

	Month (%)	Quarter (%)	FYTD (%)	1 year (%)	Since inception^ (% p.a.)
Perennial Microcap Resources Trust (Net)	7.2	5.5	10.9	15.7	0.1
S&P ASX Small Ordinaries Resources Index	8.2	0.9	3.7	-4.6	-1.5
Value Added	-1.0	4.6	7.2	20.3	1.6

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

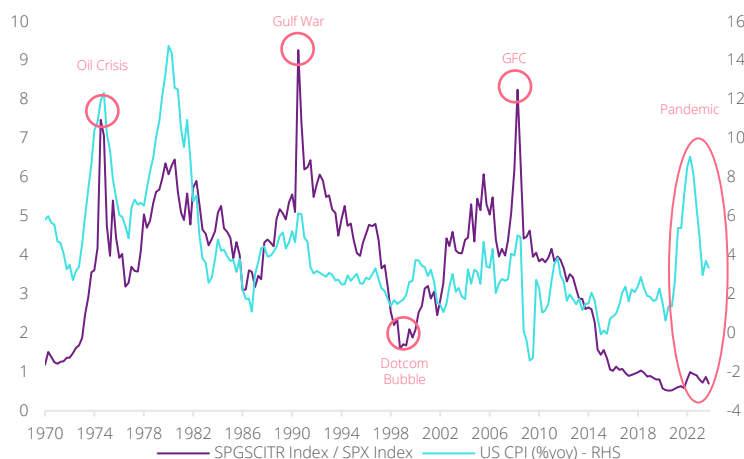
Overview

Base and precious metals bounced in March, lifting the Trust 7.2% net of all fees, slightly behind the index return of 8.2%. Over the 12 months to March, the Trust has returned 15.7% net of all fees, which compares to an index return of -4.6% over the same period. With prices for key Australian exports; iron ore, coal and LNG remaining subdued, weighing on the AUD, the rest of the commodity spectrum is enjoying both commodity and currency tailwinds at present.

The gold price move in March is of particular interest, as it occurred in the face of traditional gold headwinds. Including declining rate-cut expectations, a rising US dollar and rising US real rates. Such a move is unusual and may be indicative of US deficit concerns intensifying.

Lead indicators of manufacturing and industrial production are grinding higher as the shock of sharply higher rates continues to fade. Further, the power requirements for AI are becoming apparent, with positive implications for copper demand going forward.

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 \$32.1 million
Distribution Frequency Annual	Minimum Initial Investment¹ \$25,000
Trust Inception Date August 2021	Fees 1.20% p.a. + Performance fee

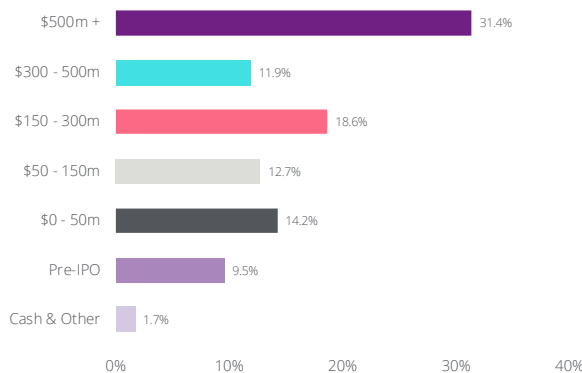
APIR Code
WPC0911AU

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

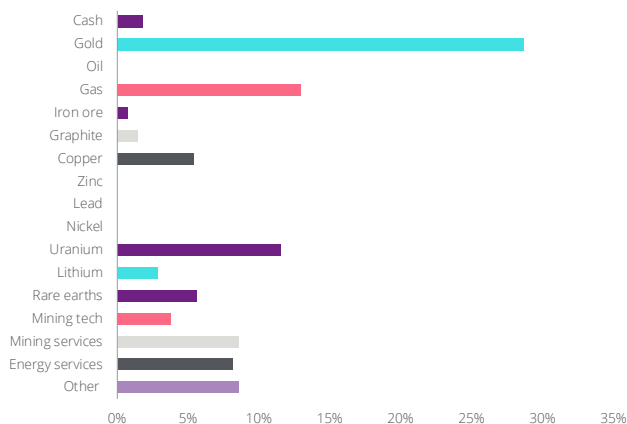
Top 5 Positions	Trust (%)
Ora Banda	9.5
Cooper Energy	5.3
Genesis Minerals	5.0
Brazilian Rare Earths	4.8
Peninsular Energy	4.4

Source: Perennial Value Management. As at 31st March 2024

Market Capitalisation Exposure



Sector Exposure



Trust Review

Base metal, gold and energy stocks all contributed to a solid month for the Trust, with better performers including:

- Gas producer **Cooper Energy** bounced 51.7% in March on better-than-expected progress of abandonment and rehabilitation work plus continued improvement of gas production rates from Orbost. A steady flow of headlines about the looming gas east – coast shortage was also helpful for sentiment.
- Gold producers **Genesis Minerals, Ora Banda** and **Westgold** added 21.2%, 9.8% and 33.7% respectively on the back of a stronger gold price (+9.2%).
- Uranium developer **Peninsular Energy** bounced 13.6%, after recovering from an intra-month dip, which we used to add to our uranium exposures.

Positions which weighed on performance during the month included:

- **Brazilian Rare Earths**, fell 15.2% despite reporting a new high-grade rare earth discovery in March.

As economic data starts to flow in post Chinese new year, lead indicators of commodity demand have started to tick up as sharply higher rates are digested, and central banks pivot towards easing rather than raising rates further.

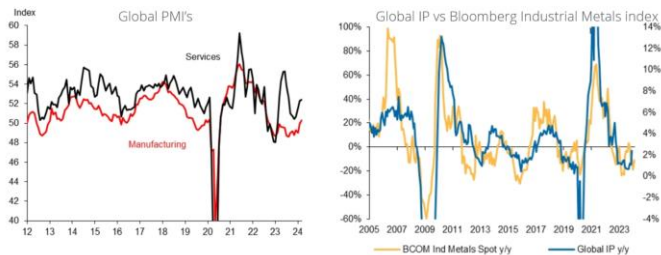
Further, the move higher by gold in the face of traditional headwinds suggests long-held concerns regarding the viability of continued US deficits is moving to the front of investor considerations.

Lastly, decarbonisation demand continues to grow rapidly, but now off a base of US\$1.8trn invested in 2023. Such that Chinese energy-transition demand for copper now exceeds that from construction.

The combination of points above is looking increasingly constructive for future facing metals, to which the trust is heavily exposed.

Global manufacturing showing signs of recovery

Impact of higher interest rates is being digested

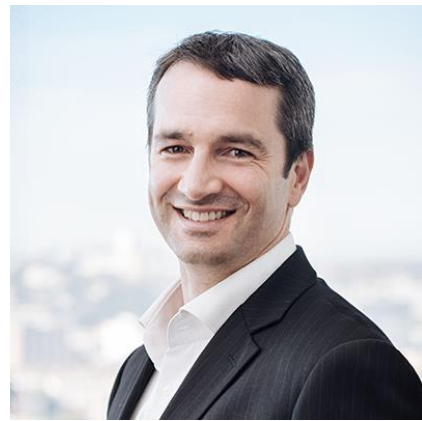


Source: S&P Global, Macrobond, Macquarie

The Trust finished the month with 39 stocks and 1.7% cash

Global, Currency & Commodities (%)

S&P 500	+3.1
Nikkei 225	+2.6
FTSE 100	+4.2
Shanghai Composite	-0.1
RBA Cash Rate	4.35
AUD / USD	64.9c
Iron Ore	-12.3
Oil	+2.9
Gold	+9.2
Copper	+4.1



Portfolio Manager: Sam Berridge

Invest Online Now

Contact us



Level 27, 88 Phillip Street
Sydney NSW 2000



1300 730 032



invest@perennial.net.au



www.perennial.net.au

Signatory of:



Issued by Perennial Value Management Limited (ABN 22 090 879 904, AFSL No. 247293) as the Investment Manager. The Responsible Entity is Perennial Investment Management Limited (ABN 13 108 747 637, AFSL No. 275101). Perennial Partners Limited (ABN 90 612 829 160) is a Corporate Authorised Representative (1293138) of Perennial Value Management Limited. Both the Investment Manager and Responsible Entity form part of Perennial Partners. This promotional statement is provided for information purposes only. Accordingly, reliance should not be placed on this promotional statement as the basis for making an investment, financial or other decision. This promotional statement does not take into account your investment objectives, particular needs or financial situation and is not intended to constitute advertising or advice of any kind and you should not construe the contents of promotional statement as legal, tax, investment or other advice. This promotional statement does not constitute an offer or inducement to engage in an investment activity nor does it form part of any offer documentation, offer or invitation to purchase, sell or subscribe for interests in any type of investment product or service. You should read and consider any relevant offer documentation applicable to any investment product or service and consider obtaining professional investment advice tailored to your specific circumstances before making any investment decision. While every effort has been made to ensure the information in this promotional statement is accurate its accuracy, reliability or completeness is not guaranteed. Past performance is not a reliable indicator of future performance. Gross performance does not include any applicable management fees or expenses. Net performance is based on redemption price for the period and assumes that all distributions are reinvested. Fees indicated reflect the maximum applicable. Contractual arrangements, including any applicable management fee, may be negotiated with certain large investors. Investments in the Trusts must be accompanied by an application form. The information memorandum, and application form can be found on Perennial's website www.perennial.net.au. Use of the information on our website is governed by Australian law and is subject to the terms of use. No distribution of this material will be made in any jurisdiction where such distribution is not authorised or is unlawful.