

	Month (%)	Quarter (%)	FYTD (%)	1 Year (%)	Since inception^ (% p.a.)	Since Inception^ Cumulative (%)
Perennial Microcap Resources Trust (Net)	4.7	-1.4	-0.4	3.2	-4.6	-10.0
S&P ASX Small Ordinaries Resources Index	3.0	0.1	-3.8	-10.9	-3.7	-8.1
<b>Value Added</b>	<b>1.7</b>	<b>-1.5</b>	<b>3.4</b>	<b>14.1</b>	<b>-0.9</b>	<b>-1.9</b>

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

## Overview

Commodity prices bounced back in November, buoying returns for the Trust to +4.7% for the month (net of all fees), ahead of the benchmark return of 3.0%.

Softer US economic data and commentary from Fed members led to a sharp roll over in US rates and the US dollar. Further, China attempted another round of property stimulus. Combined, these macro factors led to stronger iron ore, gold and select base metal prices. Uranium continued to tick higher on tight spot supply and news of a South Korean request for uranium tenders, which received zero bids.

The outlook for copper supply tightened after Panama's Supreme Court ruled against First Quantum. The dispute centers around a 20-year contract extension for the Cobre Panama mine which the court found unconstitutional. With the mine now shut down, ~370ktpa or 2% of global copper supply has been removed from the market.

Supply-side factors have been key drivers of oil and uranium performance this year. The trend looks set to continue.

## 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 \$31.2 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

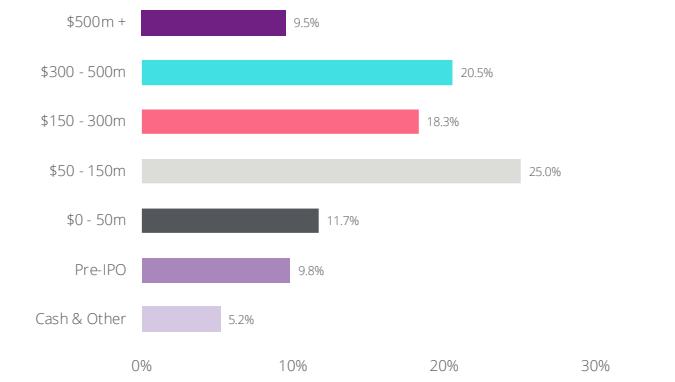
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<sup>1</sup> Perennial Microcap Resources Trust is open to wholesale investors only.

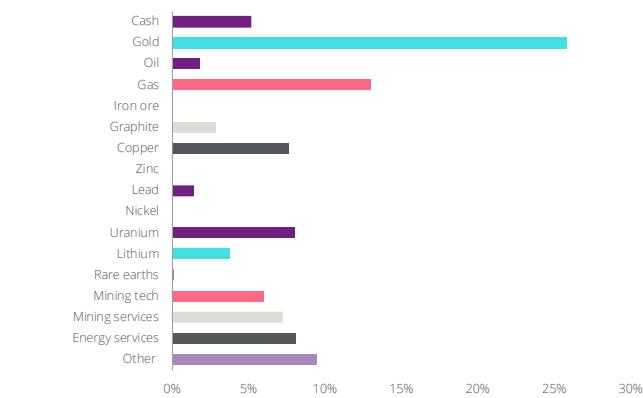
Top 5 Positions	Trust (%)
Ora Banda	11.5
Genesis Minerals	5.6
Line Hydrogen	3.8
Auteco Minerals	3.6
Cooper Energy	3.7

**Source:** Perennial Value Management. As at 30 November 2023

## Market Capitalisation Exposure



## Sector Exposure



## Trust Review

For the second month in a row gold glittered brightest in the portfolio during the month;

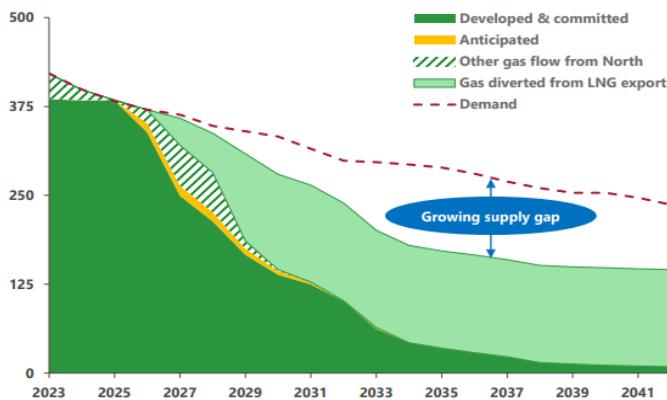
- **Ora Banda**, up 46.9% following completion of key operating milestones ahead of target. The company has accessed first ore from the Riverina Underground mine, a key step towards displacing lower grade feed from the mill, and increasing group production.
- **Genesis Minerals**, and **Westgold** up 26.4% and 2.4% respectively on higher gold prices.

Stocks which weighed on performance during the month included;

- **Hartshead Resources**, down 11.1%, on investor impatience to a funding solution for its 40% owned conventional gas project in the UK. We added to our position.
- **True North Copper**, ended down 16.7% after raising capital during the month.

With prices for our two largest commodity exposures, uranium and gold, doing well, we turn our attention to what might be the hot commodities of 2024. Foremost on that list is domestic gas. Late in October news of [Origin Energy entering into a non-binding agreement with Venice Energy to develop an LNG import terminal in South Australia](#) caught our eye. Our channel checks suggest Origin is not the only utility who is of the view the horse has bolted regarding replacing domestic gas supply, with the marginal molecule likely to come from LNG imports in the medium term. Should these hints of intent turn into actions, it could mean east coast domestic gas prices will be determined by international prices. At present, LNG import parity prices are around A\$18/GJ vs the Victorian spot gas price of A\$11/GJ. Contrary to popular opinion Australia hasn't been subjected to the whims of international gas markets. The Ukraine war corresponded with two coal plant failures on the east coast, with the latter having far more impact on the domestic gas prices than the former. Due to the seasonality of power demand, the two pinch points for the east coast grid are summer and winter. The upside risk to gas prices during these periods is not currently reflected in gas equities in our view.

### Southern states forecast/demand (source: AEMO), PJ/year<sup>1</sup>



Sources: AEMO, Cooper Energy (COE)

The Trust finished the month with 38 positions and cash of 5.1%

## Global, Currency & Commodities (%)

S&P 500	+8.9
Nikkei 225	+8.5
FTSE 100	+1.8
Shanghai Composite	+0.4
RBA Cash Rate	4.35
AUD / USD	66.3c
Iron Ore	+9.7
Oil	-6.8
Gold	+2.6
Copper	+3.7



Portfolio Manager: Sam Berridge

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