

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Microcap Resources Trust (Net)	5.0	8.4	5.0	1.7	-2.7	-5.2
S&P ASX Small Ordinaries Resources Index	0.1	-8.2	0.1	-5.7	-3.8	-7.2
<b>Value Added</b>	<b>4.9</b>	<b>16.6</b>	<b>4.9</b>	<b>7.4</b>	<b>1.1</b>	<b>2.0</b>

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

## Overview

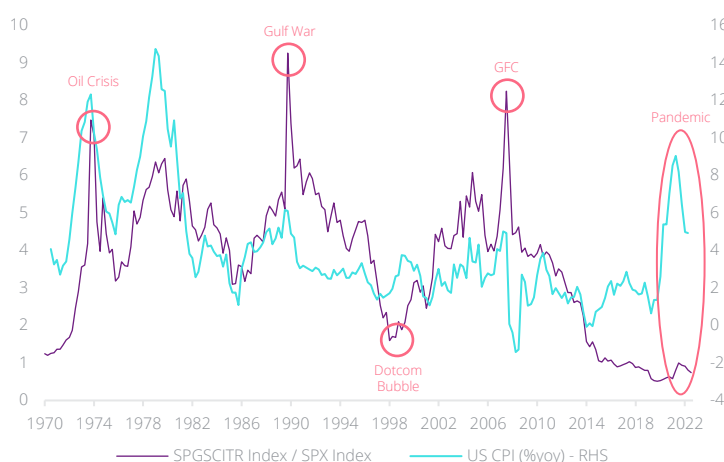
The Trust returned strong results in July, finishing up 5.0% (net of all fees), outperforming the index, which finished flat at 0.1%.

Positive returns for the Trust came from a gold, lithium, energy services and niobium stocks in the month. Despite Chinese data continuing to disappoint, base metal prices climbed higher on the back of production disappointments and steadily depleting inventories. Also, growing optimism of a soft landing in the US provided support to western world demand and in particular energy prices, with oil up 14.2% in the period.

China has been reluctant to repeat shock-and-awe stimulus efforts post its covid downturn. However, the light touch hasn't worked. Its property sector remains lackluster, which in turn resulted in Xi Jinping's mantra that "housing is for living, not for speculation" being removed from the Politburo text for the first time in four years. Also, reports that China's youth unemployment rate rose to 21.3% would also be a source of concern for policy makers.

So all of a sudden the western world downturn doesn't look so bad, and a second wave of China stimulus seems likely, while metal inventories tick ever lower.

## 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 \$36.2 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

WPC0911AU

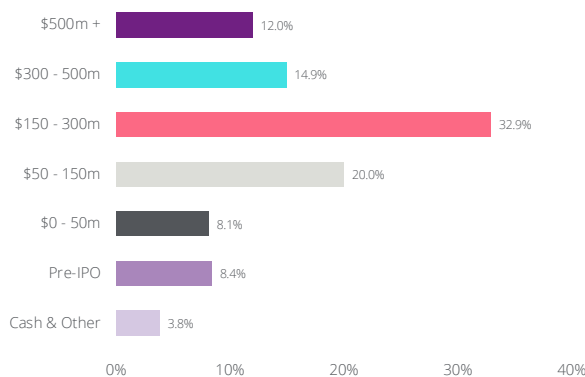
<sup>1</sup> Perennial Microcap Resources Trust is open to wholesale investors only.

Top 5 Positions	Trust (%)
Genesis Minerals	6.0
GenusPlus	5.1
DUG Technology	4.4
Aeris Resources	3.3
Gascoyne Resources	3.2

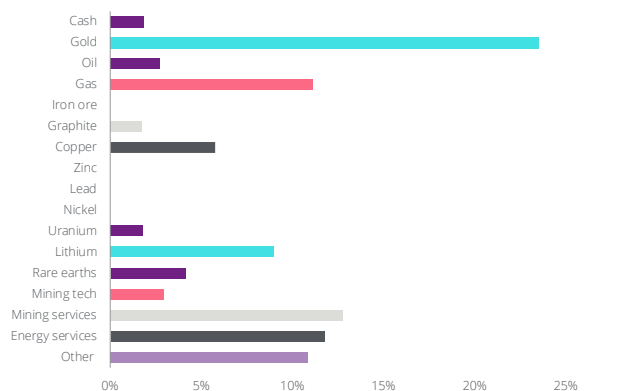
Source: Perennial Value Management. As at 31 July 2023

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

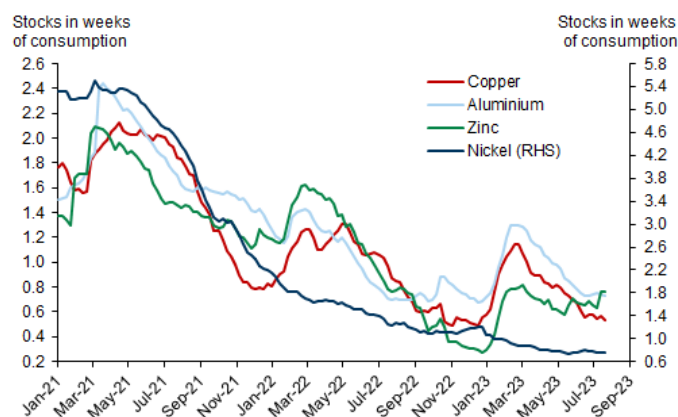
Positive contributions came from a wide variety of stock specific catalysts during the month. These included:

- **Genesis Minerals**, up 12.6% on a bounce in gold prices and better than expected June quarter performance from the recently acquired Gwalia asset.
- **DUG Technology**, rallied 36.9% on news that the company received a \$5m government grant to develop a HP Compute facility in Geraldton.
- **Gascoyne Resources**, up 45.7% after reporting a maiden resource for its high grade Never Never gold discovery. Gascoyne has a new plant on care and maintenance located adjacent to the discovery.
- **Azure Minerals**, up a further 22.3% on the back of further positive drill intersections reported from its 60% owned Andover lithium project in the Pilbara.

Stocks which weighed on performance during the month included:

- **Aeris Resources**, down 20.8% after removing FY23 EBITDA guidance.
- **Green Technology Metals**, down 14.4% on flat lining lithium prices and a minor delay to the Preliminary Economical Assessment for its integrated Thunder Bay lithium project.

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.



The Trust finished the month with 39 positions and cash of 1.9%

## Global, Currency & Commodities (%)

S&P 500	+3.1
Nikkei 225	+2.2
FTSE 100	-0.1
Shanghai Composite	+2.8
RBA Cash Rate	4.10
AUD / USD	67.4c
Iron Ore	-3.0
Oil	+10.6
Gold	+2.4
Copper	+4.7



Portfolio Manager: Sam Berridge

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## Contact us

Level 27, 88 Phillip Street  
Sydney NSW 2000

1300 730 032

[invest@perennial.net.au](mailto:invest@perennial.net.au)

[www.perennial.net.au](http://www.perennial.net.au)

Signatory of:

PRM Principles for Responsible Investment



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