

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	-1.5%	15.1%	32.9%	68.0%	255.5%
S&P ASX Small Resources	0.1%	20.9%	22.0%	36.8%	75.5%
Outperformance	-1.7%	-5.8%	11.0%	31.1%	180.0%

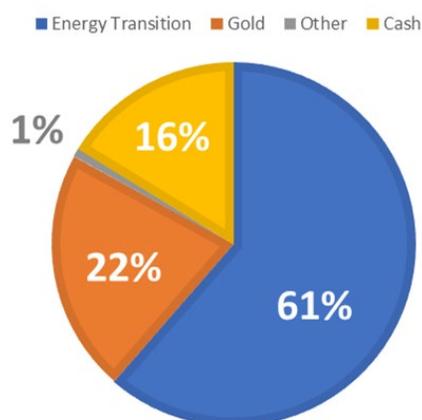
*In March 2021, AFM Perseus Fund completed a capital raise of \$655,634 at 20 cents / share (Feb 2021 price - 23.39 cents / share). This capital raise had a diluting impact on the share price, equating to approximately 7% of the Fund's performance.

- The AFM Perseus Fund was down 1.5% in April, net of all fees and expenses, underperforming its benchmark, the S&P ASX Small Resources, by -1.7%. Over the twelve months ended 30 April, the Fund delivered a return of 68.0%, outperforming its benchmark by 31.1%. Since its restart (Jan 2020), the Fund has delivered a return of 255.5% (including the reinvestment of all dividends), outperforming its benchmark by 180.0%.
- The Fund's share price as at 30 April 2022 was 35.67 cents. The Fund also has \$378,460 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 4.55 cents



*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)



Market Overview

- It looks like the economists were right - higher interest rates mean lower equity values. So far this calendar year, the US 10 Year Treasury Yield has risen by 92% to 2.94%, as at the end of April. This has driven a 22% fall in the technology heavy NASDAQ Index, a 13% fall in the S&P 500 Index, and a 9.2% drop in the Dow Jones Index. In April alone, the NASDAQ lost 13%, the S&P fell 9% and the Dow dropped 5%.
- The Australian market has fared much better than the US due to a lesser reliance on technology companies and a larger exposure to the resources sector. While the ASX 300 and All Ords indices were each down less than 1% in the first four months of 2022, the 300 Resources Index jumped by 12% (despite a 4% fall in April) and the Small Resources increased by 14%. The energy sector has been the strongest sector, up 28% this calendar year on the back of tight supply exacerbated by the war in Ukraine.
- The resource sector saw a correction in April after a strong start to the year, driven by fears of slower global growth. Concerns centred around the war in Ukraine, rampant inflation, and higher rates in the US, and the continuing COVID lockdowns in China. This resulted in a decrease in commodity prices, with copper down 5%, nickel falling 3%, and gold down 2%. The price of oil held firm, up 1% for the month. This activity drove a 4% correction in the 300 Resources Index and a flat result from the Small Resources Index.
- Looking forward, we continue to focus on the resilient long-term investment themes of energy transition and increasing global tensions, structuring our portfolio around the commodities we believe to be best placed to benefit from this environment.

Portfolio Update

- During April, we deployed some of our cash reserve by adding the exploration company, Demetallica, and the nickel sulphide exploration and development company, Poseidon Nickel.
- The strongest performers in April included Lunnon (+18%), Mincor (+16%), Ausgold (+8%), Firefinch (7%), and AIC Mines (2%). The weakest performers in the portfolio were Liontown (-22%), Solgold (-19%), Silver Lake (-14%), and NexGen (-10%).
- At month-end, 61% 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 16%.
- The top 5 holdings represented 31% of the portfolio with the largest holdings being Mincor, Centaurus Metals, AIC Mines, Firefinch and Liontown.

Company	Commodity	%
Mincor	Nickel	7.1%
Centaurus Metals Ltd	Nickel	6.8%
AIC Mines	Copper	6.2%
Firefinch	Lithium	5.5%
Liontown	Lithium	5.4%
Total		31.1%

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AFM Perseus Fund



Monthly Performance Report – April 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.

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