

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	3 Years (% p.a.)	4 Years (% p.a.)	Since inception^ (% p.a.)
Perennial Strategic Natural Resources Trust (Net)	3.3	13.5	27.5	32.3	14.2	23.7	30.8
Benchmark (Absolute return of +6.50% p.a.)	0.5	1.6	5.9	6.5	6.5	6.5	6.5
*S&P/ASX200 Total Return Resources Index	0.4	5.1	3.0	7.7	9.5	14.5	20.2
Value Added	2.8	11.9	21.6	25.8	7.7	17.2	24.3

^ 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.

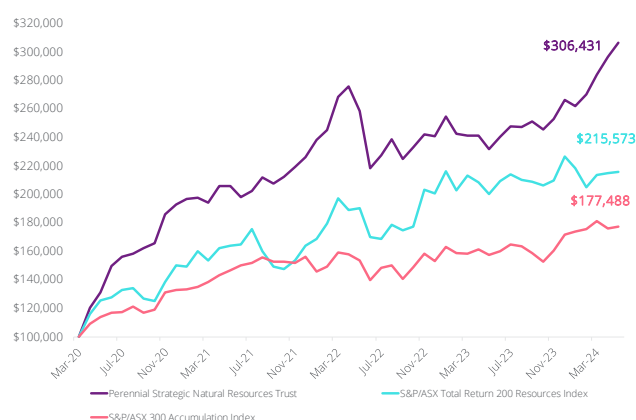
Overview

Base metals and natural gas continued to grind higher in May, lifting the return for the Trust to 3.3% net of all fees for the month. The rolling 12mth return rises to 32.3% and we raise the bat for our second hundred, with the cumulative return for the Trust reaching 206.4% since inception.

Aluminium was the standout of the base metal spectrum in the month, rising 5.2% to \$1.21/lb. The US natural gas move was also of note bouncing 53.2% from severely depressed levels. The reasons behind the move in US gas prices include producers electing to shut-in production to preserve resources for higher price levels, and growing optimism regarding the outlook for US power demand, driven by AI growth and datacenter rollout. The Trust benefitted from exposures to both these commodities.

We attended the Australian Energy Producers conference in May. The consistent message we received was the appetite for large-scale investment in Australia is severely depressed and is unlikely to change until regulation becomes more supportive, both at the state and federal level. Later in the month, gas prices hit \$18/GJ in Victoria as supply continues to roll off and the temperature drops. This scenario has positive implications for the value of incumbent assets.

Growth of \$100,000 Since Inception



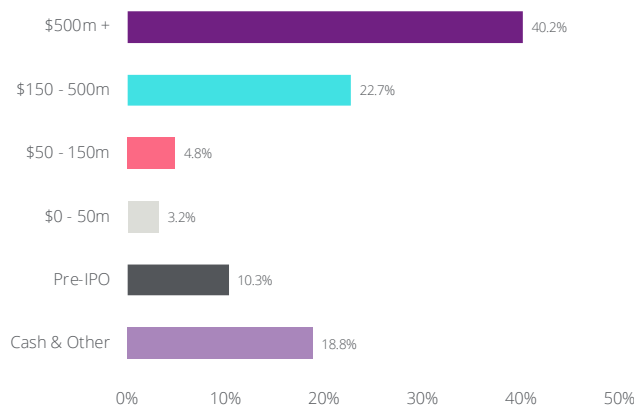
Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

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	Trust FUM
Sam Berridge & Ewan Galloway	AUD \$24.6 million
Distribution Frequency	Minimum Initial Investment
Annual	\$25,000
Trust Inception Date	Fees
April 2020	1.20% p.a. + Performance fee
APIR Code	
WPC3240AU	

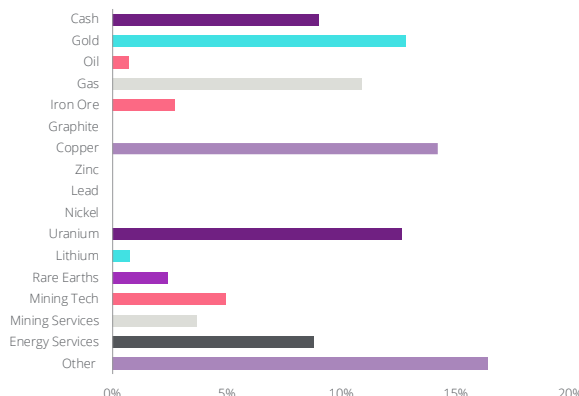
Market Capitalisation Exposure



Top 5 Positions	Trust (%)
Sprott Physical Uranium Trust	6.3
Ora Banda	5.7
Cooper Energy	4.7
Metro Mining	4.4
Metals Acquisition Corp	4.1

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

Sector Exposure



Trust Review

Bauxite (the ore mineral for aluminium), copper, gas and uranium holdings led the gains during the month, with better performers including;

- Copper producer **Metals Acquisition Corp**, finished up 10.7% after announcing a JV agreement to bring forward zinc production. Also, inclusion in the Russel 300 Index will improve MTAL's liquidity and appeal.
- **Cooper Energy**, finished up 12.2% after completing its abandonment program within budget, and domestic gas prices in Victoria spiking to \$18/GJ due to cold weather. A sign of things to come as Victoria gas production runs out.
- Uranium enrichment company, **Silex**, bounced 18.4% on confirmation of a US import ban and enriched uranium from Russia. The US government has pledged US\$2bn of support to develop domestic enrichment capacity.

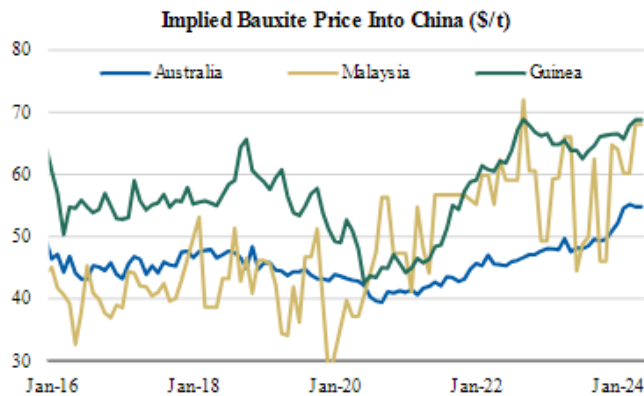
Positions which weighed on performance during the month included:

- **Conrad Energy Asia**, which drifted -10.3% as the market waits for key development milestones for its Mako gas project in Indonesia to be achieved.

China's imports of bauxite, the ore source mineral for **aluminium**, have been steadily climbing for a decade. China's domestic supplies of bauxite are running out, and what remains has high silica content, which requires increasing amounts of caustic soda to process, which means increasing costs. To feed China's demand for bauxite, imports have increased from Guinea, which is high-quality but incurs higher shipping costs vs ore from Australia.

Further, late last year Indonesia banned exports of bauxite in a repeat of its nickel strategy, with the aim being to incentivise value-add activities to take place domestically.

So as is usually the case with a commodity rally, themes bubbling away for years have finally come to a head, in this case resulting in a shortage of seaborne bauxite and rising prices. This is the perfect storm for bauxite producer **Metro Mines**, which is up 163% since our initial investment, including +8.7% in May and is now a top 5 position in the fund.



Source: Bloomberg, Morgan Stanley

Global, Currency & Commodities (%)

S&P 500	+4.8
Nikkei 225	+0.2
FTSE 100	+1.6
Shanghai Composite	-0.6
RBA Cash Rate	4.35
AUD / USD	66.5c
Iron Ore	+6.0
Oil	-7.2
Gold	+1.8
Copper	+0.1




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

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The Trust finished the month with 44 positions and cash of 9.0%.

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Signatory of:



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