

|                                          | Month (%)  | Quarter (%) | FYTD (%)    | 1 year (%)  | 3 year (% p.a.) | Since inception <sup>^</sup> (% p.a.) |
|------------------------------------------|------------|-------------|-------------|-------------|-----------------|---------------------------------------|
| Perennial Microcap Resources Trust (Net) | 9.5        | 13.7        | 13.7        | 41.5        | 7.7             | 7.5                                   |
| S&P ASX Small Ordinaries Resources Index | 6.8        | 3.3         | 3.3         | 4.9         | 0.2             | -1.7                                  |
| <b>Value Added</b>                       | <b>2.7</b> | <b>10.4</b> | <b>10.4</b> | <b>36.6</b> | <b>7.5</b>      | <b>9.2</b>                            |

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

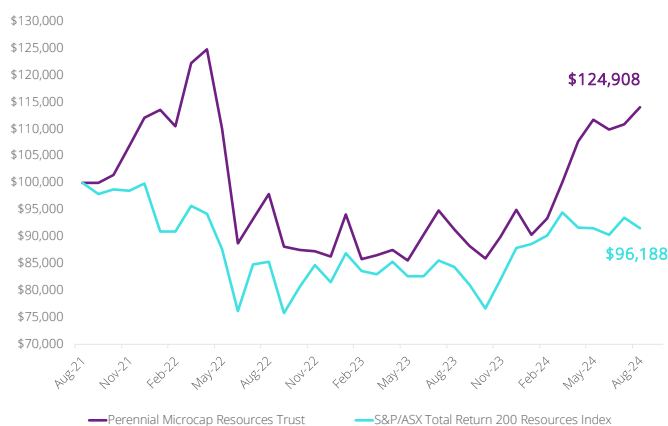
### Overview

September was a solid month for resources, with the trust returning 9.5% net of all fees, outperforming the benchmark by 2.7%. The rolling 12mth return lifts to 41.5% net of all fees.

Several China stimulus announcements late in September caused a sharp uptick in commodity sector returns into month end. Plenty of ink was spilt in the financial press on iron ore's bounce off its lows, despite base metals outperforming. Copper (+7.0%), aluminium (+5.9%) and zinc (+6.4%), all besting iron ore's +3.3% return for the month, albeit 18% off its lows.

The focus on iron ore and its demand drivers is understandable due to its outsized representation in Australian indices. However, we find more appeal elsewhere. China has shown a clear preference for domestic consumption and manufacturing in its stimulus initiatives over the last 18 months. We believe property support measures announced in September are intended to provide a floor to house prices and consumer sentiment, rather than spark another apartment construction spree. Thus, our portfolio remains leveraged to a manufacturing recovery, rather than a construction resurgence.

### Growth of \$100,000 Since Inception



Performance shown net of fees with distributions reinvested. Does not take into account any taxes payable by an investor. Past performance is not a reliable indication of future performance.

### 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 \$41.2 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

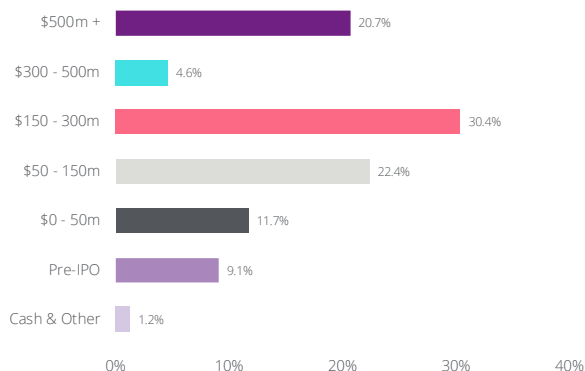
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<sup>1</sup> Perennial Microcap Resources Trust is open to wholesale investors only.

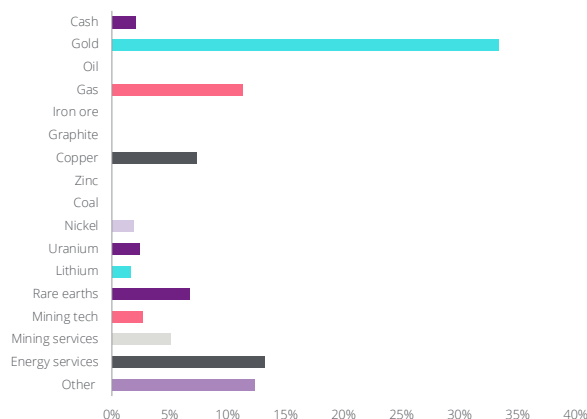
| Top 5 Positions    | Trust (%) |
|--------------------|-----------|
| Toubani Resources  | 6.7       |
| Metro Mining       | 6.1       |
| SciDev             | 5.5       |
| Firefly Metals     | 5.0       |
| Conrad Asia Energy | 3.9       |

Source: Perennial Value Management. As at 30<sup>th</sup> September 2024

### Market Capitalisation Exposure



### Sector Exposure



## Trust Review

Solid positive returns for the trust were broad based in September. Better performing investments included;

- Bauxite miner **Metro Mining**, rallied 19.4% as ship movements monitored throughout the month implied a solid quarter of production. Also, bauxite prices continued to tick up, increasing 4.7% in the quarter.
- Copper developer, **Firefly Metals** returned +12.1% following the higher copper price (+7.0%) and an exploration update which highlighted the potential of repeat lenses of mineralisation adjacent to its existing resource.
- Mining and Energy services company, **SciDev**, finished 26.7% higher as PFAS contamination issues continued to make headlines in Australia and overseas, highlighting the need for SDV's decontamination tech.
- Gold developer, **Wia Gold**, rose 45% on positive exploration results from its Ivory Coast project and a higher gold price.

Investments which weighed on performance during the month included:

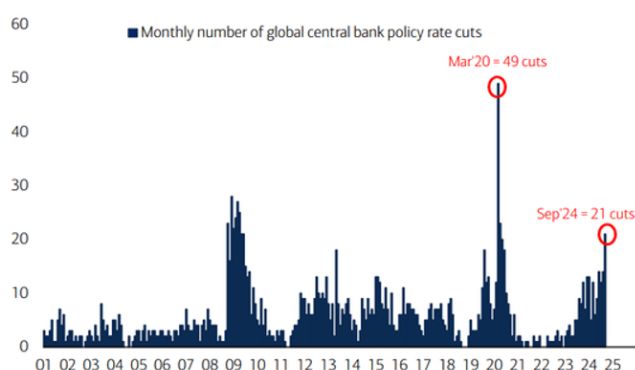
- Energy services company **DUG Technology** drifted -20.2% lower as investors focused on some softer near-term sales commentary, rather than medium-term interest in DUG-Nomad, which the company believes could be bigger than the current core business.
- Gas producer **Cooper Energy** traded down -5.1% despite improving production from its Orbost operation and a tight outlook for gas markets. We look forward to news on financing solutions to its ECSP growth project in the coming months.

The two largest economies in the world taking tangible steps towards easier financial conditions in September is a positive lead for commodity demand. While it's likely to take a quarter or so for stimulus to translate into a fundamental demand improvement, markets will pre-empt these moves, as per the market reaction to the Chinese stimulus announcements.

We are becoming more positive on the commodity outlook.

### Sep'24 is biggest month of monetary easing since Apr'20

Monthly global central bank policy rate cuts



Source: BoAML, Bloomberg

## Global, Currency & Commodities (%)

|                    |       |
|--------------------|-------|
| S&P 500            | 2.0   |
| Nikkei 225         | -1.9  |
| FTSE 100           | -1.7  |
| Shanghai Composite | 17.4  |
| RBA Cash Rate      | 4.35  |
| AUD / USD          | 69.1c |
| Iron Ore           | 3.3   |
| Oil                | -10.3 |
| Gold               | 5.2   |
| Copper             | 7.0   |



Portfolio Manager: Sam Berridge

**Invest Online Now**

The Trust finished the month with 38 stocks and 2.0% cash.

## Contact us



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Signatory of:



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