

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Microcap Resources Trust (Net)	5.6	4.4	1.9	1.9	-5.4	-9.7
S&P ASX Small Ordinaries Resources Index	-1.3	-8.0	3.8	3.8	-4.1	-7.3
Value Added	6.9	12.4	-1.9	-1.9	-1.3	-2.4

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

Overview

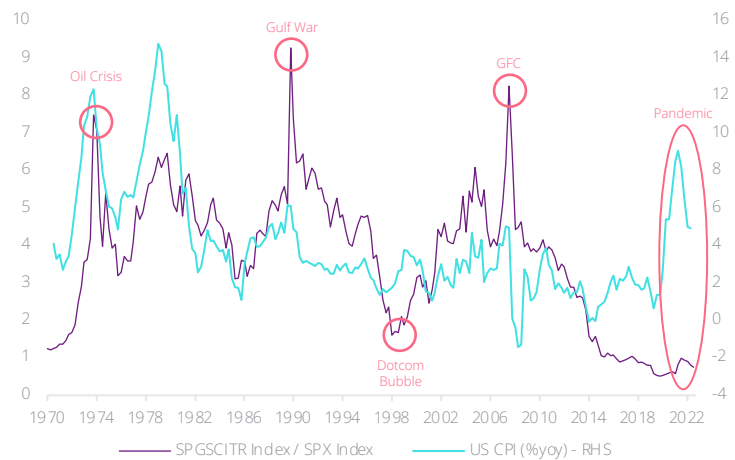
The Trust returned strong results in June, finishing up 5.6% (net of all fees), outperforming the index, which finished down -1.3%.

Positive returns for the Trust came from a broad spectrum of company catalysts, including exploration success, M&A activity and earnings recovery. Conversely, index returns were weighed down by a weaker gold price, and de-rating of a handful of large index stocks which we consider over-valued.

On the macro front, renewed hopes of Chinese stimulus buoyed commodity prices. We agree more stimulus is likely, as the support provided to the Chinese economy in the first half of calendar 2023 hasn't led to positive economic feedback-loops forming, and early momentum is starting to fade.

From a supply and demand perspective, stronger-than-expected western world demand and steady Chinese demand (albeit weaker than expected) has continued to see inventories of most metals continue to tick lower (chart page 2). We see scarcity-pricing of metals as inevitable. As usual the hard part is picking when. When it happens, it will happen fast, so we are happy to be invested ahead of the metal inventory cupboards running bare.

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 \$34.1 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

August 2021

Fees

1.20% p.a. + Performance fee

APIR Code

WPC0911AU

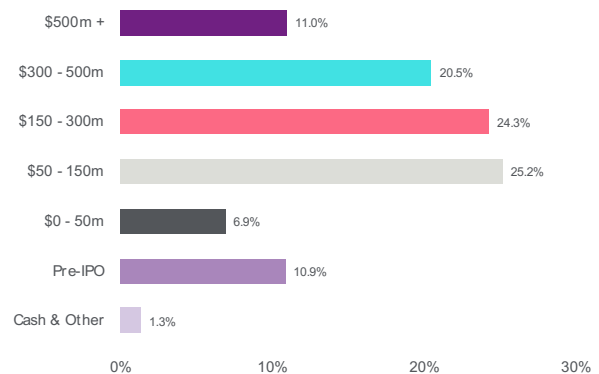
¹ Perennial Microcap Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
Genesis Minerals	5.6
GenusPlus	5.3
DUG Technology	4.5
Aeris Resources	4.0
Green Technology Metals	3.8

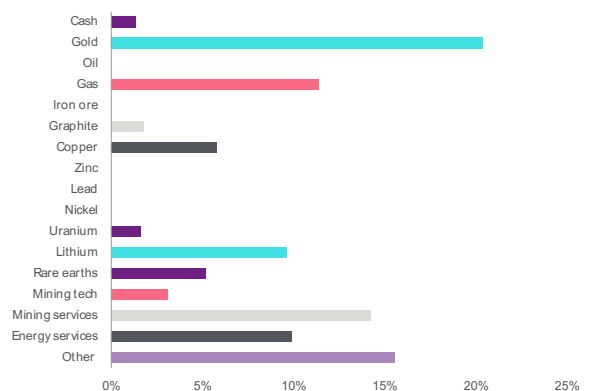
Source: Perennial Value Management. As at 30 June 2023

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

Positive contributions came from a wide variety of stock specific catalysts during the month. These included:

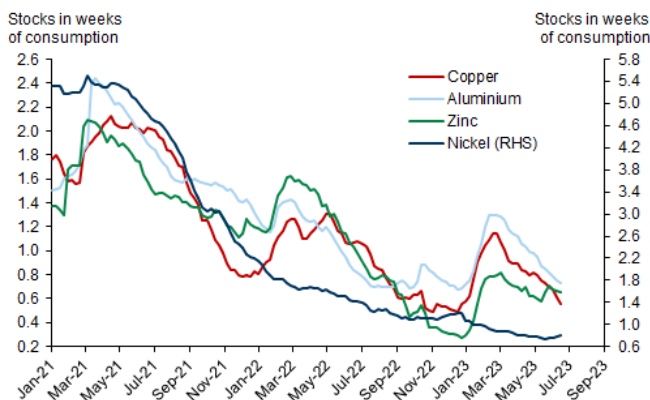
- **Genesis Minerals**, up 3.6% post securing ownership for the Gwalia gold mine and surrounding tenements from St Barbara. The acquisition is a company-maker for Genesis, which commercializes its adjacent Ulysses deposit.
- **GenusPlus**, up 16.7% following a company update which confirmed its Communications division, which was loss making in the first half, had achieved profitability.
- **Encounter Resources**, up 59.6% announced some promising drilling results from its West Arunta rare-earth niobium project in WA. Encounter's ground lies adjacent to WA1, which has had some spectacular exploration success of late.
- **Azure Minerals**, up 43.3% from our purchase price, reported company-making lithium intersections from its 60% owned Andover lithium project in the Pilbara.
- Fellow lithium developer, **Delta Lithium**, also had a good month, finishing up 31.5% after reporting a number of positive intersections around its Mt Ida and Yinnetharra projects.

Stocks which weighed on performance during the month included:

- **Jindalee Resources**, down 16.5% as the recent bounce in the lithium price pauses for breath.
- **Strandline Resources**, down 9.8% on a concerns stemming from a divergence in broker earnings estimates.

With Western World demand holding up better than anticipated, and expectations of a renewed stimulus effort out of China to dig its economy out of its post-covid slump, any uptick in demand will quickly focus attention on metal supply. The structural decline in metal inventories has been running for five years now, and will not be quickly resolved.

Stocks adjusted for consumption



Source: Wind, Thomson Reuters, SMM

Global, Currency & Commodities (%)

S&P 500	+6.5
Nikkei 225	+7.5
FTSE 100	+1.1
Shanghai Composite	-0.1
RBA Cash Rate	4.10
AUD / USD	66.6c
Iron Ore	+7.1
Oil	+3.2
Gold	-2.2
Copper	+2.4



Portfolio Manager: Sam Berridge

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Signatory of:



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