

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Microcap Resources Trust (Net)	2.0	9.8			24.7	24.7
S&P ASX Small Ordinaries Resources Index	0.1	20.8			22.1	22.1
Value Added	1.9	-11.0			2.6	2.6

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

Overview

The Trust was up 2.0% in April (net of all fees), outperforming the Small Resources benchmark by 1.9%. Over the eight months since inception, the Trust has returned 24.7% net of all fees.

The spectre of sharply higher interest rates over coming months rattled markets in April. The materials sector gave up some ground after a strong run.

Looking forward, there is some apprehension that moves by central banks around the world to raise rates will result in weaker commodity demand. At the same time, Chinese demand is being held back by Covid related lockdowns. That said, the Chinese government has stated a clear intent to stimulate the economy via increased infrastructure spend as a means of putting a floor under GDP growth. A positive for commodity demand in the second half.

So, while we may be in for a volatile few months, the underlying and commodity intensive themes of a global energy shortage and decarbonisation will still need to be addressed thereafter.

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 \$46.3 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

August 2021

Fees

1.20% p.a. + Performance fee

APIR Code

WPC0911AU

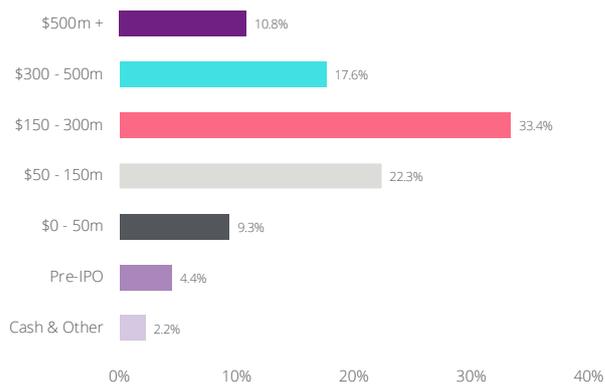
¹ Perennial Microcap Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
Jindalee	6.7
Green Technology Metals	6.6
GenusPlus	4.9
DDH1	4.6
Bowen Coking Coal	3.6

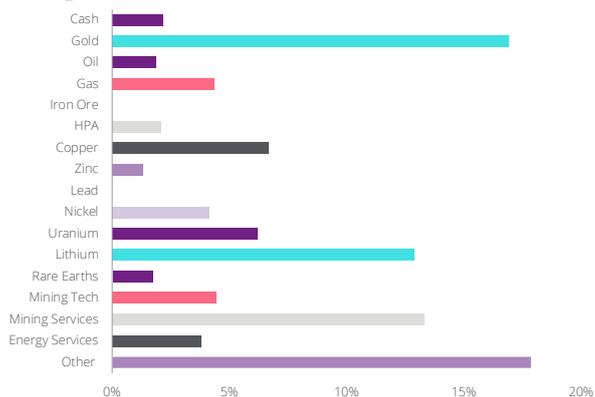
Source: Perennial Value Management. As at 30 April 2022

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

Lithium developers were the strongest source of positive attribution during the month:

- **Jindalee**, up 33.1% post announcing the demerging of the company's nickel assets, to become a pure play lithium developer. Further, a raft of positive announcements from the US Government regarding development of strategic minerals is a positive tail wind.
- **Green Technology Metals**, up 36.1% post an equity raise which was cornerstoned by Lithium Americas (C\$4.4bn market cap), taking 5.2% in GT1.

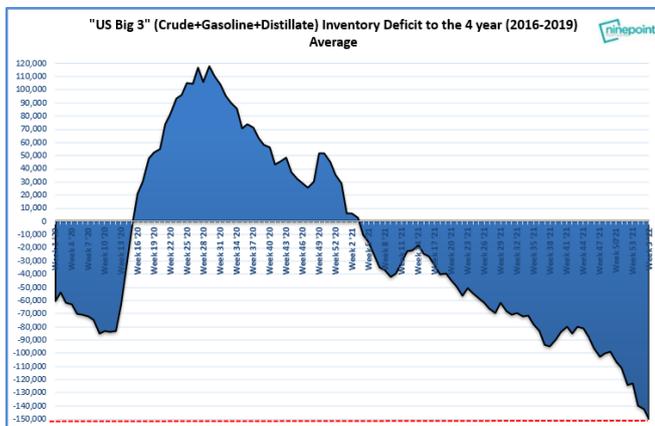
Other battery metal facing companies performing well included:

- **Queensland Pacific Metals**, up 8.3% upon announcing debt funding support from Korea Trade Insurance Corporation (K-Sure).
- **Alpha HPA**, up 3.9% upon providing an update on construction progress of its Precursor Production Facility in Queensland.

Stocks which weighed on performance during the month included:

- **Metro Mining**, down 12.5% post reporting a debt draw down which the company had initially guided wouldn't be necessary. We weren't surprised by the requirement for more debt. Record high bauxite prices achieved in the March quarter, and production restarted in April, debt should see debt repaid quite quickly.
- **SciDev**, down 34.1% due to the resignation of the CEO for family reasons. Post discussions with the company we are confident the reasons for resignation are genuine, and that the company remains in good shape.

Irrespective of short-term demand volatility, depressed inventories of everything from fertilizer, to gasoline, to copper provide fundamental supply / demand price support for most commodities. Further, commodity inventories mean prices will remain sensitive for any upside surprise in demand, be that near term China stimulus or ongoing electrification demand.



Source: EIA, Ninepoint

Global, Currency & Commodities (%)

S&P 500	-8.8
Nikkei 225	-3.5
FTSE 100	+0.4
Shanghai Composite	-6.3
RBA Cash Rate	0.1
AUD / USD	71.1c
Iron Ore	-8.8
Oil	+1.3
Gold	-2.1
Copper	-7.3

The portfolio finished the month with 40 positions and cash of 2.2%.



Portfolio Manager: Sam Berridge

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