

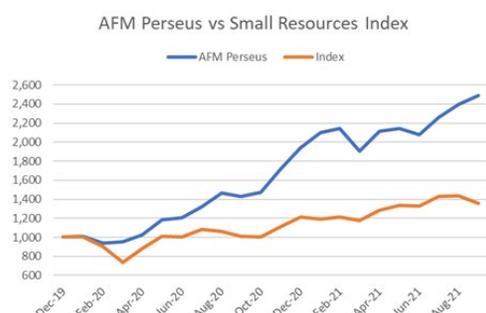
AFM Perseus Fund is a specialist high conviction investor in the small resources sector – those resources and mining services companies outside the S&P ASX 100 Index. The Fund “restarted” under a revised investment mandate on 1 January 2020.

### Fund Performance

	1 Month	3 Months	6 Months	12 Months	Restart
AFM Perseus	4.0%	20.1%	30.6%	74.6%	149.0%
S&P ASX Small Resource:	-5.9%	1.8%	15.5%	34.4%	35.5%
<b>Outperformance</b>	<b>9.8%</b>	<b>18.3%</b>	<b>15.1%</b>	<b>40.2%</b>	<b>113.6%</b>

\*In March 2021, AFM Perseus Fund completed a capital raise of \$655,634 at 20 cents / share (Feb 2021 price - 23.39 cents / share). This capital raise had a diluting impact on the share price, equating to approximately 7% of the Fund's performance.

- The AFM Perseus Fund delivered a return of 4.0% over the month, outperforming its benchmark, the S&P ASX Small Resources Index, by 9.8%. The Fund has delivered a return of 74.6% over the past twelve months (including the reinvestment of all dividends), outperforming its benchmark by 40%.
- The Fund's share price as at 30 September 2021 was 24.99 cents. The Fund also has \$644,956 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 7.75 cents per share.



\*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). In March 2021, AFM Perseus Fund completed a capital raise of \$655,634 at 20 cents / share (Feb 2021 price - 23.39 cents / share). This capital raise had a diluting impact on the share price, equating to approximately 7% of the Fund's performance.

### Portfolio Update

- We maintained a cautious outlook in September, increasing our cash position to 39%. Energy Transition Metals (copper, nickel, and lithium) represented 31% of the portfolio, while Gold and Other Opportunities each represented 15% of the Fund's exposure. At month-end, the Fund's top 5 stocks accounted for 34% of the portfolio.
- Over the month, we repositioned our gold exposure by selling Apollo, Gold Road and Genesis, and buying De Grey Mining.
- The best performers in the Fund were Genesis Minerals (+106%), Mader Group (+38%), Breaker Resources (+30%), and Cooper Energy (+20%). The weakest contributors were Capricorn Metals (-14%), 29 Metals (-6%) and Orocobre (-5%).

### Market Overview

- The resources market fell further in September with the S&P ASX 300 Resources Index down 9.5% and the Small Resources Index down 5.9%. The decline was driven by lower commodity prices with iron ore down 25%, nickel falling 6.8%, copper down 4.5% and gold easing 3.3%. The ASX 300 Resources Index is down over 18.5% in the past two months, reflecting concerns over global growth expectations and rising inflationary fears.
- While companies aligned with the energy transition commodities (copper, nickel and lithium) generally weakened, the demand for energy as we approach a northern hemisphere winter drove the price of fossil fuels higher. The oil price increased 7.6% to US\$79 barrel whilst gas prices and coal prices surged. This led to a 16.4% increase in the Energy Index for the month which stimulated strong buying activity in many “old” energy stocks.

### Business Update

#### Annual General Meeting

- The AFM Perseus Annual General Meeting will take place on Monday, 1 November 2021. Notice of Meeting was sent to all shareholders via email and post. We encourage shareholders to review the materials provided, including the new provisions to the Investment Management Agreement (“IMA”), and lodge the proxy vote no later than 1pm AWST on 29 October 2021.
- Subject to approval of the new IMA by shareholders, a reduced management fee of 1.75% will be charged as of 30 June 2021. If the new IMA is not approved, shareholders will be charged the original management fee of 2%. The Investment Manager will also be eligible for a performance fee of 20% of the outperformance of the Fund's benchmark, once the Fund has hit its high-water-mark of 40 cents per share.

#### Dividend Payment / Reinvestment

- As mentioned previously, a 2 cents per share dividend was paid to shareholders registered as at 30 June 2021. If you have not yet received any payment, please reach out to Jenna Converse immediately. Shareholders who elected to reinvest their dividend back into the Fund through the Dividend Reinvestment Plan (“DRP”) can expect to receive a statement outlining their reinvest of shares in due course.

#### Transfer of Shares

- Argonaut Funds Management maintains a register of buyers and sellers within AFM Perseus. If you are interested in selling or purchasing new shares in the Fund, please email Jenna Converse. Transfer requests will be honored on a first come first serve basis, but are not guaranteed.

#### Top Holdings (by company)

Company	Commodity	%
Mincor	Nickel	7.3%
29 Metals	Copper	7.2%
Centaurus Metals Ltd	Nickel	6.8%
De Grey Mining	Gold	6.8%
Cooper Energy	Energy	6.2%
<b>Total</b>		<b>34.1%</b>

### Key Contacts

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# AFM Perseus Fund



Monthly Performance Report – September 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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