

	Month (%)	Quarter (%)	FYTD (%)	1 year (%)	2 year (%)	3 year (% p.a.)	Since inception^ (% p.a.)
Perennial Microcap Resources Trust (Net)	15.3	18.4	60.6	101.7	56.2	39.0	21.4
S&P ASX Small Ordinaries Resources Index	8.8	15.5	44.3	70.3	28.2	16.8	10.9
Value Added	6.5	2.9	16.3	31.4	28.0	22.2	10.5

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

Overview

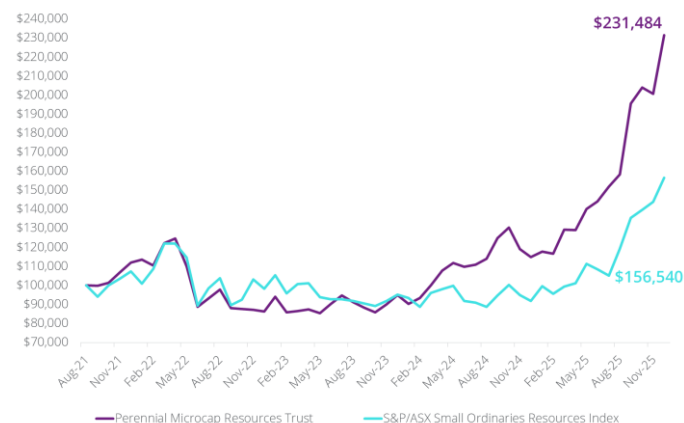
Commodities finished the year on a strong note, with the trust returning 15.3% net of all fees, outperforming the benchmark by 6.5%. The rolling 12 month return rises to 101.7%, net of all fees.

December was a month of conflicting signals and odd moves on low liquidity. Firstly, macro data for November from the major economies remained lackluster. Despite this, base metal prices continued to climb, seemingly due to supply concerns, more than anything else.

In the period between Christmas and New Years, there were violent moves in silver, platinum and palladium prices. All spiking on news one of the US banks had been forced to source funds from the Fed's Repo facility to avoid forced short-covering.

Whether or not any sustained market impacts result from the late December tremors, at a high level it highlights the growing affection for hard assets as an alternative store of value. This is consistent with our view that the current commodities rally is more akin to the 1970's bull market than the China led rally of the 2000's. After an 8-year run, the 1970's rally came to an end when Paul Volcker aggressively hiked rates to combat inflation. With the world awash with debt, a similar move this time around would be problematic.

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 \$34 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

August 2021

Fees

1.20% p.a. + Performance fee

APIR Code

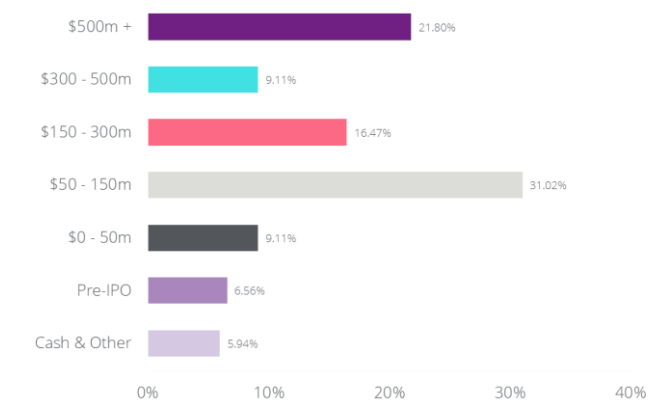
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¹ Perennial Microcap Resources Trust is open to wholesale investors only.

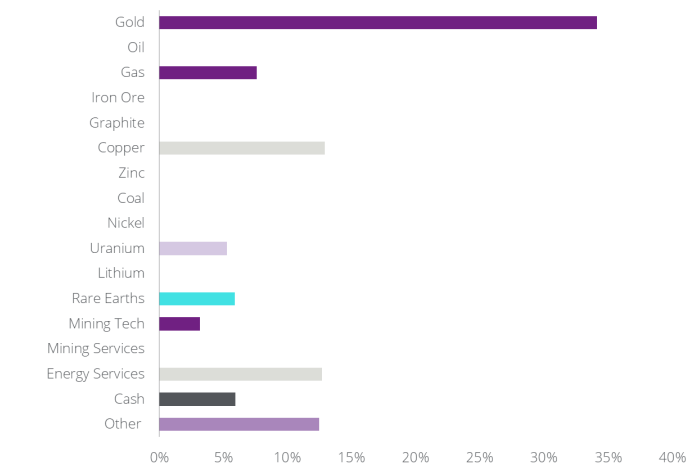
Top 5 Positions	Trust (%)
Emperor Mines	6.4
EQ Resources	5.1
Sentinel Metals	5.0
Ora Banda Mining	4.9
Cygnus Gold	4.4

Source: Perennial Value Management. As at 31 December 2025.

Market Capitalisation Exposure



Sector Exposure



Trust Review

Key drivers of performance in the month included:

- Tungsten producer, **EQ Resources**, continued to re-rate. Finishing up 29.7% as the tungsten price continued to rise and a site visit pointed to stronger production in the March quarter.
- Gold developer, **Sentinel Metals**, rallied 23.5% on the back of results from a geophysical survey and in anticipation of drilling starting in January.
- Uranium producer, **Peninsular Energy**, bounced 25.2% after a solid production update and a recovery in the uranium price (+7.2%).

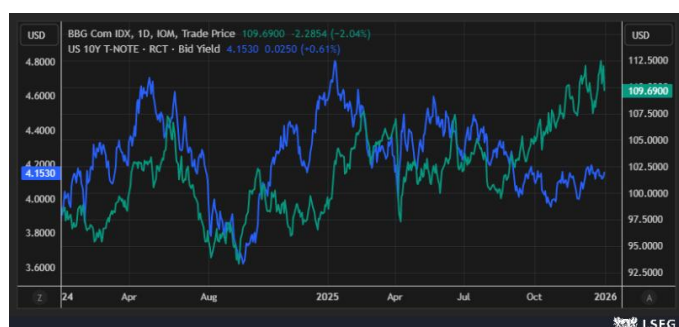
Investments which weighed on performance during the month included:

- Gold developer, **Antipa Minerals** finished down -10.4%, after releasing an operations update which deferred an investment decision until June 2028.
- **Brazilian Rare Earths**, fell 9.0% in anticipation of the release of escrowed stock representing roughly 40% of the shares on issue.
- Gas-to-power utility, **QPM Energy** traded 12.5% lower after raising development capital to expand its Issac Plains gas-peaking power station.

Commodities diverging from inflation

It's our view, the recent commodities rally draws more parallels with the 1970's bull market than the 2000's China boom. In that regard it's interesting to note the recent divergence between commodity indices and US yields. If we are in a supply-constrained bull market, with the major economies on a stimulatory footing, commodity-led inflation won't be far behind. This would add a fourth leg to the trilemma of energy transition, AI demand and geopolitical competition driving commodity prices higher.

Commodities now at the centre of geopolitical, energy and AI competition



Source: Bloomberg, Perennial (Top image) LSEG (Bottom image)

Global, Currency & Commodities (%)

S&P 500	0.8
Nikkei 225	0.3
FTSE 100	2.3
Shanghai Composite	2.3
RBA Cash Rate	3.60
AUD / USD	66.7c
Iron Ore	2.2
Oil	-5.0
Gold	2.5
Copper	13.6



Portfolio Manager: Sam Berridge

Invest Online Now

The Trust finished the month with 33 stocks and 6.0% cash.

Contact us



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Signatory of:



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