

	Month (%)	Quarter (%)	FYTD (%)	1 year (%)	2 year (% p.a.)	3 year (% p.a.)	Since inception^ (% p.a.)
Perennial Microcap Resources Trust (Net)	-13.8	2.0	63.9	82.6	53.6	39.8	20.7
S&P ASX Small Ordinaries Resources Index	-15.4	-4.1	38.4	51.0	25.0	14.2	9.3
Value Added	1.6	6.1	25.5	31.6	28.6	25.6	11.4

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

Overview

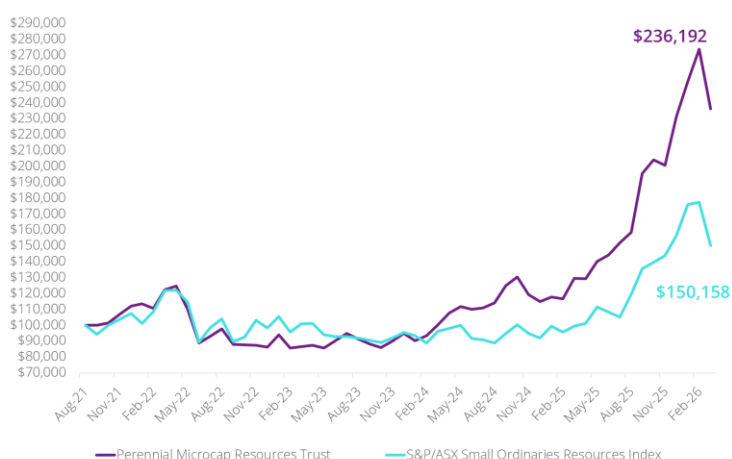
The outbreak of war in the middle east dominated equity and commodity markets alike in March. The trust returned -13.8% for the month, outperforming the benchmark by 1.6%. After what was our worst month in four years, the rolling 12mth return eases to 82.6% net of all fees.

The closure of the Strait of Hormuz at the beginning of March, through which 20% of the world's oil flows, sent shockwaves through global markets. Markets ebbed and flowed on Trump's tweets regarding timing of de-escalation. By month end there were some glimmers of hope regarding the resumption of trade.

Oil wasn't the only commodity affected. The strait accommodates roughly 30% of urea (nitrogen fertilizer), 25% of LNG, 20% phosphate fertilizer and 7% of global aluminium supply. Impacts to these commodities will be enduring.

An additional vexing issue for markets was the likely reaction of central banks to the inevitable inflation spike. Powell went some way to calm investors close to month end by pointing out longer dated inflation expectations were unmoved, with shorter dated inflation impacts less of a concern.

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 \$29 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

August 2021

Fees

1.20% p.a. + Performance fee

APIR Code

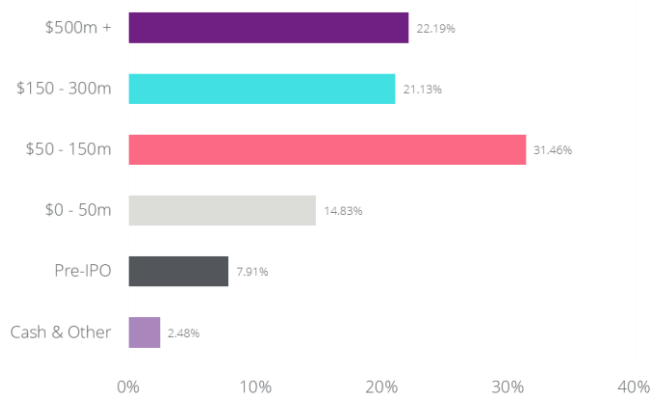
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¹ Perennial Microcap Resources Trust is open to wholesale investors only.

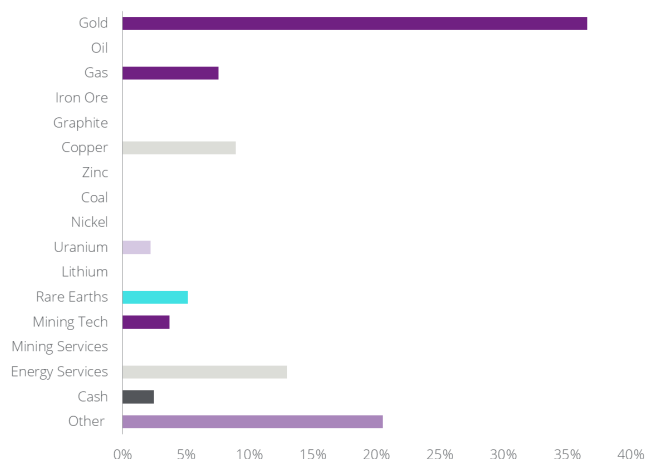
Top 5 Positions	Trust (%)
Sentinel Metals	8.1
PC Resources	7.7
Emperor Energy	7.0
QPM Energy	5.1
Rox Resources	4.5

Source: Perennial Value Management. As at 31 March 2026.

Market Capitalisation Exposure



Sector Exposure



Trust Review

Better performing stocks for the month included:

- Tungsten producer **EQ Resources**, gained 14.3%, as the tungsten price continued to rally, up 31.2% in the month, as restrictions to Chinese exports continue to tighten the market.
- 3D printing company, **AML3D**, bounced 33.3% after announcing a \$9.9m contract award to a supplier to the US Navy.
- Gold developer, **PC Gold**, managed to buck the trend of plummeting gold stocks during the month, to return 4.1%.

Stocks which weighed on the portfolio during the month included:

- Gold producer, **Capricorn Metals**, which the trust holds after CMM's takeover of Warriedar Resources last year, fell -25.3% following a -11.6% fall in the gold price.
- Gold developers, **Sentinel Metals**, **Rox Resources** fell 28.6% and 21.7% respectively, again on the back of a weaker gold price.
- Rare earths developer, **Brazilian Rare Earths**, fell 19.8%, despite the rare earths price remaining steady during the month.

What comes after Iran?

Irrespective of whether the recently announced ceasefire holds, and/or turns into a sustained peace, the longer-term reaction to a threat to energy security, and therefore national security, will be significant.

We expect a global uptick in energy infrastructure investment measuring in the trillions of dollars. Hydrocarbon refining and storage will receive a boost, the pivot towards nuclear generation will accelerate. Electric vehicle sales will also benefit, providing a boost to lithium demand.

Outside of Australia, we are less convinced intermittent generation investment will receive a boost. There has already been a notable pivot away from intermittent generation by the major economies as its incompatibility with AI power requirements becomes more apparent. We expect this to continue. If anything was made clear by the third gulf war, it is that mobile energy generation remains dominated by hydrocarbons and will remain so for decades to come.

The de-globalisation of metals trade will continue. The Iran war is likely to result in further restrictions of China's critical metal exports rather than any easing. This in turn re-emphasizes the importance of metal production independence, and the investment required.

Lastly, while gold sold off heavier than most metals in March, we view this as a temporary rush for liquidity rather than any fundamental change in the gold outlook. Trump's \$1.5 trillion-dollar military budget request, submitted to congress in early April emphasizes the points above as well as a continued deterioration in US fiscal deficits. Thus, the search for alternative stores of value to the US dollar will continue, with gold a key beneficiary.

Global, Currency & Commodities (%)

S&P 500	-7.7
Nikkei 225	-12.6
FTSE 100	-6.2
Shanghai Composite	-6.5
RBA Cash Rate	4.10
AUD / USD	69.0c
Iron Ore	7.3
Oil	58.2
Gold	-11.6
Copper	-9.5



Portfolio Manager: Sam Berridge

Invest Online Now

The Trust finished the month with 35 stocks and 2.5% cash.

Contact us



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Signatory of:



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