

Argonaut Natural Resources Fund



Monthly Performance Report – December 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.

Argonaut Natural Resources Fund is a high conviction actively managed wholesale fund that primarily invests in ASX listed resource companies – those companies within the Materials and Energy sub-sectors.

Fund Performance

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	3 MTH	6 MTH	YTD	ITD
ANRF	-1.3%	-3.9%	-10.0%	15.2%	6.6%	0.6%	8.5%	5.1%	-0.5%	2.8%	11.1%	12.6%	28.5%	45.8%	53.8%	53.8%
S&P ASX 300 Resources	-4.9%	-13.6%	-19.1%	16.3%	8.2%	1.6%	4.5%	-0.1%	-5.9%	-1.2%	10.7%	8.4%	18.5%	16.4%	-1.1%	-1.1%
Outperformance	3.6%	9.7%	9.1%	-1.1%	-1.6%	-1.0%	4.0%	5.1%	5.4%	4.0%	0.4%	4.2%	10.0%	29.4%	54.9%	54.9%

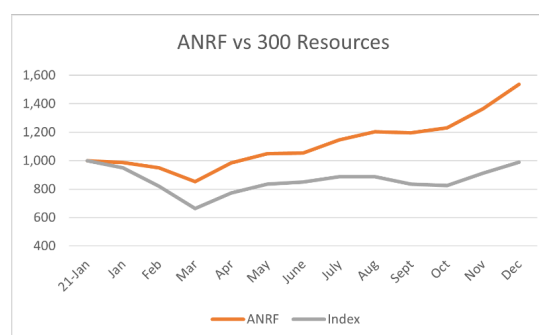
- The Fund unit price as of 31 December 2020 was \$1.54, a gain of 13% over the month.
- Since inception on 21 January 2020, the Fund is up 54% and has outperformed its benchmark, the S&P ASX 300 Resources Index, by 55%.

Portfolio Update

- The portfolio saw strong gains in December driven by exposures to Uranium and Nickel. The best performers were Peninsula Energy (+46%), NexGen Energy (+42%), Centaurus Metals (+37%) and IGO Ltd (+36%), with the weakest performer being Atrium Coal (-5%).
- Across the portfolio, we sold our remaining positions in Stavely Minerals and Hot Chili and initiated a position in Genesis Minerals, a gold exploration and mine development company. Additionally, we exercised an entitlement offer in IGO Ltd, committing to purchase additional shares.
- At month end, the Fund was 81% invested with a cash weighting of 19%. Commodity exposure was Gold (18%), Nickel (17%), Copper (13%), Battery Materials (10%) and Opportunistic (23%).

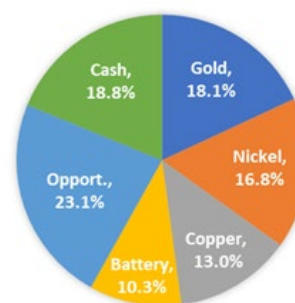
Market Overview

- With the U.S. election behind us and the deployment of Covid-19 vaccines, investors become increasingly bullish in December, pushing the S&P 500 and Dow to all-time highs at year-end. The S&P Small Resources Index was up 9% over the month.
- Commodity prices continued to steadily increase over the month. Iron Ore rose 25% to US\$155.84 per tonne. Oil also performed strongly, increasing by 9.4% to US\$51.22 per barrel. The price of Gold rose by 6.9% to US\$1,898. Nickel (+1.2%) and Copper (+0.9%) also posted additional gains.
- The strength of the Australian dollar remains a significant threat to the domestic resource sector, with the AUD/US exchange rate rising from 73 cents to 77 cents over the month.
- The Gold and Energy indices fell marginally over the month (down 0.3% and 0.9% respectively).



*Illustrates the relative performance of a \$1,000 investment in ANRF and ASX Resources 300 since the inception date of ANRF.

ANRF Portfolio Exposure (by commodity)



Top Holdings (by company)

Company	Commodity	%
IGO Ltd	Nickel/Battery	9.4%
OZ Minerals	Copper	8.9%
Gold Road Resources Ltd	Gold	7.9%
Centaurus Metals Ltd	Nickel	7.5%
Neometals Ltd	Battery	7.2%
Total		40.8%

Key Contacts

General Contact:

Ph: +61 8 9224 6888

E: argonautfundsmanagement@argonaut.com

Fund Manager Contact:

David Franklyn

Ph: 0402 447 839

E: dfranklyn@argonaut.com

Marketing Manager Contact:

Jenna Converse

Ph: 0402 447 822

E: jconverse@argonaut.com

Fund Administration

Contact:

Joanne Lee Steere

E: jls@argonaut.com

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Important Disclosures

The Argonaut Natural Resources Fund is a Wholesale only Fund.

AFM Artemis Pty Ltd is the Investment Manager of Argonaut Natural Resources Fund, and Corporate Authorised Representative (No. 1277645) of Argonaut Securities Pty Ltd (ACN 108 330 650), AFSL No. 274099

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