

# Argonaut Natural Resources Fund



## Monthly Performance Report – April 2022

ASSET CLASS | RESOURCES SELECT

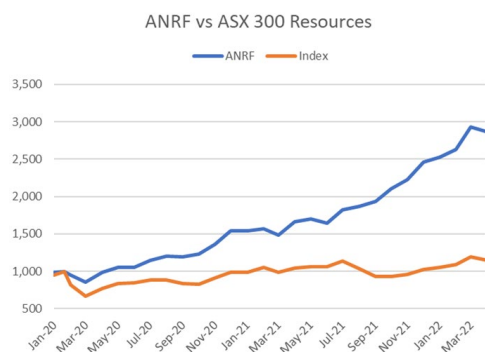
**Argonaut Funds Management (“AFM”)** is a high conviction investor in the Australian resources sector. It is part of the Argonaut Group, which provides corporate advisory, research and stockbroking services to retail, high net worth and institutional clients. AFM operates independently from the broader Argonaut Group with strong governance and compliance structures in place.

**Argonaut Natural Resources Fund** is a high conviction actively managed wholesale fund that primarily invests in ASX listed resource companies – those companies within the Materials and Energy sub-sectors.

### Fund Performance

	1 Month	3 Months	6 Months	12 Months	Inception
ANRF	-2.3%	13.4%	36.1%	72.4%	186.6%
S&P ASX 300 Resources	-3.8%	9.1%	23.4%	9.3%	14.6%
<b>Outperformance</b>	<b>1.5%</b>	<b>4.3%</b>	<b>12.7%</b>	<b>63.0%</b>	<b>172.1%</b>

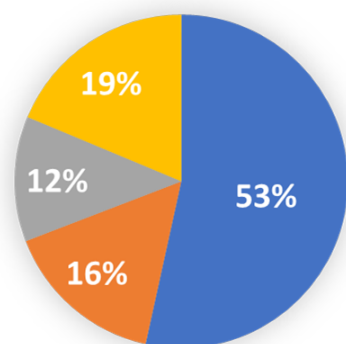
- The Argonaut Natural Resources Fund was down 2.3% in April, net of fees and expenses, but outperformed its benchmark, the S&P ASX Resources 300 Index, by 1.5%. The Fund's unit price as at 30 April 2022 was \$2.514.
- Over the twelve months ended 30 April 2022, the Fund delivered a return of 72.4%, outperforming its benchmark by 63.0%. Since its inception (21 Jan 2020), the Fund has delivered a return of 186.6% (including the reinvestment of all distributions), outperforming its benchmark by 172.1%.



\*Illustrates the relative performance of a \$1,000 investment in ANRF and the ASX Resource 300 Index since the inception date of ANRF. Assumes all distributions are reinvested back into the Fund.

### ANRF Portfolio Exposure (by commodity)

■ Energy Transition ■ Gold ■ Opportunistic ■ Cash



### 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 nickel sulphide exploration and development company, Poseidon Nickel, and topping up our position in OZ Minerals.
- The strongest performers in April included Lunnon (+18%), Mincor (+16%), Ausgold (+8%), Firefinch (7%), and Santos (3%). The weakest performers in the portfolio were Liontown (-22%), Solgold (-19%), Silver Lake (-14%), and Pilbara Minerals (-11%).
- At month-end, 53% of the portfolio was invested in the Energy Transition thematic, 16% in Gold, 12% in Other Opportunities, and 19% in Cash. The Fund's Top 5 holdings represented 33% of the portfolio with the largest holdings in OZ Minerals, Mincor, Mineral Resources, Centaurus Metals and Pilbara

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## Important Disclosures

The Argonaut Natural Resources Fund is a Wholesale only Fund.

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