

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception [^] (% p.a.)	Since Inception [^] Cumulative (%)
Perennial Microcap Resources Trust (Net)	1.0	-7.0	-1.4	-29.9	-7.7	-12.5
S&P ASX Small Ordinaries Resources Index	0.4	-4.1	13.3	-17.2	0.7	1.2
Value Added	0.6	-2.9	-14.7	-12.7	-8.4	-13.7

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

Overview

The Trust returned 1.0% in March (net of all fees), outperforming the index by 0.6%.

M&A was a feature of commodity equities during the month, with Glencore's approach for Teck (just as BHP secured OZL) setting off speculation of another wave of consolidation sweeping across the commodity space. This is consistent with feedback from CESCO Copper Week, during which the lack of experienced project development teams was cited as a disincentive for greenfields project development.

Extrapolating that point further, securing the right people is increasingly seen as important as securing assets. Thus, the appeal of M&A is winning out over greenfield developments. Ultimately, miners spending money on M&A rather than organic growth is bullish for metal prices.

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 \$34.0 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

August 2021

Fees

1.20% p.a. + Performance fee

APIR Code

WPC0911AU

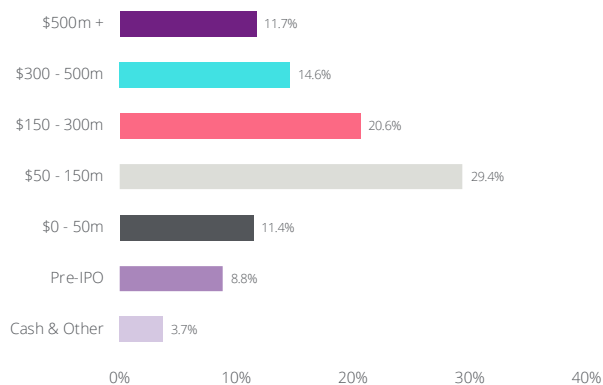
¹ Perennial Microcap Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
GenusPlus	6.0
Genesis Minerals	5.2
DUG Technology	4.9
Ora Banda	4.4
Westgold Resources	4.2

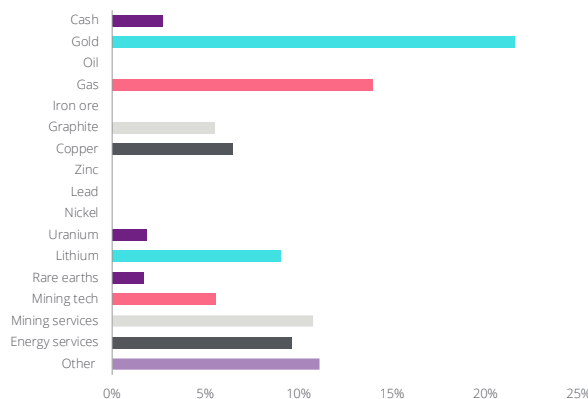
Source: Perennial Value Management. As at 30 April 2023

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

Gold holdings were the main driver of performance during the period:

- **Genesis**, up 22.1% after announcing a restructured deal to acquire **St Barbara**, Gwalia gold mine, located 30km from Genesis's Ulysses deposit.
- **OraBanda**, up 20.8% after raising \$30m last month to fund the development of the Riverina underground.
- **WestGold**, up 16.4% after reporting an in-line result in its quarterly update.

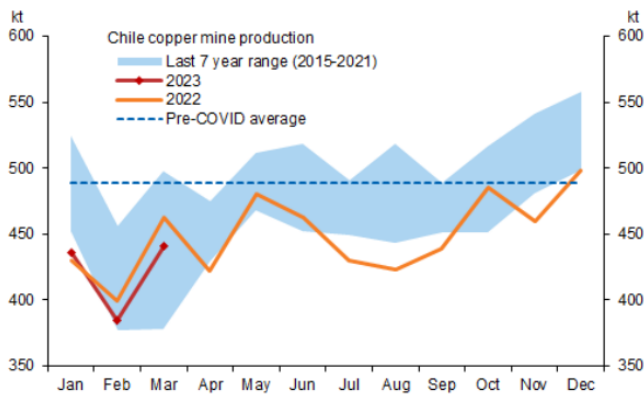
Other key contributors to positive performance included:

- **Talon Energy**, up 13.3% on news it's close to first gas in the Perth Basin and is divesting its Mongolian assets to simplify its company structure.

Stocks which weighed on performance during the month included:

- **Aeris Resources**, down 29.1% on soft production numbers released as part of its quarterly report. Production was impeded by heavy rains adjacent to its Mt Colin mine, which prevented ore from being trucked to the concentrator. This has resulted in a \$27m working capital build, which will start to unwind next quarter.
- **Jindalee Resources**, down 12.1% following the lithium price.

Thus far 2023 has continued to throw up challenges to mine supply, as a variety of factors impede production guidance. One area of under performance which is capturing commodity market attention is Chile's copper production, the world's largest producer. Despite spending US\$16.8bn on capex over the five years to 2020, Chile's largest producer, Codelco, has failed to grow or even sustain historic levels of production. These trends are hard to reverse and highlight the challenge of meeting the world's decarbonisation goals.

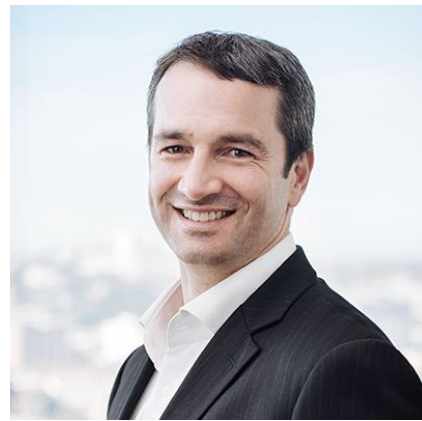


Source: Cochilco, Goldman Sachs Global Investment Research

The Trust finished the month with 37 positions and cash of 3.7%.

Global, Currency & Commodities (%)


S&P 500	+1.5
Nikkei 225	+2.9
FTSE 100	+3.1
Shanghai Composite	+1.5
RBA Cash Rate	3.60
AUD / USD	66.1c
Iron Ore	-17.3
Oil	-0.3
Gold	+1.1
Copper	-5.2



Portfolio Manager: Sam Berridge

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