

	Month (%)	Quarter (%)	FYTD (%)	1 year (%)	3 year (% p.a.)	Since inception^ (% p.a.)
Perennial Microcap Resources Trust (Net)	2.6	-9.8	7.1	30.4	1.2	4.9
S&P ASX Small Ordinaries Resources Index	8.3	-0.8	8.4	6.6	-0.5	-0.1
Value Added	-5.7	-9.0	-1.3	23.8	1.7	5.0

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

Overview

Commodities bounced back in January, with the trust returning +2.6% net of all fees, behind the benchmark return of 8.3%. The rolling 12mth return increases to 30.4% net of all fees.

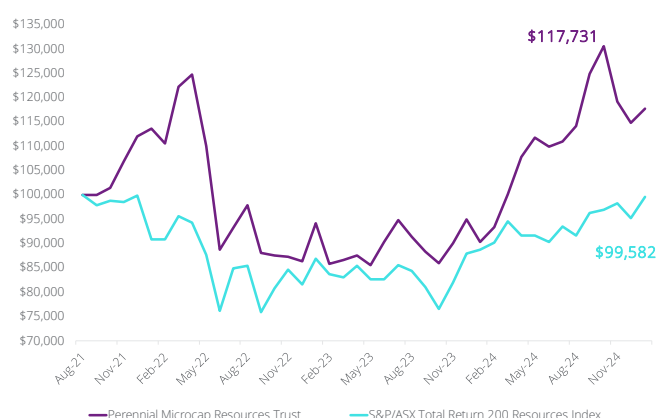
Post Trump's inauguration in January, the markets focused on implementation of policy, foremost of which was the application of tariffs.

In our view, the impact of tariffs on commodity prices will be modest. The recent history of various sanctions, import bans and tariffs is commodity flows re-arrange themselves reasonably quickly to optimize price, with flow through on end demand being minimal.

Further, Trump is clearly using tariffs as a bargaining tool, and in most cases the headline announcements are diluted by negotiation. While we wait for the longer-term demand picture in a Trump 2.0 world, we see opportunities in the gaps created by the energy transition.

Australia and Europe are short dispatchable power generation, which is creating opportunities for energy commodities and power generation sectors.

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 \$35.9 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

August 2021

Fees

1.20% p.a. + Performance fee

APIR Code

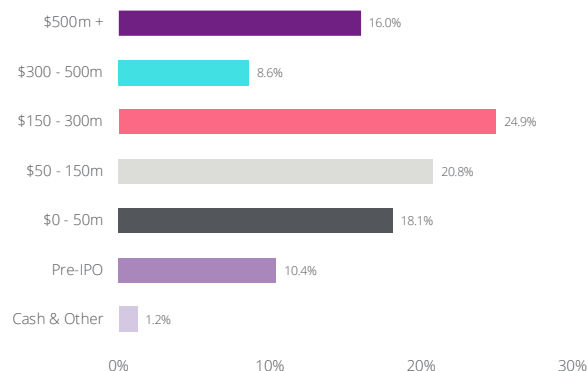
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¹ Perennial Microcap Resources Trust is open to wholesale investors only.

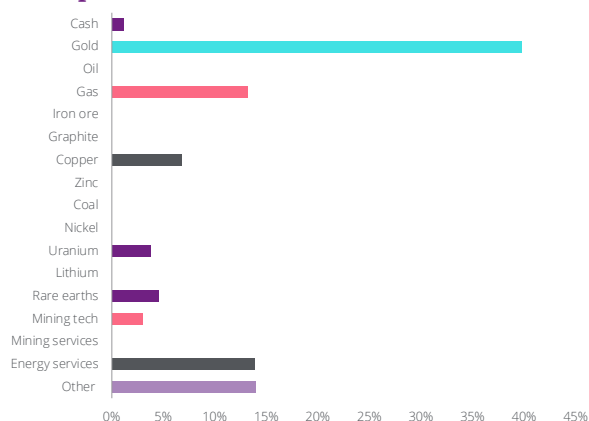
Top 5 Positions	Trust (%)
Metro Mining	8.6
Rox Resources	6.8
Ora Banda	5.9
Toubani	4.1
Turaco Gold	3.7

Source: Perennial Value Management. As at 31st January 2025

Market Capitalisation Exposure



Sector Exposure



Trust Review

Gold glittered brightest in January, rallying +6.6% in USD terms, as the USD itself took a break from its steady ascent since the US election. The A\$gold price hit an all time high of A\$4505/oz providing a tailwind for gold producers. Our best performers included:

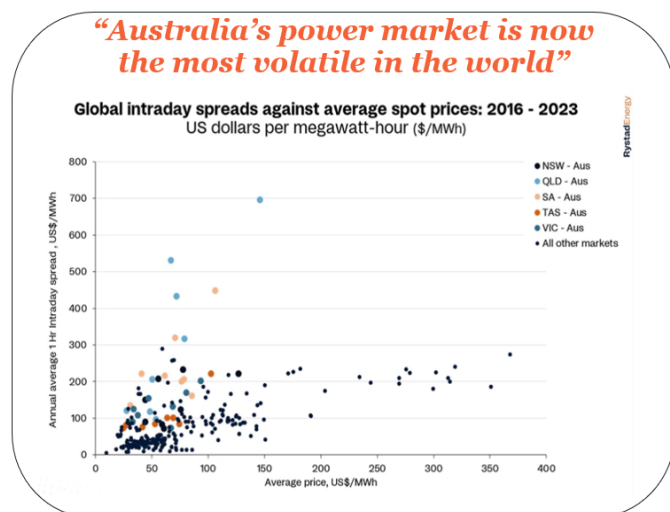
- Solid quarters of cash generation from gold producers; **Capricorn**, **Ora Banda** and **Genesis Minerals** lifting share prices 22.9%, 29.1% and 27.7% respectively. All three of these companies offer substantial production growth over the next three years, something which sets them apart from their peers.
- Uranium enrichment stock, **Silex**, rallied 22.8% on growing enthusiasm for nuclear power driven by the AI boom.
- Gas producer and electricity generator **QPM Energy** climbed 14.3% as power price spikes in Queensland become more frequent.

Investments which weighed on performance during the month included:

- Energy tech firm **DUG Technology**, finished -3.6% lower, continuing to drift after not providing any formal earnings guidance at its AGM in November, which it's never done.
- **Southern Cross Electrical** finished 3.8% lower despite announcing \$225m of contract awards in late December.

2025 will mark the 10-year anniversary of the Paris Climate Agreement and the implications of investments made since are becoming clear. Decisions to restrict investment in firming (gas) has resulted in shortages as demand remains and supply dwindles. This has had the impact of increasing power prices and power price volatility.

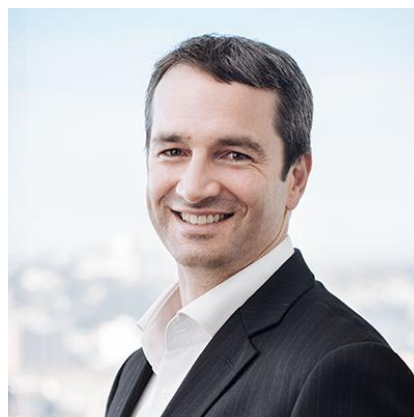
Through this process Australia has earned the lamentable title of most volatile power market in the world. Periods of acute power shortages regularly see power prices spike above \$10,000/MWh. This problem was a long time in the making and won't be fixed quickly, but it is profitable for those businesses who can supply power when it's needed.



Source: Rystad Energy, Perennial

Global, Currency & Commodities (%)

S&P 500	2.8
Nikkei 225	-0.8
FTSE 100	6.2
Shanghai Composite	-2.7
RBA Cash Rate	4.35
AUD / USD	62.1c
Iron Ore	-1.9
Oil	1.4
Gold	6.6
Copper	2.8



Portfolio Manager: Sam Berridge

Invest Online Now

The Trust finished the month with 37 stocks and 1.2% 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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