

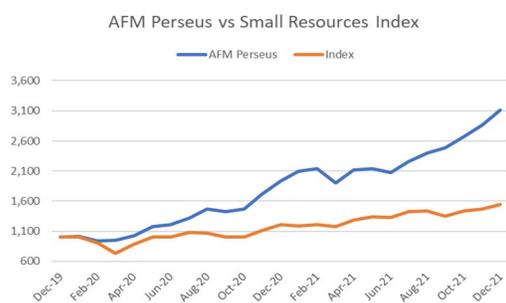
AFM Perseus Fund is a specialist high conviction investor in the small resources sector – those resources and mining services companies outside the S&P ASX 100 Index. The Fund “restarted” under a revised investment mandate on 1 January 2020.

Fund Performance

	1 Month	3 Months	6 Months	12 Months	Restart
AFM Perseus	8.3%	24.8%	49.9%	60.4%	210.9%
S&P ASX Small Resources	4.9%	14.0%	16.0%	27.5%	54.5%
Outperformance	3.4%	10.8%	33.8%	32.9%	156.4%

*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.

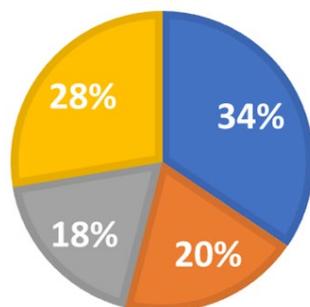
- The AFM Perseus Fund delivered a return of 8.3% over the month, outperforming its benchmark, the S&P ASX Small Resources Index, by 3.4%. In the 24 months since the Fund's restart, the Fund has delivered a return of 211% (including the reinvestment of all dividends), outperforming its benchmark by 156%.
- The Fund's share price as at 31 December 2021 was 31.19 cents. The Fund also has \$490,210 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 5.89 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 (1st 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 Holdings (by commodity)

Energy Transition Gold Other Cash



Market Overview

- The Australian market rose in December with both the ASX 300 and ASX All Ordinaries indices closing up approximately 2.5%. Despite the positive finish, these gains failed to match the 5.4% increase in the US Dow Jones Index and the 4.4% rise in the S&P 500 Index.
- It was a strong month for the Australian resource sector, with the 300 Resources Index up by 6.4% and the Small Resources Index increasing by 3.5%. This was driven by the continued enthusiasm for the lithium sector and the energy transition stocks more generally. Spodumene prices continued to surge off the back of constrained supply, whilst nickel prices jumped 3.6% and copper edged up 1%. Performance was aided by a continued recovery in iron ore and oil prices, which both bounced back 10%. Even gold came to the party, with the gold price increasing by 3% and the gold index up by a similar amount.
- The Australian dollar closed at 72.4c against the US dollar. The US 10 Year Treasury Yield finished at 1.53% after touching 1.70% mid-month and withstanding the decision to taper US bond purchases and potentially bring forward interest rate increases.

Portfolio Update

- The portfolio performed strongly again in December. The best performers were lithium explorer Global Lithium (+53%), nickel developer Mincor (+44%), and lithium developer Firefinch (+29%). Additional large contributors to the portfolio were mining services company Mader Group (+19%), Lunnon Metals (+18%), gas producer Cooper Energy (+14%), and Capricorn Metals (+12%). The weaker portfolio performers were Canadian based uranium developer NexGen (-13%), Breaker Resources (-8%), and Cyprium Metals (-8%).
- At month-end, 34% of the portfolio was invested in the Energy Transition thematic, 20% in Gold, and 18% in Other Opportunities. The Fund had a cash weighting of 28%.
- The top 5 holdings represented 34% of the portfolio with the largest holdings being De Grey Mining, Mincor, Centaurus Metals, AIC Mines, and Cooper Energy.

Top Holdings (by company)

Company	Commodity	%
De Grey Mining	Gold	9.0%
Mincor	Nickel	7.9%
Centaurus Metals Ltd	Nickel	6.2%
AIC Mines	Energy	5.9%
Cooper Energy	Copper	5.2%
Total		34.2%

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AFM Perseus Fund



Monthly Performance Report – December 2021

ASSET CLASS | RESOURCES SELECT

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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