

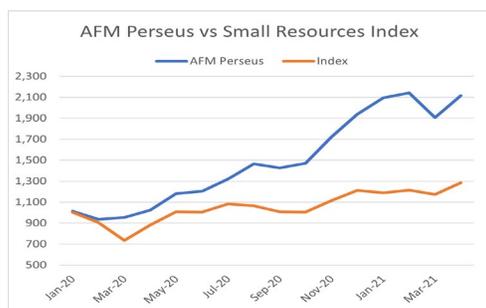
**Argonaut Funds Management (“AFM”)** was established in January 2020 as a high conviction investor in the Australian resources sector. It is part of the Argonaut Group, which provides corporate advisory, research and stockbroking services to retail, high net worth and institutional clients. AFM operates 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 is now available to existing and prospect investors. Please refer to the website for additional information.

### Fund Performance

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD	ITD
<b>AFM Perseus</b>	<b>2020</b>	1.4%	-7.5%	1.7%	7.5%	15.3%	2.0%	9.6%	10.9%	-2.6%	3.1%	16.9%	12.7%	93.8%	93.8%
	<b>2021</b>	8.2%	2.2%	-11.0%	11.0%	-	-	-	-	-	-	-	-	-1.6%	111.6%
<b>S&amp;P ASX Small Resources</b>	<b>2020</b>	0.3%	-9.9%	-18.8%	20.1%	14.2%	-0.1%	7.6%	-1.8%	-5.3%	-0.3%	10.9%	8.7%	21.2%	21.2%
	<b>2021</b>	-1.9%	2.2%	-3.4%	9.5%	-	-	-	-	-	-	-	-	-3.2%	28.4%
<b>Outperformance</b>	<b>2020</b>	1.1%	2.4%	20.4%	-12.6%	1.0%	2.1%	2.0%	12.7%	2.7%	3.4%	6.0%	3.9%	72.6%	72.6%
	<b>2021</b>	10.1%	0.0%	-7.6%	1.5%	-	-	-	-	-	-	-	-	1.6%	83.2%

- The Fund share price as at 30 April 2021 was 23.11 cents, a gain of 11% over the month. The Fund's benchmark, ASX Small Resources Index, posted gains of 9.5% in April, an outperformance of 1.5%. The Fund has \$783,236 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 9.68 cents per share.
- Over the past 12 months, the Fund has delivered a return of 106%, outperforming its benchmark by over 61%. Since its restart date (1 January 2020), the Fund has increased its value by 112% and outperformed its benchmark by over 83%.



\*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 (1<sup>st</sup> January 2020).

### Market Overview

- During the month of April, we saw gains in the commodity and equity markets driven by a combination of several factors, including the ongoing COVID vaccine rollout in key economies, the easing of long dated treasury yields in the U.S., optimism around the economic impact of stimulus packages and encouraging profit reports from the U.S.
- The S&P 500 Index (U.S.) rose by 5.6%, outpacing the Australian S&P ASX 300 Index which increased by 3.7%. The Australian resource sector delivered a strong performance, with the 300 Resources Index up 6% and the Small Resources Index up 9.5%. The Gold Index rallied 10.8% on the back of a 5% lift in the U.S. gold price. The Metals & Mining Index climbed 8.4% driven by the 13% jump in copper prices and the 7% gain in the price of nickel. Iron ore was up 7.6% to US\$180t and continued

### Portfolio Update

- The strongest contributors to the portfolio in April were Galaxy Resources, a lithium company, which gained 55% on the back of a proposed merger with Orocobre, and Neometals which jumped 43% as the market reassessed the potential value of its portfolio of projects. Copper producer, Sandfire Resources, lifted 26% and gold developer, Capricorn Metals, rose 21% as it approached first production.
- The weakest performer was Infinity Lithium (in trading suspension), which we wrote down by 19% given the uncertainty of its lithium exploration permit in Spain. Cooper Energy also declined by 9%. Overall, we remain comfortable with our commodity and stock allocations.
- At month-end, the Fund's top 5 stocks accounted for 36% of the portfolio and the cash weighting was approximately 12%. Commodity exposure was Gold (19%), Nickel (14%), Copper (14%), Battery Materials (18%), Mining Services (11%) and Opportunistic (12%).

### Top Holdings (by company)

Company	Commodity	%
Neometals Ltd	Battery	7.6%
Mader Group	Services	7.2%
Deterra Royalties	Opportunistic	7.2%
Galaxy	Battery	7.0%
Gold Road	Gold	7.0%
<b>Total</b>		<b>36.0%</b>

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# AFM Perseus Fund



Monthly Performance Report – April 2021

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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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