

	Month (%)	Quarter (%)	FYTD (%)	1 year (%)	2 year (% p.a.)	3 year (% p.a.)	Since inception^ (% p.a.)
Perennial Microcap Resources Trust (Net)	-12.2	-6.0	54.0	54.0	42.1	35.0	18.0
S&P ASX Small Ordinaries Resources Index	-13.4	-6.7	29.2	29.2	23.5	14.8	7.2
Value Added	1.2	0.7	24.8	24.8	18.6	20.2	10.8

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

Overview

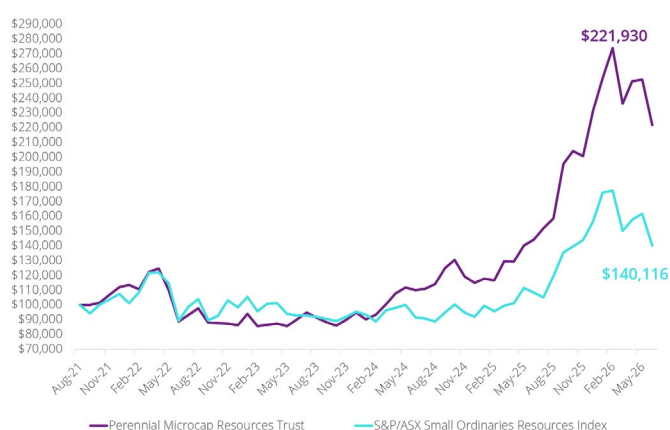
A rising US dollar provided a tough backdrop for commodities in June, with bulks, base and precious metals ending the month in the red. In this context, the trust returned -12.2% for the month, with the rolling 12mth return easing to 54.0% net of all fees.

Despite the announcement of an MOU between the US and Iran on the 14th of June, a positive event for commodity demand by most measures, corresponding US dollar strength ruined the party.

In our mind there were two key drivers for the pop in the USD. Firstly better-than-expected employment data for May led the market pricing in a rate increase towards year end. Secondly commentary from new Fed Chairman on the 16th of June was interpreted as being hawkish, leading to the market pricing in higher US rates, which led to a higher US dollar.

But the story is not so straight forward. At present there's an increasing divergence between soft data (like consumer sentiment) and hard data (like non-farm payrolls). Generally soft data leads hard data (chart page 2.) Coupled with the roll over in oil price we believe US rate-expectations have got too far ahead of themselves. Thus, we see the potential for the headwinds from June to ease.

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 \$16.3 million

Distribution Frequency

Annual

Minimum Initial Investment¹

\$25,000

Trust Inception Date

August 2021

Fees

1.20% p.a. + Performance fee

APIR Code

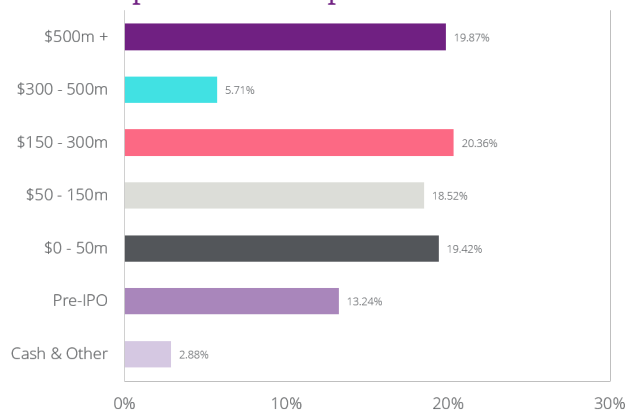
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¹ Perennial Microcap Resources Trust is open to wholesale investors only.

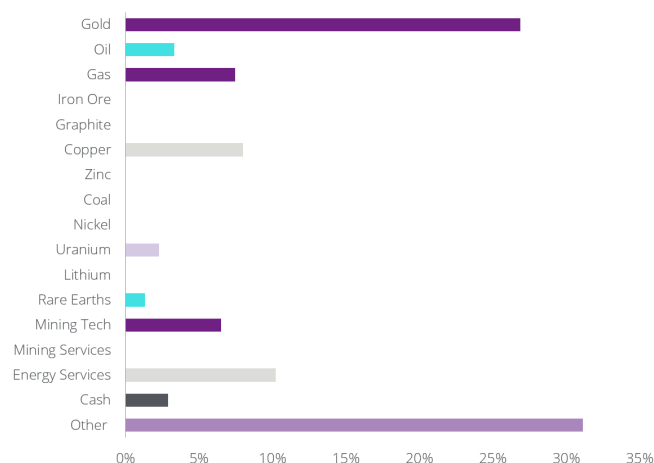
Top 5 Positions	Trust (%)
PC Gold Ltd	8.4
Metro Mines	7.1
Sentinel Metals Ltd	7.0
Capricorn Metals	7.0
Emperor Energy	6.0

Source: Perennial Value Management. As at 30 June 2026.

Market Capitalisation Exposure



Sector Exposure



Trust Review

Better performing stocks for the month included:

- Bauxite producer **Metro Mining**, bounced 17.9% on the back of multiple news articles suggestion the worlds largest bauxite exporter, Guinea, was set to announce production cuts.
- Copper explorer **Solstice Minerals**, rallied 59.6% on the back of more broad zones of mineralisation reported from its 100% owned Nanadie Copper project in Western Australia

Stocks which weighed on the portfolio during the month included:

- **Brazilian Rare Earths**, fell 32.1% despite announcing more very-high-grade exploration results. We attribute the price fall to index related trading in BRE.ASX and generally commodity market weakness.
- Gold producer **Ora Banda**, drifted 22.7% lower on the back of a lower gold price (-11.7%)

US rate expectations overshoot as oil rolls over

A combination of better-than-expected macro data in June, and hawkish Fed commentary led to a rise in the USD (top chart). Looking forward we note US rates, which followed the oil price higher in March (bottom chart) have resisted the fall in oil price thus far.

Digging into the jobs data which resulted in a lift in rate expectations, there's reason to believe hiring was influenced by the Soccer World Cup. Further, consumer sentiment continues to deteriorate. Thus we don't foresee a sustained move higher in US rates or the USD. The unwind of June's moves will be positive for the commodity complex.



Global, Currency & Commodities (%)

S&P 500	-1.7
Nikkei 225	5.7
FTSE 100	1.0
Shanghai Composite	1.2
RBA Cash Rate	4.35
AUD / USD	69.2c
Iron Ore	-7.9
Oil	-21.5
Gold	-11.7
Copper	-2.0



Portfolio Manager: Sam Berridge

Invest Online Now

The Trust finished the month with 22 stocks and 3.1% cash.

Contact us



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Signatory of:



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