

AFM Perseus Fund



Monthly Performance Report – July 2022

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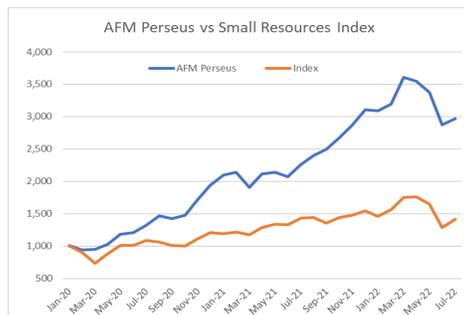
Business News Recognizes Argonaut Funds as the Top Performing WA-based Equity Funds for FY 2022

Fund Performance

	1 Month	3 Months	6 Months	12 Months	Restart
AFM Perseus	3.5%	-16.2%	-3.8%	31.6%	197.3%
S&P ASX Small Resources	10.2%	-19.4%	-2.6%	-0.9%	41.7%
Outperformance	-6.7%	3.2%	-1.2%	32.5%	155.6%

*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 delivered a positive return of 3.5% over the month of July. The Fund's benchmark, the S&P ASX Small Resources Index, returned 10.2% over the same time period, an underperformance of 6.7%.
- Since restart (1 January 2020), the Fund has delivered a cumulative return of 197%, and outperformed its benchmark index by 156%.
- The Fund's share price as at 31 July 2022 was 29.83 cents. The Fund has \$524,265 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 6.3 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.

Business Update

We are pleased to report that AFM Perseus and Argonaut Natural Resources Fund were named the top two WA-based public equity funds by Business News. We are happy with our result and thank our shareholders for their continuing support.

WA-based Public Equity Funds - Return to 30 June 2022

Fund manager	Fund Company	Annual Return	Five-Year Return (pa)	Funds Under Management	Investment Manager	Top 5 Stocks	Minimum investment
Argonaut Funds Management	AFM Perseus Fund	38.40%	n/a**	\$2.5m	David Franklyn	Liontown, Cooper Energy, NexGen, De Grey, Leo Lithium	Closed
Argonaut Funds Management	Argonaut Natural Resources Fund	44.20%	n/a**	\$11m	David Franklyn	Oz Minerals, Liontown, NexGen, Mineral Resources, Cooper Energy	\$50,000
Endeavor Asset Management	Growth Equities	-8.1%	11.80%	\$350m*	Hayden Beasch		n/a
Katana Asset Management	Katana Australian Equity Fund	-0.26%	12.04%	~\$90m	Portfolio Managers: Romano Sala Tenna, Brad Shalard, Giuliano Sala Tenna Equity Analyst: Hendrik Bottema	Mineral Resources, CSL, State Street S+P, FIVE STAR FUND, Aristocrat Leisure, South32	\$25,000
Merchant Funds Management	Merchant Opportunities Fund	-15.41%***	n/a**	\$440m	Andrew Chapman		\$25,000
Precision Funds Management	Precision Opportunities Fund	-2%	13.2% pa	\$62m	Tony Kenny	Devolop Global, Capricorn Metals, Centaurus Metals, Quesora, Genesis Minerals	100,000
ASX Accumulation		-7.44	7.5%				

* Firm's FUND, bulk of which is in Growth Equities Fund ** Argonaut inception 2020 *** returns to May 30 2022 ****September 2021

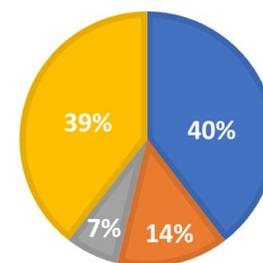
Market Overview

- July saw some respite from the carnage of May and June. In the US, the Dow jumped 6.7% and the broader S&P 500 rose by 9.1%, whilst in Australia the ASX 300 was up by 5.9% and the All Ordinaries was up by 6.3%. Resources were mixed with the Small Resources Index surging 10% after its 22% hammering last month, whilst the 300 Resources Index eased lower by 0.5% as investors shifted out of industry leaders like BHP, RIO, Woodside and Santos.
- Gold equities continued to be unpredictable with the gold index lifting by 6.2% despite a 2.4% fall in the US gold price. This seemed to reflect the beaten down value in the sector, buoyed by optimism that perhaps interest rates may not increase as fast and as far as previously expected. Iron ore was the big loser – down 13% for the month as the market reassessed the global growth outlook and the consequent demand for steel. Copper and nickel fell in sympathy, down 5.5% and 2.6% respectively. US 10 year treasury yields fell by almost 8% to 2.7% and the Australian dollar remained stable at 70 cents against the USD.

Portfolio Update

- With the market pullback, we took the opportunity to add a small shareholding in US copper developer New World Copper via participation in an equity raising. We also topped up our holding in Leo Lithium which has an advanced lithium development project in Mali in joint venture with industry giant Ganfeng. We exited our positions in Predictive Discovery and Demetallica, and reduced our exposure to AIC Mines.
- As at 31 July 2022, the portfolio was invested 40% in Energy Transition, 14% in Gold and 7% in other opportunities. The cash weighting was 39%. The top 5 positions at month end were Liontown, NexGen, Leo Lithium, De Grey and Cooper Energy.

■ Energy Transition ■ Gold ■ Other ■ Cash



Company	Commodity	%
Liontown	Lithium	10.2%
NexGen	Energy	7.2%
Leo Lithium	Lithium	6.2%
De Grey Mining	Gold	5.8%
Cooper Energy	Energy	5.8%
Total		35.3%

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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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