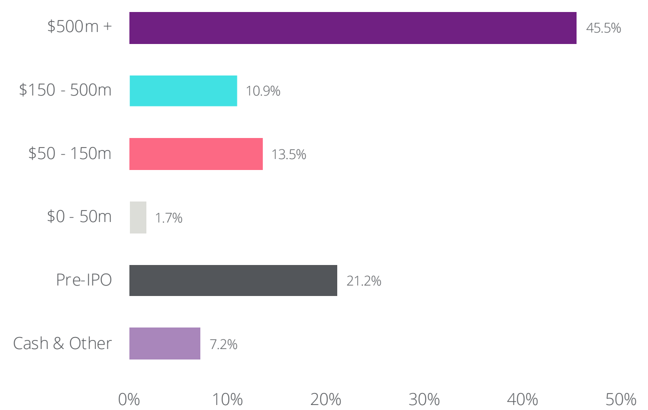
Fees
1.20% p.a. + Performance fee

APIR Code
WPC3240AU

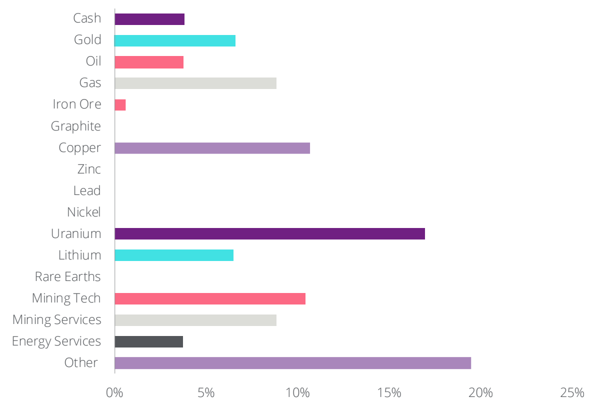
Top 5 Positions	Trust (%)
Metals Acquisition	5.6
Baraja	5.4
Red Earth Energy Storage	5.2
Emesent	5.0
Cameco	4.7

Source: Perennial Value Management as at 30 September 2023.

Market Capitalisation Exposure



Sector Exposure



Trust Review

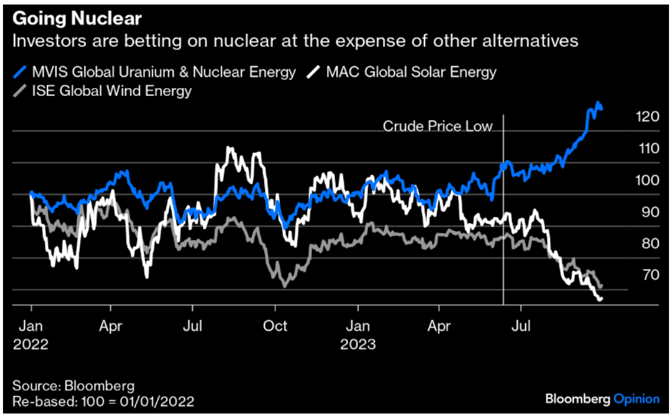
Uranium exposures were the strongest performers during the month;

- **Cameco**, up +7.8% continued to climb higher, despite announcing an 8% production downgrade during the month. The market appears to be assuming this deferred production will end up being delivered into higher prices, indicative of bullish sentiment.
- **Paladin**, up 30.2%, rallied strongly with the uranium price and further progress towards a production restart at Langer Heinrich in the March quarter 2024.
- **NexGen**, up 14.3% announced a funding round which will cover the equity component of development capex for its Arrow uranium deposit, Saskatchewan, Canada.

Stocks which weighed on performance during the month included:

- **Green Technology Metals**, down 20.0% following a softening lithium price (-18.7%). GT1 remains one of our few lithium exposures. The company has previously placed stock to **LGChem** at $0.92 and **Lithium Americas** at $1.05 per share. We believe the company will be well supported through the financials of its combined spodumene-hydroxide development post release of its preliminary economic assets (PEA) later this quarter.

Any transition which costs trillions of dollars and spans decades will spur a multitude of technology advances. We're of the view the Energy Transition will be no different. In that regard we note the contrast in investment flows below. Whether this marks an inflection point on how decarbonisation will be achieved remains to be seen. That said, as different technologies fall in and out of favour implications for commodity supply and demand will change. Remaining abreast of new energy-tech developments is a key component of actively managing our commodity exposures.



Source: Bloomberg

The Trust finished the month with 48 positions and cash of 4.2%.

Global, Currency & Commodities (%)

S&P 500	-4.9
Nikkei 225	-2.3
FTSE 100	2.3
Shanghai Composite	-0.3
RBA Cash Rate	4.10
AUD / USD	64.5c
Iron Ore	+11.2
Oil	+10.0
Gold	-4.0
Copper	-0.8

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

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