

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Microcap Resources Trust (Net)	1.4	12.0			13.6	13.6
S&P ASX Small Ordinaries Resources Index	-5.9	0.9			1.0	1.0
Value Added	7.3	11.1			12.6	12.6

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

Overview

The Trust was up 1.4% net of all fees in January, outperforming the benchmark which was down 5.9%.

Hawkish comments from the Fed in late January made for a volatile month and was the core reason behind the fall in the Small Resources Index. The Trust was defensively positioned towards month end, with elevated levels of cash, which were used to buy back preferred stocks on weakness.

In our view, the tick down in the small resources space was a function of liquidity leaving the market in general, rather than indicative of the 12mth outlook for the sector.

In commodities, supply / demand reins supreme. With depleted metal inventories, numerous impediments to supply growth and steady demand driven by decarbonisation and a world shrugging off what hopefully will be the last gasp for COVID, the commodities outlook remains buoyant.

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 \$40.5 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

August 2021

Fees

1.20% p.a. + Performance fee

APIR Code

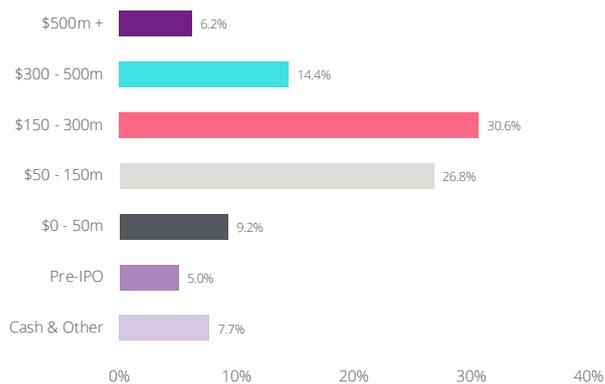
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¹ Perennial Microcap Resources Trust is open to wholesale investors only.

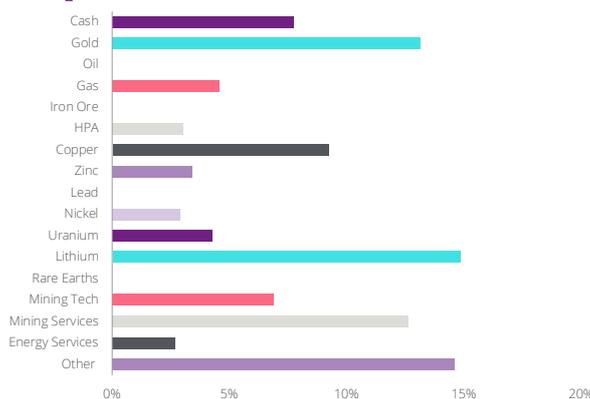
Top 5 Positions	Trust (%)
Green Technology Metals	8.8
Jindalee Resources	4.8
GenusPlus	4.7
Strandline Resources	3.7
Neometals	3.2

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

Trust Review

Again, battery metals led the gains for the Trust in January:

- **Green Technology Metals**, up 76.0% on the start of drill results from its Seymour lithium project, and the expansion of its land position in Canada.
- Another lithium developer, **Jindalee Resources**, up 19.5%, as drill results started to flow from the second round of drilling on its McDermitt lithium project, located in the United States.
- **Alpha HPA**, up 11.7%, on continued progress on its High Purity Alumina project and anticipation of offtake agreements.

Other positive performers during the month included:

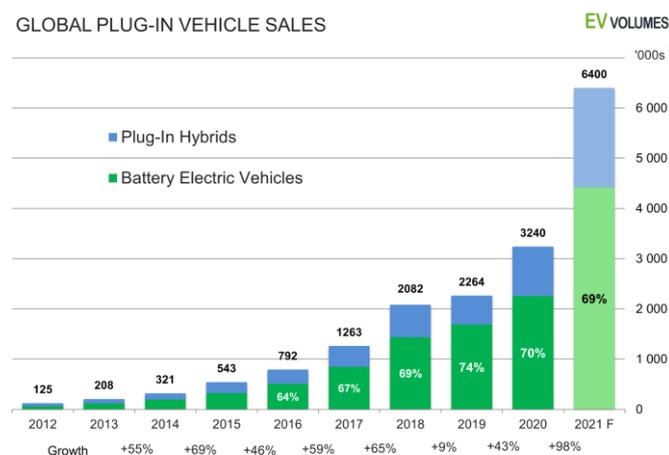
- **Metro Mining**, up 42.1%, as a rising bauxite price and falling shipping costs resulted in the company moving back into positive margin territory.
- **Cooper Energy**, up 7.1%, after reporting steady progress on improving flow rates from its Sole gas project.

Stocks which weighed on performance during the month included:

- Copper developers, **New World Resources** and **KGL Resources**, down 15.2% and 13.3% respectively, on a slightly lower copper price (-3.1%).
- **SciDev**, down 10.3%, prior to releasing a positive quarterly update at the end of the month.

Despite some market volatility in late January stemming for the realisation the world is moving into a higher inflation, higher rates environment, the decarbonisation thematic remains undented.

Indeed, forecast oil deficits, and eyewatering gas prices in Europe will only serve to speed the transition to electric vehicles in the near and medium term. This in turn drives the need for an extremely metals-intensive overhaul of not only the global automotive fleet, but the power generation, distribution and storage infrastructure as well.

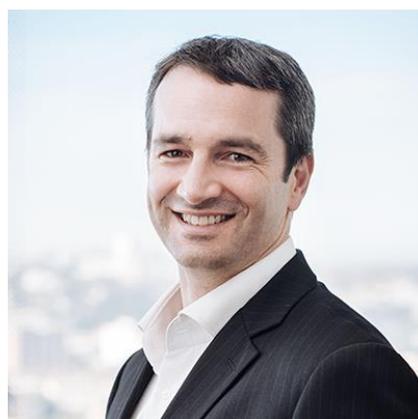


Source: EV-Volumes.com

Global, Currency & Commodities (%)

S&P 500	-5.3
Nikkei 225	-6.2
FTSE 100	+1.1
Shanghai Composite	-7.6
RBA Cash Rate	0.10
AUD / USD	70.5c
Iron Ore	+15.9
Oil	+17.3
Gold	-1.8
Copper	-3.1

The portfolio finished the month with 37 positions and cash of 7.7%.



Portfolio Manager: Sam Berridge

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