

Argonaut Natural Resources Fund



Monthly Performance Report – June 2021

ASSET CLASS | RESOURCES SELECT

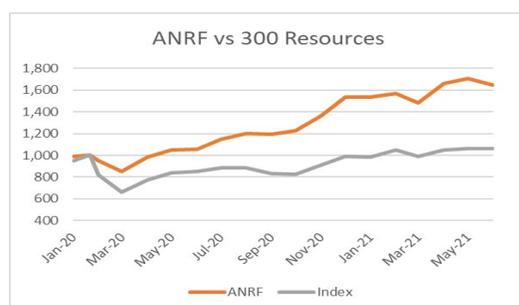
Argonaut Funds Management (“AFM”) is a high conviction investor in the Australian resources sector. It is part of the Argonaut Group, which provides corporate advisory, research and stockbroking services to retail, high net worth and institutional clients. AFM operates independently from the broader 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

	1 Month	3 Months	6 Months	12 Months	Inception
ANRF	-3.4%	11.1%	7.1%	56.1%	64.7%
S&P ASX 300 Resources	0.2%	7.8%	7.7%	25.4%	6.5%
Outperformance	-3.6%	3.3%	-0.6%	30.7%	58.2%

- The Argonaut Natural Resources Fund delivered a return of 56% for the 2021 financial year. The Fund's benchmark, the S&P ASX Resources 300 Index, returned 25% over the same time period, an outperformance of 31%.
- We are pleased to report that the Fund will pay a distribution of 20 cents per unit to unitholders registered as at 30 June 2021. A distribution reinvestment plan will be made available. Further communication regarding the distribution will be sent to unitholders in due course.
- The Fund's unit price as at 30 June 2021 was \$1.45, which represents the closing price of \$1.65 less the aforementioned distribution amount of 20 cents.
- The Fund's unit price (pre-distribution) declined by 3.4% and underperformed its benchmark by 3.6% during the month of June.



*Illustrates the relative performance of a \$1,000 investment in ANRF and the ASX Resource 300 Index since the inception date of ANRF. Assumes all distributions are reinvested back into the Fund.

Market Overview

- June was a mixed month for the resources sector. The S&P ASX 300 Resources Index increased by 0.2%, driven largely by the 4.3% increase in the price of iron ore and the 7.9% increase in oil and gas companies which propelled industry leaders higher. By contrast, key base metals copper and nickel declined by 7.6% and 3.6% respectively. Gold also weakened, falling by 6.9%. This contributed to a 0.4% decrease in the S&P ASX Small Resources Index.
- More generally, the S&P ASX 300 Index was up 2.1%, largely matching the 2.2% rise from the US S&P 500 Index. The AUD edged lower (down 3%) to 74.97 whilst the US 10 Year Treasury Yields eased further to 1.47%.

Portfolio Update

- At month end, the portfolio was 89% invested with a 11% cash reserve. Key exposures were Gold (23%), Nickel (15%), Copper (14%), Battery Materials (18%), and Other Opportunities (20%). At month-end, the Fund's top 5 stocks accounted for 34% of the portfolio.
- Over the month, we added a new copper producer, 29 Metals, and the Canadian based Uranium developer NexGen to the portfolio via new capital raises. We took profits on our position in Poseidon, reduced our holding in Neometals and exited our position in Xanadu after it announced disappointing drill results in its Mongolian copper project.
- The strongest performers to the portfolio were nickel developer Mincor, which gained 9% as it approaches first production from its Cassini project, Deterra Resources, which gained 7% on the back of stronger iron ore prices, and Brazilian nickel developer Centaurus, which lifted 6% as the market increasingly recognized the quality of its Jaguar nickel project. The weakest performer was Cyprium Metals which fell by 25% over the month, impacted by the weaker copper price. The gold producer Gold Road Resource declined 18% on the back of the lower gold price and slightly lower production guidance following maintenance issues. Oz Minerals was also down 11%.

ANRF Top Holdings (by company)

Company	Commodity	%
Deterra Royalties	Opportunistic	7.4%
IGO Ltd	Nickel/Battery	7.2%
Galaxy Resources	Battery	6.4%
Capricorn Metals Ltd	Gold	6.2%
Gold Road Resources Ltd	Gold	6.2%
Total		33.5%

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 / Fund Administration Contact:

Jenna Converse

Ph: 0402 447 822

E: jconverse@argonaut.com

Argonaut Natural Resources Fund



Monthly Performance Report – June 2021

ASSET CLASS | RESOURCES SELECT

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

This Performance Report has been prepared on behalf of and issued by Argonaut Funds Management Pty Ltd (ACN 101 152 863), AFSL No. 224815

Argonaut Funds Management Pty Ltd (Argonaut), does not accept any liability for loss or damage suffered or incurred by any person however caused (including negligence) relating in any way to this Performance Report including, without limitation, the information contained in it, any errors or omissions however caused or any person placing any reliance on this presentation, its accuracy, completeness or reliability. Argonaut and its affiliates or any of its directors, agents, officers or employees do not make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in this Performance Report, and they do not accept any liability for any statement made in, or omitted from, this Performance Report. Argonaut accepts no obligation to correct or update the information in this Performance Report.

This Performance Report is intended to provide a summary and general overview. The Performance Report is not financial product advice, either personal or general, for the purposes of Section 766B of the Corporations Act. The Performance Report does not involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold a financial product. The information in this Performance Report does not take into account the objectives, financial situation or needs of any person. You should not act on or rely on the contents of this Performance Report before first obtaining professional financial advice specific to your circumstances.