



11 May 2020

Dear Shareholder,

The AFM Perseus Fund is an investor in the Australian small resource sector, being those resource and mining service companies outside the S&P ASX 100 Index. As from 1 January 2020 the fund has operated with a new investment team and a revised investment mandate.

April Net Asset Backing Per Share

AFM Perseus Fund Limited advises that the Net Asset Value (NAV) as at 30 April 2020 was 11.19 cents per share. This is after providing for all fees and taxes on realised and unrealised gains and losses.

This represents an increase of 7.5% for the month, and compares with the 20.1% increase in the S&P ASX Small Resources Index for the period. For the three months to the end of April the fund is up 1.1%, outperforming the 12.8% decline in the S&P ASX Small Resources Index.

The Fund has \$968,946 in deferred tax losses that are available to offset against future taxable profits. This equates to a further 20.12 cents per share.

Portfolio Update

The market rebounded strongly in the small resources space over April - gaining 20.1% after the 18.7% decline in March. We adopted a cautious approach to this rally, trimming our position in Gold Road after strong gains and exiting our holding in Metro Mining due to concerns over global bauxite prices and likely delays to their production capacity expansion. We do like the stock and may look to re-enter when more certainty prevails. Additions to the portfolio were Mincor and Stavely. At month end the portfolio was approximately 67% invested and 33% in cash.

Major portfolio holdings now include IGO (8.0%), Odyssey Energy (9.3%), Gold Road (7.6%), Lynas (6%) and Myanmar Metals (5.9%).

The intention is to continue to add high quality, good value and financially robust resource companies to the portfolio.

Advanced Share Registry

Advanced Share Registry manages the AFM Perseus Fund share register on behalf of Argonaut Funds Management.

Should you have any queries regarding your holding in the Fund, please contact Advanced Share Registry on 1300 113 258 and quote the SRN on your holding statement. They can also be contacted via email on admin@advancedshare.com.au

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Argonaut Funds Management General Disclosures are located [here](#).