

	Month (%)	Quarter (%)	FYTD (%)	1 year (%)	Since inception [^] (% p.a.)
Perennial Microcap Resources Trust (Net)	7.6	19.3	19.2	23.1	2.8
S&P ASX Small Ordinaries Resources Index	1.9	4.9	5.7	-3.2	-0.8
Value Added	5.7	14.4	13.5	26.3	3.6

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

Overview

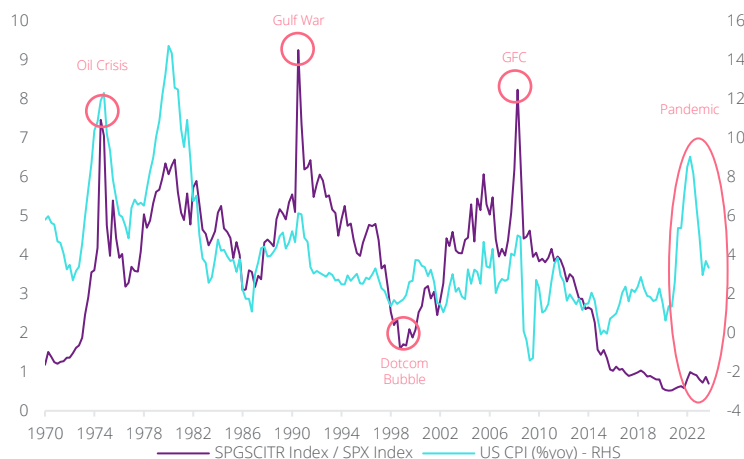
The commodities sector was an island of green in April as most global indices gave up ground during the month. The Trust returned 7.6% net of all fees for the month, lifting the rolling 12mth return to 23.1%.

Base metals led commodities higher in April, with copper, zinc and aluminium rising 14.3%, 22.3% and 12.1% respectively. Despite the commodity rally, the AUD fell -0.7% against the USD, resulting in slightly better margins for Australian based producers relative to those with a USD cost base.

Drivers of the commodity rally included a continued recovery from rate-shock conditions in the western world, further sanctions announced on Russian metal exports and emerging optimism on Chinese demand after a prolonged post-covid slump.

Below the ebb and flow of macro economic conditions, metal demand from decarbonisation continues to displace traditional drivers of demand. Previously observed in cobalt, then lithium, decarbonisation demand for copper now exceeds construction demand in China (chart page 2). We expect this trend to continue across the relevant metals in the commodity spectrum.

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 \$35.6 million
Distribution Frequency Annual	Minimum Initial Investment¹ \$25,000
Trust Inception Date August 2021	Fees 1.20% p.a. + Performance fee

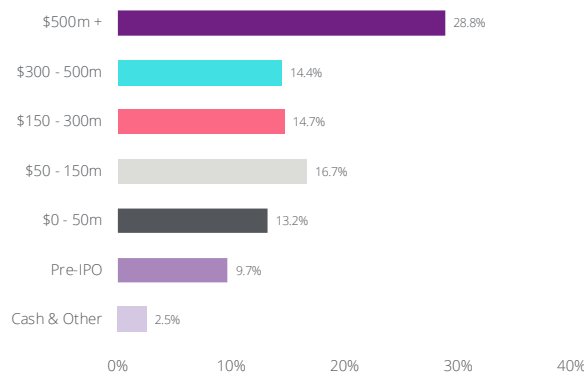
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¹ Perennial Microcap Resources Trust is open to wholesale investors only.

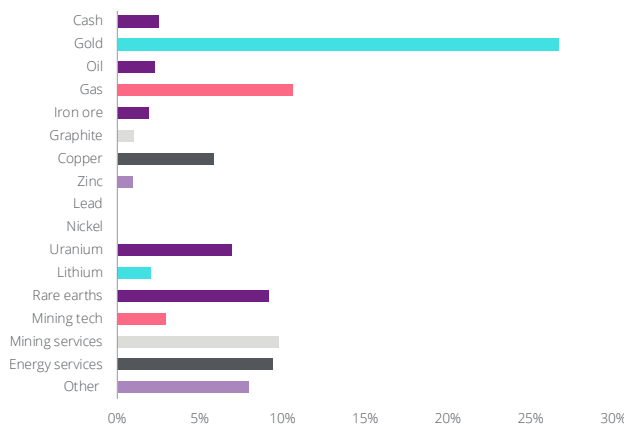
Top 5 Positions	Trust (%)
Ora Banda	7.7
Brazilian Rare Earths	5.4
Firefly Metals	4.2
SciDev	3.8
SRG Global	3.5

Source: Perennial Value Management. As at 30th April 2024

Market Capitalisation Exposure



Sector Exposure



Trust Review

Copper, rare earth, gold exposures all contributed to a solid month for the Trust, with better performers including:

- **Brazilian Rare Earths** released more spectacular results from its Pele project, which along with a tick up in rare earth prices helped to lift the stock 21.5%
- **Firefly Metals**, up 15.9% also achieved success with the drill bit, announcing a cluster of wide, high-grade copper intercepts from its 100% owned project in Newfoundland, Canada.
- Industrial Chemicals company **SciDev** bounced 58.7% on a cracking March quarter result, with revenue and earnings doubling year on year. Even after the bounce in share price, the stock continues to look cheap.

Positions which weighed on performance during the month included:

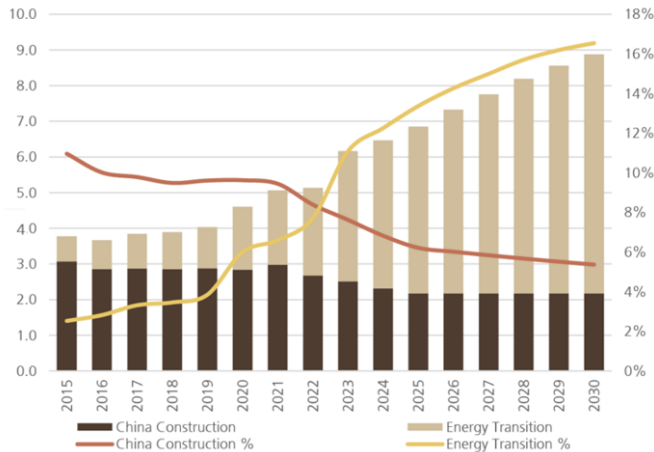
- **Cooper Energy**, fell 6.8% as production improvements at Orbost plateaued. We're confident in further improvements in the near term.

Global spend on decarbonisation related products and infrastructure topped US\$1.8trn in 2023, up 17% year on year. This rapid rate of growth is now off a large base and is starting to displace traditional drivers of commodity demand.

As a case in point, in China, copper demand from energy transition related products and projects now exceeds that of construction. This is a same path decarbonisation followed through more boutique commodities like cobalt and lithium. The key difference being, a large lithium mine might increase global lithium supply by 10% in a 1Mtpa market.

A large copper mine would only add ~1% to global copper supply of 26Mtpa. This comparison highlights how the supply response gets harder as decarbonisation starts to move the needle for large commodity markets.

The changing drivers of Chinese copper demand



Source: Woodmac, UBS, Perennial

The Trust finished the month with 41 stocks and 2.5% cash.

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Signatory of:

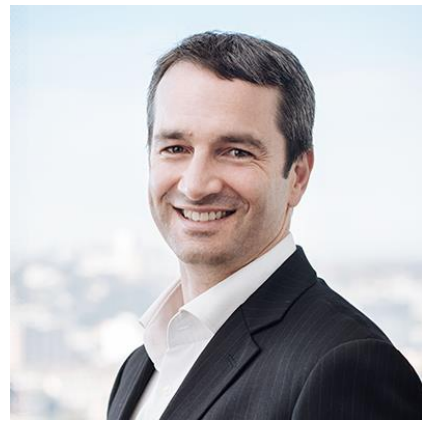
PRIPRI Principles for Responsible Investment



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Global, Currency & Commodities (%)

S&P 500	-4.2
Nikkei 225	-5.2
FTSE 100	+2.4
Shanghai Composite	+2.1
RBA Cash Rate	4.35
AUD / USD	64.4c
Iron Ore	+0.9
Oil	+2.6
Gold	+2.4
Copper	+14.3



Portfolio Manager: Sam Berridge

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