



9 October 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.

September Net Asset Backing Per Share

AFM Perseus Fund Limited advises that the Net Asset Value (NAV) as at 31 September 2020 was 15.58 cents per share. This is after providing for all fees and taxes on realised and unrealised gains and losses.

This represents a fall of 2.6% for the month and compares to the 5.3% decline in the S&P ASX Small Resources Index. Since the restart date (1 January 2020) the fund is up by 42.6% which compares favorably to the 0.8% gain from the Index.

At month end the Fund has approximately \$881,000 in deferred tax losses that are available to offset against future taxable profits. This equates to a further 18.3 cents per share.

Portfolio Update

While the Fund price was down 2.6% in September, it outperformed the benchmark index by 2.7%, taking the total outperformance since restart in January 2020 to almost 42%.

Best performers during the month were gold company Genesis Mining which was up 20%, battery materials group Neometals, up 11%, and electrical contractor SCEE which gained 12%. Weaker performers included silver project developer Myanmar Metals, down 26%, and Pantoro Gold which fell 14%.

During the month the fund reduced its holding in De Grey Mining, exited positions in Red 5 and New Century Zinc and bought an initial position in Centaurus Minerals.

At month end the top 5 holdings represented 34% of the total portfolio including IGO 7.3%, Odyssey Energy 7.2%, Lynas Corp. 7.0%, Genesis 6.4% and Neometals 6%.

Commodity exposure at month end was Gold 15%, Nickel 13%, Copper 6%, Battery Materials 13%, Mining Services 9%, Opportunistic 26% and Cash 18%.

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](#).

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