

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	Since inception <sup>^</sup> (% p.a.)
Perennial Strategic Natural Resources Trust (Net)	4.4	13.2	23.4	23.0	12.9	30.5
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	5.9	6.5	6.5	6.5
*S&P/ASX200 Total Return Resources Index	0.5	-1.6	2.6	3.1	9.8	20.6
<b>Value Added</b>	<b>3.9</b>	<b>11.6</b>	<b>17.5</b>	<b>16.5</b>	<b>6.4</b>	<b>24.0</b>

<sup>^</sup> Since inception: 1<sup>st</sup> 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

The commodities sector was an island of green in April as most global indices gave up ground during the month. The Trust returned 4.4% net of all fees for the month, lifting the rolling 12mth return to 23.0%.

Base metals led commodities higher in April, with copper, zinc and aluminium rising 14.3%, 22.3% and 12.1% respectively. Despite the commodity rally, the AUD fell -0.7% against the USD, resulting in slightly better margins for Australian based producers relative to those with a USD cost base.

Drivers of the commodity rally included a continued recovery from rate-shock conditions in the western world, further sanctions announced on Russian metal exports and emerging optimism on Chinese demand after a prolonged post-covid slump.

Below the ebb and flow of macro economic conditions, metal demand from decarbonisation continues to displace traditional demand drivers. Previously observed in cobalt, then lithium, decarbonisation demand for copper now exceeds construction demand in China (chart page 2). We expect this trend to continue across the future facing metals in the commodity spectrum.

## 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 \$22.7 million

### Distribution Frequency

Annual

### Minimum Initial Investment

\$25,000

### Trust Inception Date

April 2020

### Fees

1.20% p.a. + Performance fee

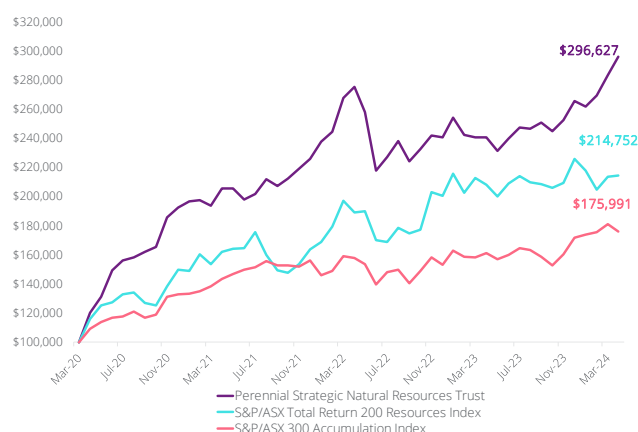
### APIR Code

WPC3240AU

Top 5 Positions	Trust (%)
Ora Banda	6.8
Brazilian Rare Earths	4.6
Metals Acquisition Corp	4.1
NexGen Energy	4.0
Sprott Physical Uranium Trust	3.8

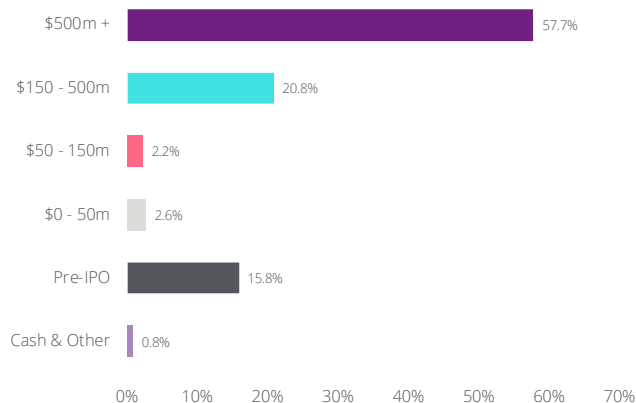
Source: Perennial Value Management as at 30<sup>th</sup> April 2024.

## Growth of \$100,000 Since Inception

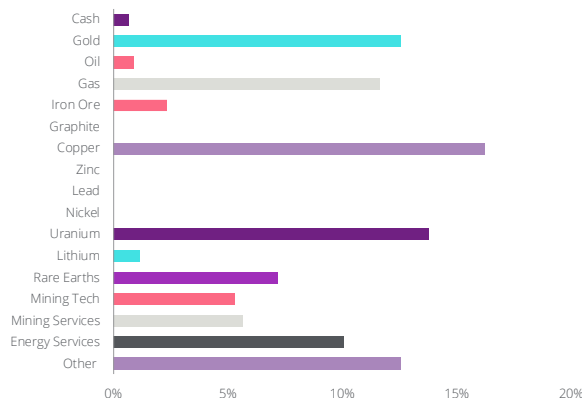


Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

## Market Capitalisation Exposure



## Sector Exposure



## Trust Review

Copper, rare earths and gold exposures all contributed to a solid month for the Trust, with better performers including;

- Copper exposures **Firefly Metals**, **Capstone Copper**, and **physical copper** returned 15.9%, 10.6% and 13.9% respectively.
- **Brazilian Rare Earths** released more spectacular results from its Pele project, which along with a tick up in rare earth prices helped to lift the stock 21.5%
- We added a position in **Lynas** early in the month, which bounced 16.5% from our buy price on improving rare earth prices.

Positions which weighed on performance during the month included:

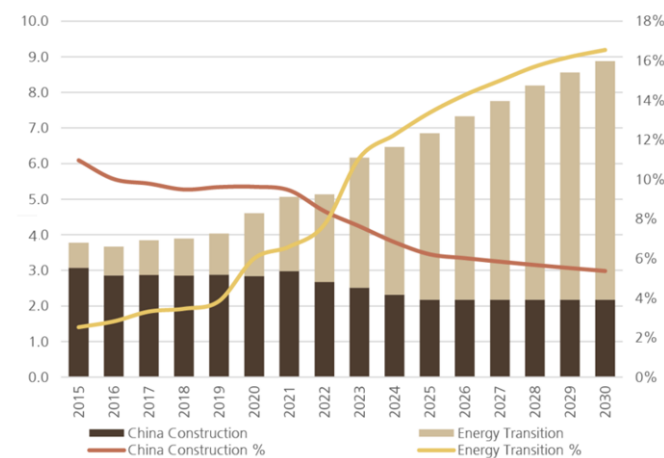
- **Cooper Energy**, fell 6.8% as production improvements at Orbest plateaued. We're confident in further improvements in the near term.

Global spend on decarbonisation related products and infrastructure topped US\$1.8trn in 2023, up 17% year on year. This rapid rate of growth is now off a large base and is starting to displace traditional drivers of commodity demand.

As a case in point, in China, copper demand from energy transition related products and projects now exceeds that of construction. This is a same path decarbonisation followed through more boutique commodities like cobalt and lithium. The key difference being, a large lithium mine might increase global lithium supply by 10% in a 1Mtpa market.

A large copper mine would only add ~1% to global copper supply of 26Mtpa. This comparison highlights how the supply response gets harder as decarbonisation starts to move the needle for large commodity markets.

The changing drivers of Chinese copper demand



Source: Woodmac, UBS, Perennial

## Global, Currency & Commodities (%)

S&P 500	-4.2
Nikkei 225	-5.2
FTSE 100	+2.4
Shanghai Composite	+2.1
RBA Cash Rate	4.35
AUD / USD	64.7c
Iron Ore	+0.9
Oil	+2.6
Gold	+2.4
Copper	+14.3




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

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The Trust finished the month with 47 positions and cash of 0.3%.

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