

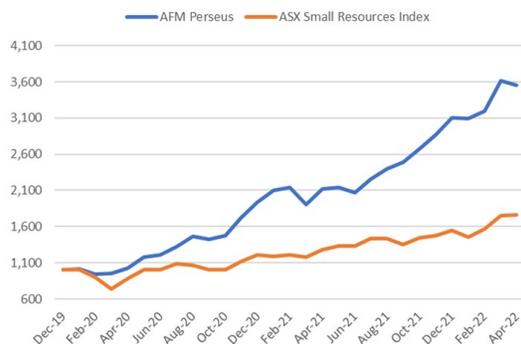
AFM Perseus Fund is a specialist high conviction investor in the small resources sector – those resources and mining services companies outside the S&P ASX 100 Index. The Fund “restarted” under a revised investment mandate on 1 January 2020.

Fund Performance

	1 Month	3 Months	6 Months	12 Months	Restart
AFM Perseus	-5.1%	5.7%	17.5%	57.5%	237.2%
S&P ASX Small Resources	-6.0%	5.6%	12.1%	23.5%	65.1%
Outperformance	0.9%	0.1%	5.4%	34.0%	172.1%

*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.

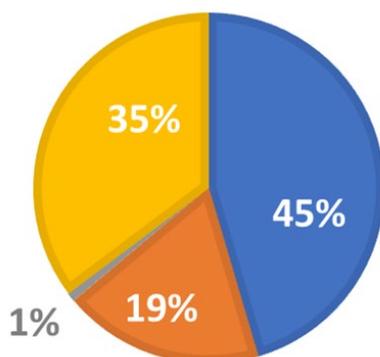
- The AFM Perseus Fund was down 5.1% in May, net of all fees and expenses, outperforming its benchmark, the S&P ASX Small Resources, by 0.9%. Over the twelve months ended 31 May, the Fund delivered a return of 57.5%, outperforming its benchmark by 34.0%. Since its restart (Jan 2020), the Fund has delivered a return of 237.2% (including the reinvestment of all dividends), outperforming its benchmark by 172.1%.
- The Fund's share price as at 31 May 2022 was 33.84 cents. The Fund also has \$424,130 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 5.10 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

- May was a turbulent time for Australian markets. The ASX 300 Index was down 3.2%, underperforming the US market which recorded a flat result from the S&P 500 Index.
- The resource market saw mixed results - over 70% of the companies in the ASX 300 Resources Index were down for the month, but the index finished up 0.2% due to the relatively strong performance from BHP (up 4.4%) and Rio Tinto (up 1.4%), which account for over half the index weight. The Small Resources Index, which strips out those resource companies in the ASX 100, was down 6% reflecting the broad-based selling in the sector.
- The weakness in the resource market was driven by concerns over global growth as China continues to deal with COVID, the Ukraine / Russia war rolls on and the US, in conjunction with many other parts of the world, deal with higher inflation. This led to lower commodity prices with Nickel down almost 13%, Zinc falling 6.5%, Copper down 4%, Gold down 3% and Iron Ore declined by 9%. Notably, Oil was up almost 5%.

Portfolio Update

- AFM Perseus entered the month of May with a cash weighting of 16%, which we quickly increased as the market for small resource names deteriorated. Over the course of the month, we topped up our position in Liontown and added a small position in gold developer Predictive but generally, we were happy to sit on high levels of cash, finishing the month with a cash weighting of 35%. Mid-tier nickel developers Centaurus, Poseidon and Lunnon were hit hard falling by 15%, 20% and 18% respectively. The gold sector was also under considerable selling pressure with gold producer Silver Lake down 15%, De Grey falling 6% and Ausgold declining 14.5%.
- At month-end, 45% of the portfolio was invested in the Energy Transition thematic, 19% in Gold, and 1% in Other Opportunities. The Fund had a cash weighting of 35%.
- The top 5 holdings represented 33% of the portfolio with the largest holdings being AIC Mines, Liontown, NexGen, DeGrey, and Centaurus Metals.

Company	Commodity	%
AIC Mines	Copper	6.9%
Liontown	Lithium	6.8%
NexGen	Energy	6.8%
De Grey Mining	Gold	6.5%
Centaurus Metals Ltd	Nickel	6.1%
Total		33.1%

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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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