

	Month (%)	Quarter (%)	FYTD (%)	1 year (%)	3 year (% p.a.)	Since inception [^] (% p.a.)
Perennial Microcap Resources Trust (Net)	-8.7	4.5	8.4	32.4	3.7	5.5
S&P ASX Small Ordinaries Resources Index	-5.4	6.9	3.3	3.2	-2.9	-1.6
Value Added	-3.3	-2.4	5.1	29.2	6.6	7.1

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

Overview

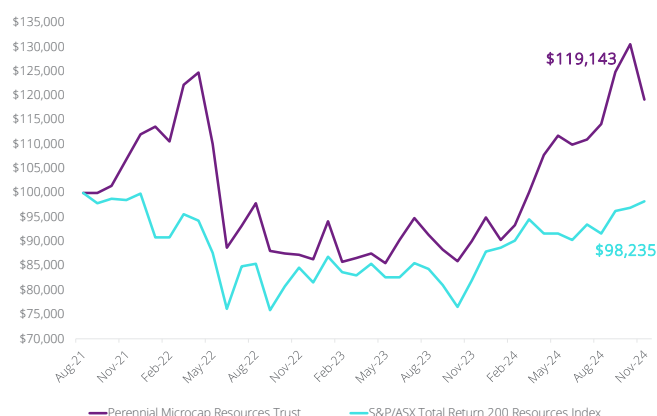
As all commodities are priced in US dollars, a sharp rise in the US dollar was a tough headwind for the commodities sector in November. The trust returned -8.7% net of all fees, trailing the benchmark return of -5.4%. The rolling 12mth return of the trust is 32.4%, net of all fees.

Market reactions post the US election were sharp, with yields and the US dollar rallying post Trump's win. This was the market anticipating the impact of increased tariffs on Chinese imports to the US, which would be inflationary (higher yields and USD), but also negatively impact Chinese commodity demand.

As the weeks ticked by, the market is coming to view the threat of increased tariffs as more of a starting point for negotiation rather than an absolute. Further, the simplification of permitting and approvals is leading to greater optimism for US growth.

In aggregate, our view is the demand outlook is incrementally better post US election, and supply remains the same. Coupled with the pull back in commodity prices over the last two months the outlook for commodities into 2025 has improved.

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 \$39.2 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

August 2021

Fees

1.20% p.a. + Performance fee

APIR Code

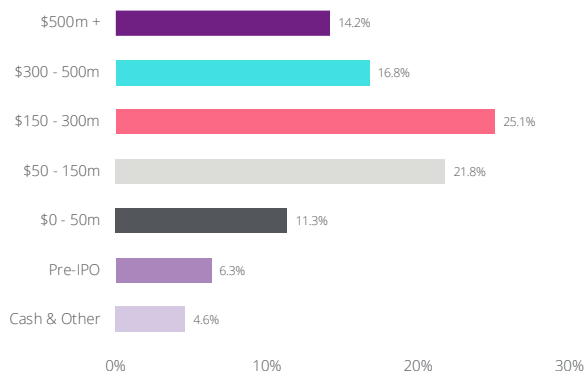
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¹ Perennial Microcap Resources Trust is open to wholesale investors only.

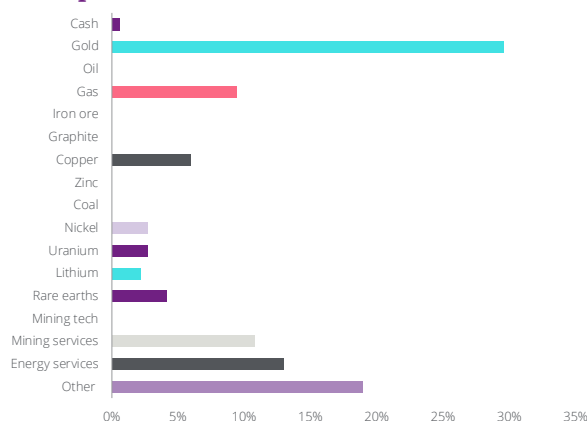
Top 5 Positions	Trust (%)
Metro Mining	8.2
Rox Resources	5.3
Toubani	5.1
SciDev	4.8
Firefly Metals	5.0

Source: Perennial Value Management. As at 30 November 2024

Market Capitalisation Exposure



Sector Exposure



Trust Review

In a tough month for commodities our larger positions fared reasonably well, including:

- **Metro Mining**, climbed 18.8% on stronger bauxite prices and announcement of a debt refinancing, which will see MMI through the wet season in the March quarter.
- **Genesis Minerals** finished 3.3% higher despite a weaker gold price (-3.4%).

Investments which weighed on performance during the month included:

- Copper developer **Firefly Metals**, down -14.5% on lower copper (-5.8%) and gold (-3.4%) prices.
- Energy tech firm **DUG Technology**, finished -10.2% lower after not providing any formal earnings guidance at its AGM, which it's never done. Nevertheless, the market was hoping for some warm words.
- Gold producer **Ora Banda**, fell -22.5% due to a softer gold price.

Over the longer term, supply/demand trumps all other economic or financial drivers of commodity prices. In the short term, financial flows can have a material impact, as observed in Oct / Nov.

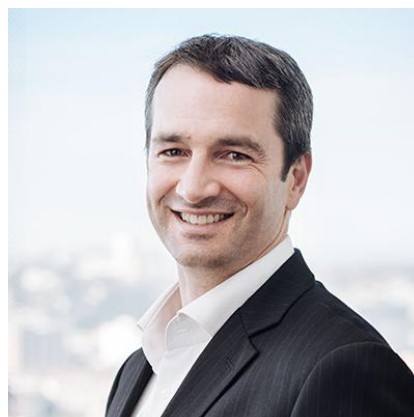
The top chart below shows the US Dollar Index (blue) vs the inverted Copper price (red). The correlation throughout October and November is clear. The bottom chart shows the same data over two years, highlighting periods of correlation between currency and copper are temporary, whereas much like diamonds, supply / demand is forever.



Source: LSEG, Perennial

Global, Currency & Commodities (%)

S&P 500	5.9
Nikkei 225	-2.2
FTSE 100	2.6
Shanghai Composite	1.5
RBA Cash Rate	4.35
AUD / USD	65.1c
Iron Ore	-1.6
Oil	-1.9
Gold	-3.4
Copper	-5.8



Portfolio Manager: Sam Berridge

Invest Online Now

The Trust finished the month with 39 stocks and 0.5% cash.

Contact us



Level 27, 88 Phillip Street
Sydney NSW 2000



1300 730 032



invest@perennial.net.au



www.perennial.net.au

Signatory of:



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