



ARGONAUT

FUNDS MANAGEMENT

ACN 101 152 863

5 November 2020

Dear Shareholder,

The Argonaut Natural Resources Fund is an investor in the Australian resource and mining service sector. The Fund commenced investment activities on 21 January 2020.

October Unit Price & Fund Performance

The unit price of Argonaut Natural Resources Fund as of 31 October, 2020 was \$1.23, a gain of 2.8% over the month after providing for all fees and expenses. This compares favourably to the 1.2% decline in the S&P ASX 300 Resources Index.

Since commencement on 21 January, 2020, the Fund has risen by 23% versus the 17.6% decline in the benchmark index - an outperformance of 40.6% since inception.

Portfolio Update

At month end, the Fund was 86% invested with a cash weighting of 14%. The major commodity weightings were to Copper (23%), Gold (16%) and Nickel (15%).

The Fund's exposure to the base metals sector underpinned the strong monthly performance with copper holdings Staveley (+28%), Oz Minerals (+6%) and Hot Chilli Options (+32%) posting solid gains whilst nickel stocks Centaurus (+9%) and IGO (+7%) also reporting strong increases.

Weaker performers included the recently added Cooper Energy (-11%) and Capricorn Metals (-8%).

During the month, we rotated our gold exposures, selling down our interests in Saracen, De Grey and Genesis, and adding Bellevue, Gold Road and Capricorn. We sold our BHP position as iron ore prices seemed to reach a peak, and took initial positions in the east coast gas producer, Cooper Energy, and copper producer, Sandfire.

The Top 5 portfolio holdings account for 40% of the portfolio and include Oz Minerals, IGO Ltd., Capricorn Metals, Cooper Energy and Centaurus.

Our 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 Argonaut Natural Resources 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

David Franklyn

Executive Director – Head of Funds Management



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

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