

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception [^] (% p.a.)	Since Inception [^] Cumulative (%)
Perennial Microcap Resources Trust (Net)	1.5				1.4	1.4
S&P ASX Small Ordinaries Resources Index	6.3				0.1	0.1
Value Added	-4.8				1.3	1.3

[^] Since inception: August 2021. Past performance is not a reliable indicator of future performance.

Overview

October was a positive month for commodities, with the Trust finishing up 1.5% net of all fees, behind a very strong month for the index, up 6.3%.

Concerns surrounding energy shortages and implications for a period of higher inflation dominated macro economic discussion in October, putting an interesting slant on discussions taking place at the COP26 Climate conference at month end. Calm wind conditions through the European spring, and the resulting draw down on gas inventories have highlighted the shortcomings of intermittent energy supply, while highlighting the importance of sufficient power storage. Further, the consequences of a half-decade hiatus in capex by the oil and gas industry have become apparent, with supply struggling to respond to improving demand.

The outcome of all of these factors is likely to be increased investment in energy infrastructure across the spectrum. All of which is metals intensive. Coupled with an increasing inflation outlook, the tailwinds behind the commodities sector look to be enduring.

Commodities



Source: Bloomberg. The history of inflation has coincided with periods of outperformance, which in turn have coincided with an energy crisis of one sort or another (oil prices hit \$140/bbl pre GFC).

Perennial Microcap 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 Australian small and microcap listed and unlisted companies operating in the business of commodity production, commodity investment or as a service provider to the industry of commodity production

Portfolio Manager

Sam Berridge

Trust FUM

AUD \$29.8 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

August 2021

Fees

1.20% p.a. + Performance fee

APIR Code

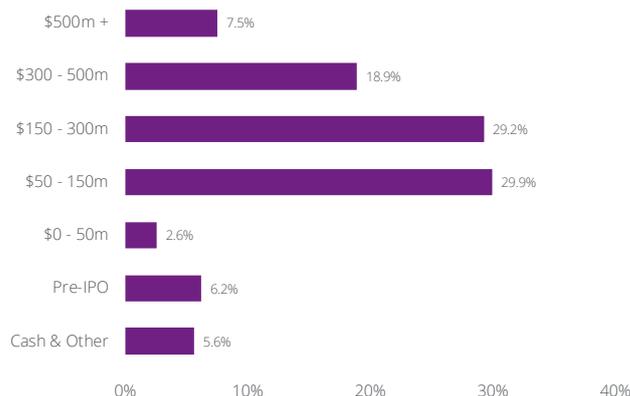
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¹ Perennial Microcap Resources Trust is open to wholesale investors only.

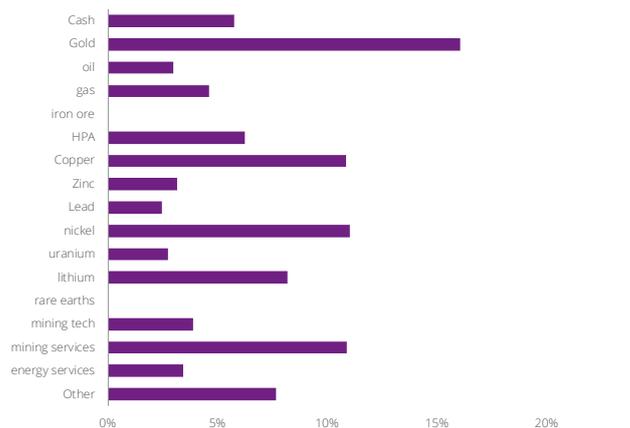
Top 5 Positions	Trust (%)
Neometals	4.5
Cooper Energy	4.4
Jindalee Resources	4.3
Swick Mining Services	4.1
Green Technology Metals	3.9

The above figures are forecasts only. While due care has been used in the preparation of forecast information, actual outcomes may vary in a materially positive or negative manner.

Market Capitalisation Exposure



Sector Exposure



Trust Review

Base metals bounced back strongly in October, driven by supply concerns as several smelters were forced to reduce operations due to high power costs (Europe), or power restrictions (China). Benefitting from this were;

- **Neometals**, up 21.1% upon announcing the successful commissioning for its lithium battery recycling demonstration plant in Germany.
- **Galena Mining**, up 12.5%, on higher metal prices, and reporting solid progress on the construction of its Abra lead deposit.
- **KGL Resources**, up 20.4%, on a positive exploration update and higher copper prices.

In what may be a sign of early positioning by some investors, gold stocks performed strongly despite a relatively benign month for the gold price (+1.5%);

- **Aurelia**, up 26.7%, on more positive exploration results from Federation and Great Cobar projects, along with a positive quarterly update.
- **Siren Gold**, up 38.8% on a continuing stream of positive exploration results.

Stocks which weighed on performance during the month included;

- **FYI Resources**, down 53.3%, after announcing a JV development agreement with Alcoa. While the agreement materially funds FYI into production of its high-purity-alumina product, the retained equity by FYI was less than expected at 35%.
- **Queensland Pacific Minerals**, down 16.7% on no news



Source: Company reports. Neometals commenced wet commissioning of its lithium battery recycling plant during the month. The project is a part of a joint venture with large German engineering firm SMS Group.

Global, Currency & Commodities (%)

S&P 500	+6.7
Nikkei 225	-1.9
FTSE 100	+2.1
Shanghai Composite	-0.6
RBA Cash Rate	0.10
AUD / USD	75.1c
Iron Ore	-8.3
Oil	+3.3
Gold	-2.4
Copper	+2.7

The portfolio finished the month with 32 positions and cash of 6.0%.



Investment team: Sam Berridge

Invest Online Now

Contact us

 Level 27, 88 Phillip Street
Sydney NSW 2000

 1300 730 032

 invest@perennial.net.au

 www.perennial.net.au

Signatory of:

 Principles for Responsible Investment

 Significant Investor Visa (SIV) Compliant

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