

AFM Perseus Fund



Monthly Performance Report – November 2020

ASSET CLASS | RESOURCES SELECT

Argonaut Funds Management (“AFM”) was established in January 2020 as a high conviction investor in the Australian resources sector. It is part of the Argonaut Group, which provides corporate advisory, research and stockbroking services to retail, high net worth and institutional clients. AFM operates independently from the broader Argonaut Group with strong governance and compliance structures in place.

AFM Perseus Fund is a specialist high conviction investor in the small resources sector – those resources and mining services companies outside the S&P ASX 100 Index. The Fund “restarted” under a revised investment mandate on 1 January 2020. A prospectus offer will be available to existing and new investors in December 2020.

Fund Performance

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	3 MTH	6 MTH	YTD	ITD
AFM Perseus	1.4%	-7.5%	1.7%	7.5%	15.3%	2.0%	9.6%	10.9%	-2.6%	3.1%	16.9%	17.4%	45.6%	72.0%	72.0%
S&P ASX Small Resources	0.3%	-9.9%	-18.8%	20.1%	14.2%	-0.1%	7.6%	-1.8%	-5.3%	-0.3%	10.9%	4.7%	10.5%	11.4%	11.4%
Outperformance	1.1%	2.4%	20.4%	-12.6%	1.0%	2.1%	2.0%	12.7%	2.7%	3.4%	6.0%	12.7%	35.0%	60.5%	60.5%

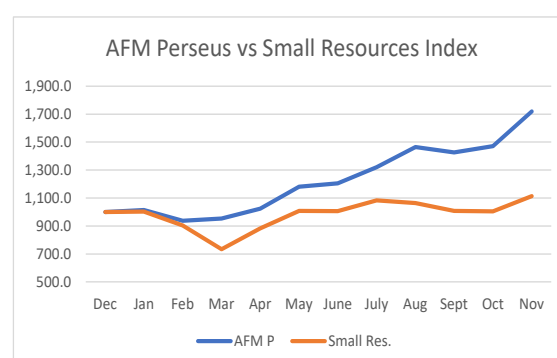
- The Fund share price as of 30 November 2020 was 18.78 cents, a gain of 17% over the month.
- The Fund has approximately \$872,543 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 18.12 cents per share.
- Since its “restart” on 1 January 2020, the Fund is up 72% and has outperformed its benchmark, the S&P ASX Small Resources Index, by 61%.

Portfolio Update

- Best performers in November were Galan Lithium (+160%), Sparc Technologies (+115%), Stavely Minerals (+30%), Peninsula Energy (+30%), and Neometals (+29%), with the weaker performers being Gold Road Resources (-10%) and Capricorn Metals (-6%).
- The rotation of gold exposures in October helped protect the portfolio on the downside this month. The portfolio saw strong gains driven by exposures to Copper, Nickel, Energy and Battery Materials.
- Across the portfolio, we sold our position in Bellevue Gold reduced our holdings in Stavely Minerals, Sparc Technologies (formerly Acacia Coal) and Galan Lithium. We topped up our Gold Road Resources holding towards month end.
- At month end, the Fund was 83% invested with a cash weighting of 17%. Commodity exposure was Gold (18%), Nickel (13%), Copper (14%), Battery Materials (9%), Mining Services (8%) and Opportunistic (21%).

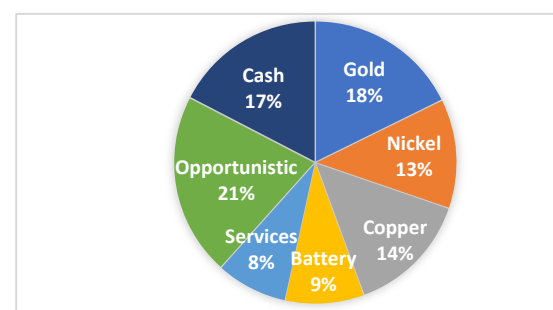
Market Overview

- Markets rallied strongly in November after the announcements of the U.S. election results and a possible COVID-19 vaccine. The S&P ASX Small Resources Index was up +11% over the month.
- Copper was the strongest commodity, gaining 12% over the month, followed by Zinc (+10%) and Nickel (+6%). Iron Ore also rallied (+3%) whilst Gold retreated (-5%).



*Illustrates the relative performance of a \$1,000 investment in AFM Perseus and S&P ASX Small Resources at the restart date of the Fund (1st January 2020).

AFM Perseus Portfolio Exposure (by commodity)



Top Holdings (by company)

Company	Commodity	%
IGO Ltd	Nickel	7.0%
Neometals	Battery	6.4%
Odyssey Gold	Gold	6.2%
Capricorn Metals	Gold	6.1%
Cooper Energy	Opportunity	5.8%
Top 5		31.6%

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Important Disclosures

AFM Zeus Pty Ltd is the Investment Manager of AFM Perseus Ltd, and Corporate Authorised Representative (No. 295119) of Argonaut Funds Management Pty Ltd (ACN 101 152 863), AFSL No. 224815.

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