

About the Trust

The Perennial Strategic Natural Resources Trust is a wholesale unit trust that invests in listed and unlisted companies exposed to the resources industry, with the aim to generate an absolute return for investors above a 6.5% hurdle rate. The Trust is managed by Perennial Value Management.

Investment Objective and Strategy

The Trust aims to generate superior returns from an actively managed portfolio of 20-50 predominantly listed companies over a five-year period.



Why invest in the Global Resources Trust



Diverse sector exposure

- Exposure to a global universe of resource related opportunities
- 45% of portfolio is exposed to decarbonisation demand
- Services exposure leveraged to mining tech



Risk mitigation

- Avoid many of the pitfalls associated with early-stage exploration risk



Well-resourced team

- Leverage Perennial's scale, corporate access and strong networks



Strong research capabilities

- Invest alongside a manager with experience in actively managing resource investments



Research-backed

- Investments backed by broad commodity specific research effort

Fund Characteristics

Fund Objective

The objective of the Trust is to generate superior, absolute returns, above a hurdle rate, from an actively managed portfolio of 20-70 listed and unlisted companies with a global investment universe.

Hurdle	Absolute return 6.5% p.a. compounding
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Inception Date	April 2020
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Number of stocks	20 – 50 stocks
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Minimum initial investment	\$25,000
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Fees	1.20% + performance fee (15% over the hurdle rate)
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The Hurdle rate is an absolute return of 6.5% pa, calculated after the management fee has been deducted. If the hurdle rate is not met, no performance fee will be charged. Any underperformance will be carried forward to be offset against any positive performance fee in the future. The performance fee is paid at the end of each 6-month period ending 30 June or 31st December.

Investor Eligibility	Wholesale Investors only (as defined by the Corporations Act)
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Liquidity	Daily
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Risk/Return profile	High
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Income distribution	Annually
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APIR Code	WPC3240AU
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Asset Allocation and Allocation

Australian listed shares	10 – 100%
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Global listed shares	0 – 20%
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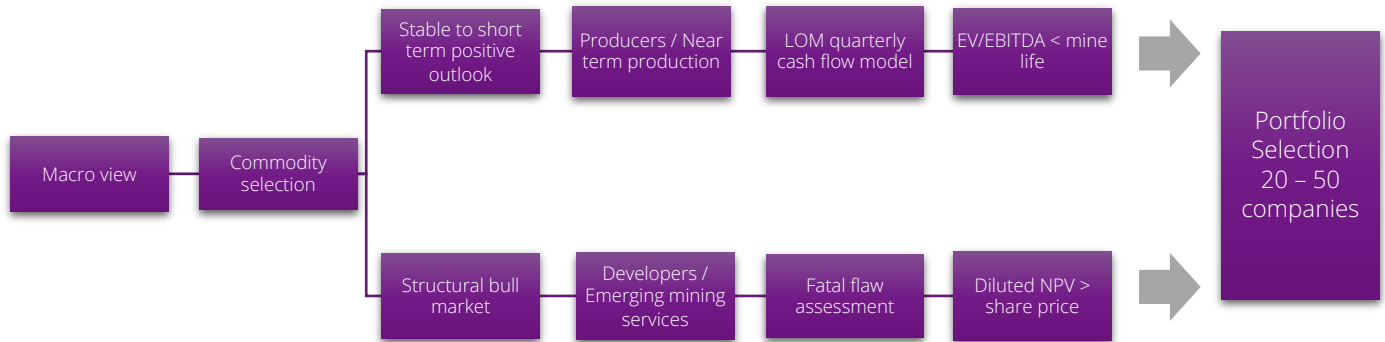
Unlisted shares	0 – 20%
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Cash	0 – 50%
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About Perennial Partners

Perennial Partners is a house of specialist investment teams. We partner with outstanding investment people, pursuing great investment outcomes in segments where active management can add meaningful value.

Investment Process



Top Down	Commodity outlook drives equity selection
Valuation methodology	Life of asset quarterly cash flow model
Key valuation metrics used	EV/EBITDA < mine life Diluted NPV > share price +20%
Unlisted/Pre-IPO limits	Up to 20%
Invest in companies pre-cashflow positive	Yes

What we look for

- Strong management and Board
- Core assets with free option on exploration success
- Positive commodity price outlook
- Production or clear path to low-cost production
- Valuation discount to other comparable investment opportunities

Why invest in resources?



Neglected sector

- Commodity sector performance vs other asset classes is at all time lows



Diverse sector exposure

- Global universe allowing exposure to all commodities and best assets



Attractive valuations

- Healthy margins and investor apathy result in attractive multiples



Inefficient sector

- Inability to apply traditional industrial company analysis exacerbates inefficiencies



Brain drain

- Investment expertise and experience have been exiting the sector



Capex cycle

- A hiatus in capital investment in recent years has created structural support for increased expenditure

Investment Team



Samuel Berridge

Portfolio Manager & Resource Analyst

Years at Perennial: 10
Years in the industry: 13



Ewan Galloway

Deputy Portfolio Manager

Years at Perennial: 6
Years in the industry: 11

Talented teams, great opportunities.

Contact us



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