

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Microcap Resources Trust (Net)	-2.7	3.5			10.5	10.5
S&P ASX Small Ordinaries Resources Index	7.6	4.8			8.7	8.7
<b>Value Added</b>	<b>-10.3</b>	<b>-1.3</b>			<b>1.8</b>	<b>1.8</b>

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

## Overview

The trust finished down -2.7% in February, underperforming the small resources benchmark which returned 7.6%.

In a frustrating month, strong performance from our gold and base metal holdings was offset by weaker performance from our larger battery metals exposures. This was despite the lithium price continuing to make new all time highs throughout the period.

February also witnessed the invasion of Ukraine, causing energy prices to spike. Ultimately, this will accelerate the transition towards electric vehicles, ensuring the strong run in battery metal prices continues. Thus we are confident the dip in some of our battery metal exposures during February will prove to be temporary.

More broadly the situation in Ukraine shaping up to be a materially inflationary event. Favouring commodities from an asset allocation point of view.

## 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 \$39.7 million

### Distribution Frequency

Annual

### Minimum Initial Investment<sup>1</sup>

\$25,000

### Trust Inception Date

August 2021

### Fees

1.20% p.a. + Performance fee

### APIR Code

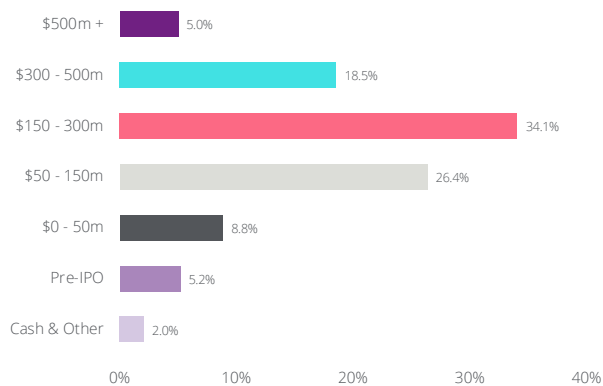
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<sup>1</sup> Perennial Microcap Resources Trust is open to wholesale investors only.

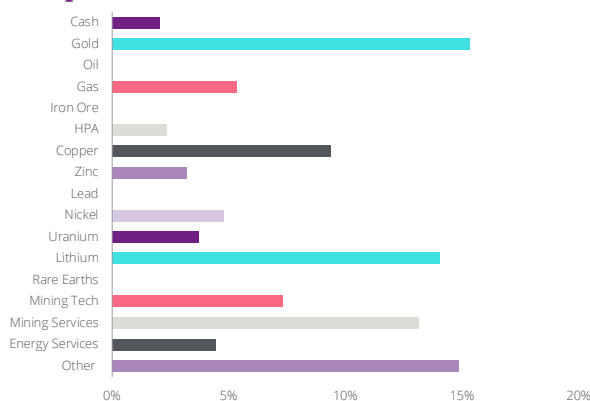
Top 5 Positions	Trust (%)
Green Technology Metals	7.8
DDH1	5.5
GenusPlus	5.4
Jindalee	5.1
Dacian	5.1

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

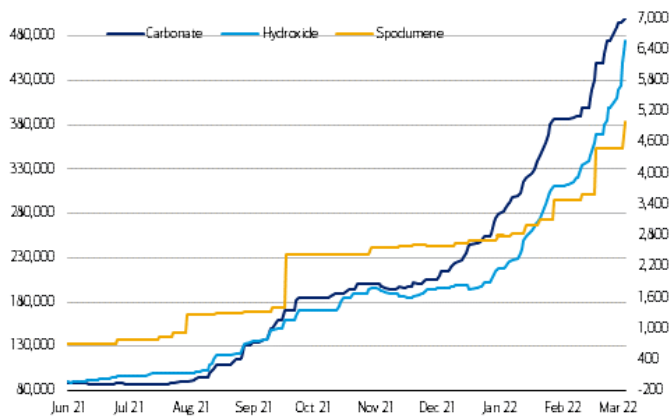
Better performing stocks in the month were predominantly from the gold and base metal sectors, including;

- **Dacian Gold**, up 20.0% on higher gold prices and anticipation of strong tick up in production in the second half.
- **Santana Minerals**, up 29.9% on positive exploration results from its Rise and Shine gold project in New Zealand.
- **AIC Mines**, up 20.4% on a solid set of financial results and stronger base metal prices.

Frustratingly, those gains were offset by negative performance from a number of lithium and battery metals exposures, including;

- **Green Technology Metals**, down 16.9% in the month on no material news. We expect strong news flow from GT1 in the months ahead and bought back some of the stock we sold at higher prices.
- **Alpha HPA**, down 23.1% on a modest upgrade to capex for its Precursor Production Facility in Queensland.
- **Metro Mining**, down 11.1% despite announcing that the successful completion of loading vessels through the wet season has meant a bridging facility would not need to be drawn down prior to the seasonal ramp up of production in April.

In trying to explain the underperformance of the broader lithium sector, we can only point to the roll-over of the Tesla share price and surmise some view it as a lead for battery metals. Obviously, this doesn't make any sense and we are firm on our view that supply-demand reigns supreme over all other macro-economic forces. Thus, the continued march higher in lithium prices should eventually provide support to the lithium equities in the near term.



Source: Platts, BoFA

## Global, Currency & Commodities (%)

S&P 500	-3.1
Nikkei 225	-1.8
FTSE 100	-0.1
Shanghai Composite	3.0
RBA Cash Rate	0.10
AUD / USD	72.5c
Iron Ore	-1.8
Oil	10.7
Gold	6.2
Copper	3.0

The portfolio finished the month with 39 positions and cash of 2.0%.



Portfolio Manager: Sam Berridge

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Signatory of:

**PR** Principles for Responsible Investment



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