

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	Since inception [^] (% p.a.)
Perennial Strategic Natural Resources Trust (Net)	5.2	6.7	18.1	17.8	13.5	29.8
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	5.4	6.5	6.5	6.5
*S&P/ASX200 Total Return Resources Index	4.2	-5.6	2.1	0.3	11.6	20.9
Value Added	4.7	5.1	12.7	11.3	7.0	23.3

[^] 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

Base and precious metals bounced in March, lifting the Trust 5.2% net of all fees. Over the 12 months to March, the Trust has returned 17.8% net of all fees. With prices for key Australian exports; iron ore, coal and LNG remaining subdued, weighing on the AUD, the rest of the commodity spectrum is enjoying both commodity and currency tailwinds at present.

Iron ore, thermal coal and met-coal finished down -12.3%, -1.5% and -12.7% respectively in March. The Trust had minimal exposure to these sectors. Conversely base and precious metals performed well, with copper, aluminium, and gold up +4.1%, +4.9% and +9.2% respectively.

The movement in the gold price is of particular interest as it occurred in the face of traditional gold headwinds. Including declining rate-cut expectations, a rising US dollar and rising US real rates. Such a move is unusual and may be indicative of US deficit concerns intensifying.

Lead indicators of manufacturing and industrial production are grinding higher as the shock of sharply higher rates continues to fade. Further, the power requirements for AI are becoming apparent, with positive implications for copper demand going forward.

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 \$22.2 million

Distribution Frequency

Annual

Minimum Initial Investment

\$25,000

Trust Inception Date

April 2020

Fees

1.20% p.a. + Performance fee

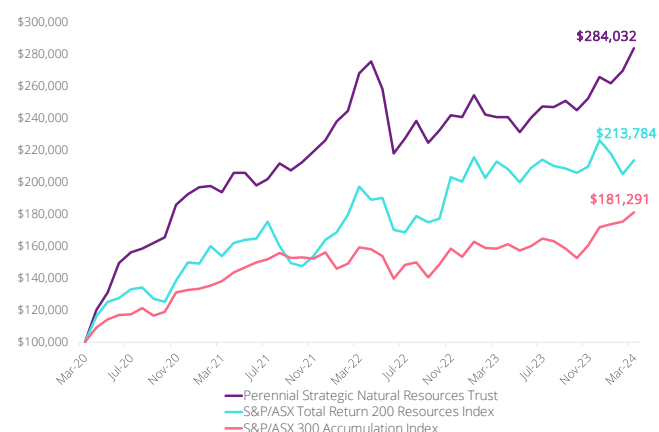
APIR Code

WPC3240AU

Top 5 Positions	Trust (%)
Ora Banda	7.2
Cooper Energy	5.1
Brazilian Rare Earths	4.1
NexGen Energy	4.1
Metals Acquisition Corp	4.0

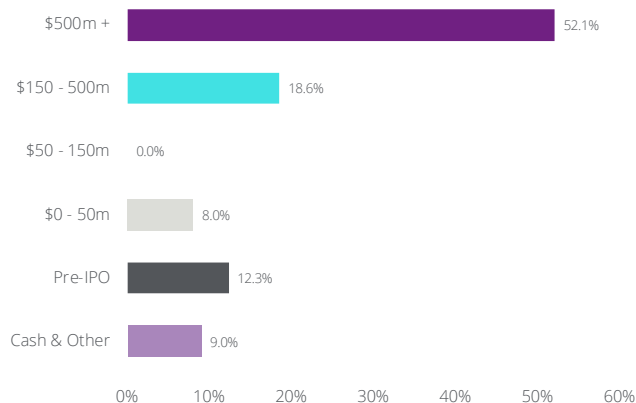
Source: Perennial Value Management as at 31st March 2024.

Growth of \$100,000 Since Inception

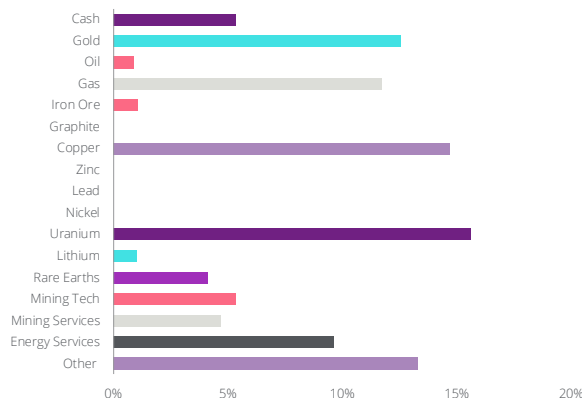


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

Market Capitalisation Exposure



Sector Exposure



Trust Review

Base metal, gold and energy stocks all contributed to a solid month for the Trust, with better performers including;

- Gas producer **Cooper Energy** bounced 51.7% in March on better-than-expected progress of abandonment and rehabilitation work plus continued improvement of gas production rates from Orbost. A steady flow of headlines about the looming gas east – coast shortage was also helpful for sentiment.
- Copper producers, **Metals Acquisition Corp**, **Capstone Copper** and **Freeport** returned 8.3%, 21.1% and 24.4% respectively as copper prices bounced 4.1% on news of planned Chinese Copper Smelter cuts later in the year.
- After taking profits from some of our uranium positions in late January, we added back uranium exposure on a dip in early March. **NexGen Energy**, **Peninsular Energy** and **Paladin** bounced 10.0%, 13.6% and 10.5% during the month.

Positions which weighed on performance during the month included:

- **Brazilian Rare Earths**, fell 15.2% despite reporting a new high-grade rare earth discovery in March.

As economic data starts to flow in post Chinese new year, lead indicators of commodity demand have started to tick up as sharply higher rates are digested, and central banks pivot towards easing rather than raising rates further.

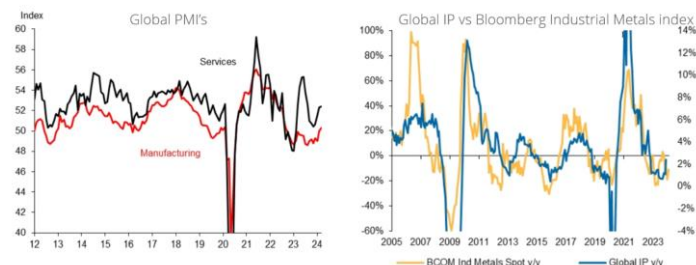
Further, the move higher by gold in the face of traditional headwinds suggests long-held concerns regarding the viability of continued US deficits is moving to the front of investor considerations.

Lastly, decarbonisation demand continues to grow rapidly, but now off a base of US\$1.8trn invested in 2023. Such that Chinese energy-transition demand for copper now exceeds that from construction.

The combination of points above is looking increasingly constructive for future facing metals, to which the trust is heavily exposed.

Global manufacturing showing signs of recovery

Impact of higher interest rates is being digested



Source: S&P Global, Macrobond, Macquarie

Global, Currency & Commodities (%)

S&P 500	+3.1
Nikkei 225	+2.6
FTSE 100	+4.2
Shanghai Composite	-0.1
RBA Cash Rate	4.35
AUD / USD	64.9c
Iron Ore	-12.3
Oil	+2.9
Gold	+9.2
Copper	+4.1




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

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The Trust finished the month with 47 positions and cash of 5.5%.

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Signatory of:



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