

# AFM Perseus Fund



## Monthly Performance Report – March 2022

ASSET CLASS | RESOURCES SELECT

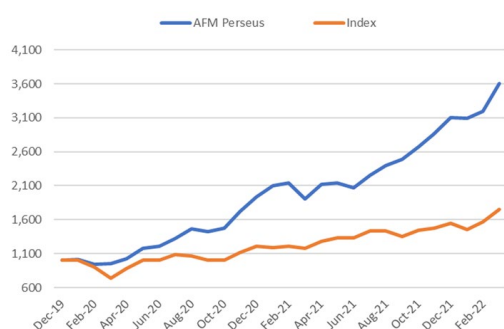
**AFM Perseus Fund** is a specialist high conviction investor in the small resources sector – those resources and mining services companies outside the S&P ASX 100 Index. The Fund “restarted” under a revised investment mandate on 1 January 2020.

### Fund Performance

	1 Month	3 Months	6 Months	12 Months	Inception
AFM Perseus	13.1%	16.1%	45.0%	89.3%	261.0%
S&P ASX Small Resource:	12.2%	13.6%	29.5%	49.6%	75.5%
<b>Outperformance</b>	<b>0.9%</b>	<b>2.6%</b>	<b>15.4%</b>	<b>39.7%</b>	<b>185.5%</b>

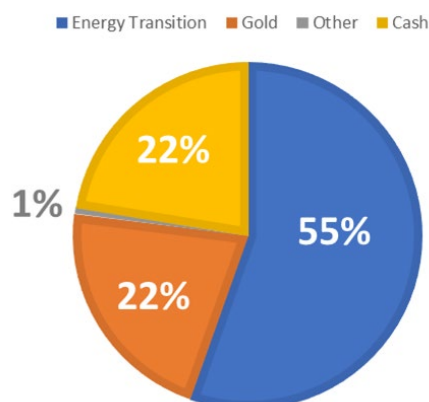
\*In March 2021, AFM Perseus Fund completed a capital raise of \$655,634 at 20 cents / share (Feb 2021 price - 23.39 cents / share). This capital raise had a diluting impact on the share price, equating to approximately 7% of the Fund's performance.

- The AFM Perseus Fund was up 13.1% in March, net of all fees and expenses. Over the twelve months ended 31 March, the Fund delivered a return of 89.3%, outperforming its benchmark by 39.7%. Since its restart (Jan 2020), the Fund has delivered a return of 261.0% (including the reinvestment of all dividends), outperforming its benchmark by 185.5%.
- The Fund's share price as at 31 March 2022 was 36.23 cents. The Fund also has \$364,502 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 4.38 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 Holdings (by commodity)



### Market Overview

- The market strengthened over the course of March, digesting inflation data and higher interest rates and adjusting to the situation in Ukraine. The US S&P 500 Index rose by 3.6%, but was outperformed by the Australian market with the ASX 300 Index and the All Ordinaries both up 6.4%. The Australian market's relative strength was again driven by surging demand for resource stocks on the back of strengthening commodity prices. The 300 Resources Index leapt 9.5% and the Small Resources Index jumped 12.2%.
- On the commodities front, Nickel was up 35%, Zinc increased by 17%, Oil rose 7%, Iron Ore was up over 6%, and Copper increased by 4%. The gold price rose 2.6% to US\$1,949 which was enough to propel the gold index up 5.1%. The Australian dollar increased by 3.2% to 74.9c whilst the US 10-year Treasury Yield jumped 31% to 2.4%.

### Portfolio Update

- During March, we deployed some of our cash reserve by adding the London listed copper/gold developer Solgold, and topping up our position in 29 Metals. Additionally, we took advantage of capital raising opportunities in the emerging lithium group Global Lithium, and the gold companies, Pantoro Resources and AusGold.
- The strongest performers in March included Global Lithium (+68%), Firefinch (+61%), Ausgold (+60%), Liontown (31%), and Black Earth Minerals (25%). The weakest performer in the portfolio was the copper producer and developer Sandfire Resources, which was down 15% due to cost concerns at its recently acquired Matsa copper project in Spain.
- At month-end, 55% of the portfolio was invested in the Energy Transition thematic, 22% in Gold, and 1% in Other Opportunities. The Fund had a cash weighting of 22%.
- The top 5 holdings represented 31% of the portfolio with the largest holdings being Liontown, Centaurus Metals, Mincor, AIC Mines, and Gold Road.

### Top Holdings (by company)

Company	Commodity	%
Liontown	Lithium	6.8%
Centaurus Metals Ltd	Nickel	6.6%
Mincor	Nickel	6.1%
AIC Mines	Copper	6.0%
Gold Road	Gold	5.3%
<b>Total</b>		<b>30.8%</b>

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## Important Disclosures

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