

ARGONAUT  
FUNDS MANAGEMENT

# Argonaut Natural Resources Fund

## Monthly Performance Report – September 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	3.9%	17.7%	30.8%	62.1%	93.9%
S&P ASX 300 Resources	-9.5%	-12.4%	-5.6%	11.8%	-6.7%
<b>Outperformance</b>	<b>13.4%</b>	<b>30.2%</b>	<b>36.4%</b>	<b>50.2%</b>	<b>100.7%</b>

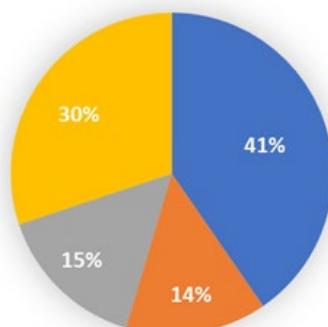
- The Argonaut Natural Resources Fund delivered a return of 3.9% over the month, outperforming its benchmark, the S&P ASX Resources 300 Index, by 13.4%. The Fund has delivered a return of 62.1% over the past twelve months (including the reinvestment of all distributions), outperforming its benchmark by 50.2%.
- The Fund's unit price as at 30 September 2021 was \$1.701.

ANRF vs ASX 300 Resources



\*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.

■ Energy Transition ■ Gold ■ Other ■ Cash



### 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.

### Portfolio Update

- We maintained a cautious outlook in September, increasing our cash position to 30%. The majority of the Fund's exposure was to Energy Transition Metals, which included Copper, Nickel, Lithium and Rare Earths. Gold and Other Opportunities represented 14% and 15%, respectively, of the Fund's exposure. At month-end, the Fund's top 5 stocks accounted for 37% of the portfolio.
- Over the month, we repositioned our gold exposure by selling Gold Road and Genesis, and buying De Grey Mining. We also topped up our position in Cooper Energy.
- The best performers in the Fund were Genesis Minerals (106%), Mader Group (+38%) and Cooper Energy (+20%). The weakest performers were Capricorn Metals (-14%), IGO Ltd (-8%) and 29 Metals (-6%).

### ANRF Top Holdings (by company)

Company	Commodity	%
OZ Minerals	Copper	8.0%
Mincor	Nickel	7.5%
IGO Ltd	Nickel / Lithium	7.4%
29 Metals	Copper	7.2%
Mader Group	Other	6.6%
<b>Total</b>		<b>36.6%</b>

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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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