

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	Since inception [^] (% p.a.)
Perennial Strategic Natural Resources Trust (Net)	3.0	6.9	12.3	11.4	11.0	28.9
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	4.8	6.5	6.5	6.5
*S&P/ASX200 Total Return Resources Index	-6.0	-2.3	-2.0	1.1	8.6	20.1
Value Added	2.5	5.3	7.5	4.9	4.5	22.4

[^] Since inception: 1st April 2020. Past performance is not a reliable indicator of future performance. *S&P/ASX Total Return Resources Index is for comparison purposes only, the benchmark for the Trust is a positive absolute return exceeding 6.50% p.a. net of all fees.

Overview

In a challenging month for the commodities sector which saw the ASX200 Resources index fall -6.0%, the Trust performed strongly delivering +3.0%, net of all fees, lifting the rolling 12mth return to 11.4%. For the financial year to date, the Trust has outperformed the ASX200 Resources index by 14.3%.

Iron ore weighed heavily on the large cap commodity stocks, falling 7.2% in February. Fortunately, we've had no iron ore exposure for some time. On a more positive note, lithium which has been falling for eight months straight, finally showed tentative signs of a bottom.

Towards month end, ripples of post-Chinese new year demand started to be felt across commodity markets, with base metals bouncing off their intra-month lows. A lead indicator for commodity demand, the Chinese Caixin PMI beat expectations coming in at 50.9 for February (vs 50.6 expected and 50.8 in January). Also of note was India GDP coming in hot at +8.4% yoy for the December quarter.

Thus far, it seems the world is adjusting to higher rates reasonably well. Should this trend continue, the lack of metal inventories will become readily apparent in the second half of the calendar year. We would expect flows into commodity markets ahead of that.

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 & Ewan Galloway

Trust FUM

AUD \$20.5 million

Distribution Frequency

Annual

Minimum Initial Investment

\$25,000

Trust Inception Date

April 2020

Fees

1.20% p.a. + Performance fee

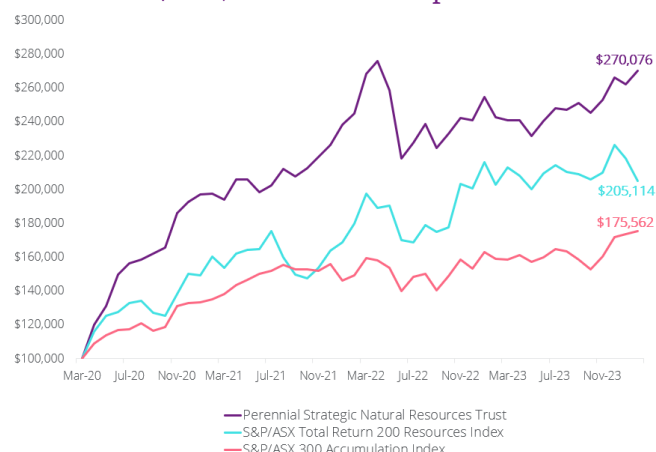
APIR Code

WPC3240AU

Top 5 Positions	Trust (%)
Ora Banda	7.0
Brazilian Rare Earths	6.6
Metals Acquisition Corp	4.1
Cooper Energy	4.0
NexGen Energy	3.7

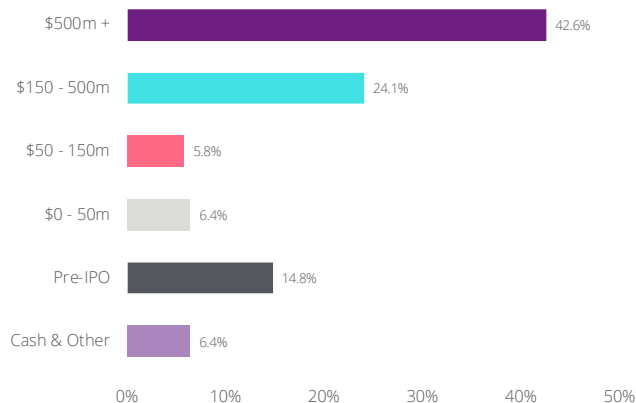
Source: Perennial Value Management as at 29 February 2024.

Growth of \$100,000 Since Inception

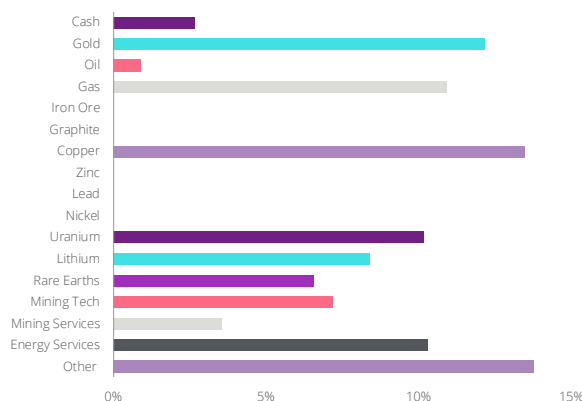


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Market Capitalisation Exposure



Sector Exposure



Trust Review

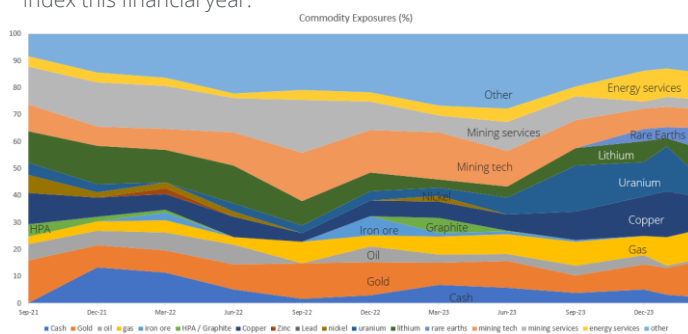
Both bottom-up and top-down investment thematics helped the Trust deliver a positive return despite a negative month for resources overall;

- Gold producer, **Ora Banda** climbed 15.9% on news of further incremental progress on this turn-around story. News of a positive gold reconciliation from the newly established Riverina underground was welcome. We look forward to the June quarter, where the results of 18mths of work should be realised via a significant increase in cash generation.
- **Brazilian Rare Earths** bounced 74.7% upon reporting the highest grade rare-earth intercepts we've ever seen, with grades of up to 34.4% total rare earth oxide (TREO). We expect this will become the go-to stock for rare-earths exposure.
- **Cooper Energy** continued to recover, up 11.5%, as gas production from its 100% owned Orbost Gas Plant in Victoria continued to increase, as well as reporting steady progress on its offshore decommissioning work in the Gippsland Basin.
- We may have picked the bottom in the **lithium** price by adding **Pilbara Minerals** on the 2nd of Feb, which finished +18.3% for the month on a slightly uptick in lithium prices.

Positions which weighed on performance during the month included:

- **Stanmore Coal**, which finished down 15.7% despite reporting a higher-than-expected final dividend for 2023, and maintaining production guidance for 2024.
- **Metals Acquisition Corp**, drifted -8.7%, post completing its IPO on the ASX. Throughout the IPO process, we believe expectations for its Cobar copper mine have been set at conservative levels.

In setting up this Trust, we opted for an absolute return benchmark rather than an index. We did this as it allowed us to pursue the optimum mix of commodity exposures in our view, without regard to any commodity index weights. Specifically, the ASX200 Resources Index, which is replicated by most of the Australian resource ETF's in Australia, is dominated by the iron ore majors, with ~58% of that index deriving the majority of company earnings from iron ore. This is great when the iron ore price is running, but not so good when the iron ore price is rolling over. Having no iron ore exposure has been a big part of our 14.3% outperformance of the ASX200 Resources Index this financial year.



Source: Perennial, Facts&figures

Global, Currency & Commodities (%)

S&P 500	+5.2
Nikkei 225	+7.9
FTSE 100	0.0
Shanghai Composite	+8.1
RBA Cash Rate	4.35
AUD / USD	65.1c
Iron Ore	-7.2
Oil	+0.5
Gold	+0.3
Copper	-1.5




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

Invest Online Now

The Trust finished the month with 47 positions and cash of 2.7%.

Contact us

 Level 27, 88 Phillip Street
Sydney NSW 2000

 1300 730 032

 invest@perennial.net.au

 www.perennial.net.au

Signatory of:



Issued by Perennial Value Management Limited (ABN 22 090 879 904, AFSL No. 247293) as the Investment Manager. The Responsible Entity is Perennial Investment Management Limited (ABN 13 108 747 637, AFSL No. 275101), Perennial Partners Limited (ABN 90 612 829 160) is a Corporate Authorised Representative (1293138) of Perennial Value Management Limited. Both the Investment Manager and Responsible Entity form part of Perennial Partners. This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation and is not intended to constitute advertising or advice of any kind and you should not construe the contents of promotional statement as legal, tax, investment or other advice. This promotional statement does not constitute an offer or inducement to engage in an investment activity nor does it form part of any offer documentation, offer or invitation to purchase, sell or subscribe for interests in any type of investment product or service. You should read and consider any relevant offer documentation applicable to any investment product or service and consider obtaining professional investment advice tailored to your specific circumstances before making any investment decision. While every effort has been made to ensure the information in this promotional statement is accurate; its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors. Investments in the Trusts must be accompanied by an application form. The current relevant product disclosure statements, additional information booklet, application forms and target market determination can be found on Perennial's website www.perennial.net.au. Use of the information on our website is governed by Australian law and is subject to the terms of use. No distribution of this material will be made in any jurisdiction where such distribution is not authorised or is unlawful.