

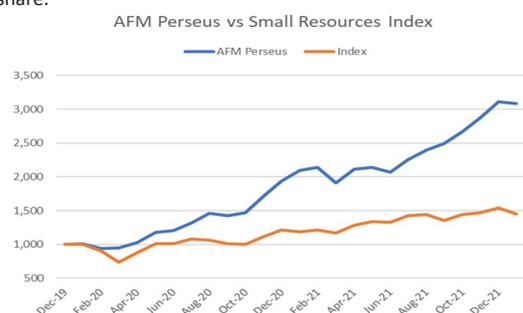
AFM Perseus Fund is a specialist high conviction investor in the small resources sector – those resources and mining services companies outside the S&P ASX 100 Index. The Fund “restarted” under a revised investment mandate on 1 January 2020.

Fund Performance

	1 Month	3 Months	6 Months	12 Months	Restart
AFM Perseus	-0.6%	15.5%	36.8%	47.4%	208.9%
S&P ASX Small Resource:	-5.9%	0.9%	1.7%	22.4%	45.4%
Outperformance	5.3%	14.6%	35.1%	25.0%	163.5%

*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.

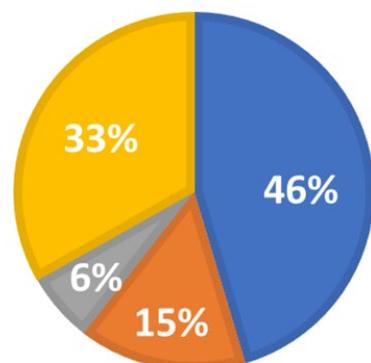
- The AFM Perseus Fund was down 0.6% in January, net of all fees and expenses, outperforming its benchmark, the S&P ASX Small Resources Index, by 5.3%. Over the twelve months ended 31 January, the Fund delivered a return of 47.4%, outperforming its benchmark by 25.0%. Since its inception, the Fund has delivered a return of 209% (including the reinvestment of all dividends), outperforming its benchmark by 164%.
- The Fund's share price as at 31 January 2022 was 31.00 cents. The Fund also has \$495,070 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 5.95 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

- January was a challenging month to traverse. The first two weeks were exceptionally strong, but the tide changed in the last two weeks as global focus shifted to concerns around rising inflation and the prospect for higher interest rates.
- Despite the two-day rally at the end of January, US markets posted losses at the end of the month with the Dow Jones down 3.3%, the S&P 500 down 5.3%, and the Nasdaq down 9%. The Australian market also felt the brunt of the inflation fears, with the All Ordinaries Index falling 6.6% and the ASX 300 down 6.5%.
- Against this backdrop, the resource sector had mixed results. The ASX 300 Resources Index posted a gain of 2.5% on the back of higher Oil (+17%), Gas (+15%+) and Iron Ore (+16%) prices. This drove up the prices of the large cap Australian resource companies such as BHP (+11%), RIO (+12%), Woodside (+13%) and Santos (+12%). General profit taking across other sectors was reflected in the Small Resources Index which fell 5.9%, with the gold sector posting a 12% decline notwithstanding a flat \$A gold price. Lithium and Uranium stocks also deviated from recent highs.

Portfolio Update

- We were comfortable with the Fund's performance during January's volatility, which delivered a marginally lower result but a strong outperformance against its benchmark. Two of the smaller companies in the portfolio delivered exceptional results with Lunnon (Kambalda nickel explorer) up 79% and Global Lithium (emerging lithium group) up 60% for the month. Other strong performers included Peregrine Gold (+15%), Cooper Energy (+7%), AIC Mines (+5%). These gains, along with a shift into a higher cash weighting mid-month, more than offset losses across the balance of the portfolio. The weaker performers in the portfolio included Silver Lake (-17%), Breaker Resources (-21%), and Mincor (-9%).
- At month-end, 46% of the portfolio was invested in the Energy Transition thematic, 15% in Gold, and 6% in Other Opportunities. The Fund had a cash weighting of 33%.
- The top 5 holdings represented 31% of the portfolio with the largest holdings being Lunnon, AIC Mines, Centaurus Metals, Liontown, and Cooper Energy.

Top Holdings (by company)

Company	Commodity	%
Lunnon	Nickel	6.6%
AIC Mines	Copper	6.3%
Centaurus Metals Ltd	Nickel	6.3%
Liontown	Lithium	6.1%
Cooper Energy	Energy	5.6%
Total		30.9%

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

AFM Perseus Fund



Monthly Performance Report – January 2022

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.

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.