

# Argonaut Natural Resources Fund



## Monthly Performance Report – November 2021

ASSET CLASS | RESOURCES SELECT

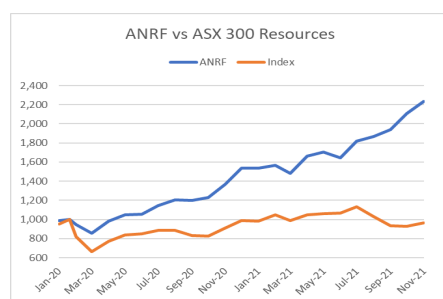
**Argonaut Funds Management (“AFM”)** is a high conviction investor in the Australian resources sector. It is part of the Argonaut Group, which provides corporate advisory, research and stockbroking services to retail, high net worth and institutional clients. AFM operates independently from the broader 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	6.0%	19.5%	30.9%	63.4%	123.1%
S&P ASX 300 Resources	3.8%	-6.5%	-9.3%	5.7%	-3.6%
<b>Outperformance</b>	<b>2.2%</b>	<b>26.0%</b>	<b>40.2%</b>	<b>57.7%</b>	<b>126.8%</b>

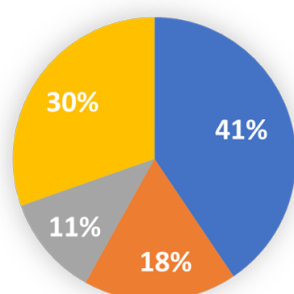
- The Argonaut Natural Resources Fund delivered a return of 6.0% over the month, outperforming its benchmark, the S&P ASX Resources 300 Index, by 2.2%. In the 23 months since the Fund's inception, it has delivered a return of 123% (including the reinvestment of all distributions), outperforming its benchmark by 127%. The Fund's unit price as at 30 November 2021 was \$1.958.



\*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.

### ANRF Portfolio Exposure (by commodity)

■ Energy Transition ■ Gold ■ Other ■ Cash



### ANRF Top Holdings (by company)

Company	Commodity	%
OZ Minerals	Copper	6.8%
IGO Ltd	Nickel / Lithium	6.5%
De Grey Mining	Gold	6.2%
Capricorn Metals Ltd	Gold	6.0%
Mineral Resources	Lithium / Iron Ore	5.7%
<b>Total</b>		<b>31.3%</b>

### Market Overview

- Global equity markets weakened in November on the back of increasing concerns over inflation and the emergence of the Omicron COVID variant. The US Dow Jones fell by 3.7% and the S&P 500 Index was down 0.8%. The Australian market also had losses, with the ASX 300 Index falling 0.9%. More positively, the resource market posted gains with the 300 Resources Index up 3.8% and the Small Resources Index up 3.6%.
- The key driver of the month's relatively strong resource market was the bounce back from the beaten down iron ore miners. Fortescue was the best performing resource stock in the ASX 100, posting a gain of 22%. BHP, the fifth best resource sector performer, posted a gain of 7.6%. While the iron ore price finished down 22% for the month, it staged a solid recovery from its mid-month lows.
- Commodity markets were generally weak, with copper down 3.5%, zinc down 3.1%, gold down 0.5%, and oil down 16%. Nickel continued its rise, up 3.6%, to finish just over US\$20,000/t. Against this backdrop, the gold index was up 0.4%, the metals and mining index rose 6.4% and the materials index gained 6.2%. The energy index was down 8.4%.
- The 10 Year US Treasury yield decreased 6% to 1.47% after testing highs of 1.70% mid-month. The emergence of the Omicron variant had a dampening impact on yields as concerns emerged on its potential impact to global growth.

### Portfolio Update

- The Energy Transition thematic continued to underpin the portfolio performance in November. The best performers were lithium explorer Global Lithium (+67%), lithium producer Pilbara Minerals (+18%), lithium/iron ore producer Mineral Resources (+16%), and lithium/nickel producer IGO (+9%). Gold producer Capricorn Metals was again well supported, rising 19% over the month. Mining services company Mader Group delivered a further 10% gain. Weaker performers included east coast gas producer Cooper Energy (-16%), Canadian based uranium developer NexGen (-10%), and nickel developer Mincor (-10%).
- Over the course of the month, we increased our cash position finishing with a weighting of 30%. At month-end, 41% of the portfolio was invested in the Energy Transition thematic, 18% in Gold, and the remaining 11% in Other Opportunities.
- The Fund's top 5 holdings represented 31% of the portfolio with the largest holdings in Oz Minerals, IGO Ltd, De Grey Mining, Capricorn Metals, and Mineral Resources.

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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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