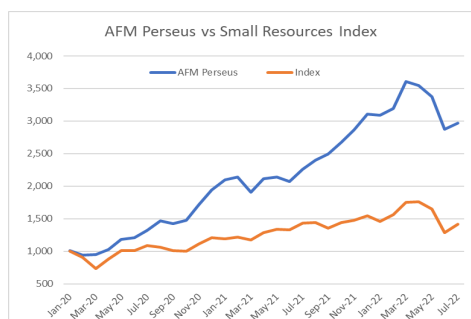


### Fund Performance

|                         | 1 Month     | 3 Months    | 6 Months    | 12 Months    | Restart       |
|-------------------------|-------------|-------------|-------------|--------------|---------------|
| AFM Perseus             | 8.3%        | -4.6%       | 0.8%        | 34.3%        | 221.8%        |
| S&P ASX Small Resources | 5.5%        | -9.4%       | -4.4%       | 3.9%         | 49.5%         |
| <b>Outperformance</b>   | <b>2.7%</b> | <b>4.8%</b> | <b>5.2%</b> | <b>30.4%</b> | <b>172.3%</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 delivered a positive return of 8.4% over the month of August. The Fund's benchmark, the S&P ASX Small Resources Index, returned 5.5% over the same time period, an outperformance of 2.9%. Since its restart (1 January 2020), the Fund has delivered a cumulative return of 222%, an outperformance of 172% to its benchmark.
- As referenced in our latest correspondence to shareholders, the Directors of AFM Perseus approved the payment of an unfranked dividend of 4 cents per share to shareholders for the year ended 30 June 2022. Payments and dividend statements were released to all shareholders.
- The Fund's share price as at 30 August 2022 was 28.29 cents (subject to the final audit of EOFY 2022), which represents the closing price of 32.29 cents less the dividend amount of 4 cents per share. The Fund has \$462,751 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 5.6 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.

### AFM Perseus Top Holdings (by company)

| Company        | Commodity | %            |
|----------------|-----------|--------------|
| Liontown       | Lithium   | 10.0%        |
| Leo Lithium    | Lithium   | 8.8%         |
| NexGen         | Energy    | 8.0%         |
| Cooper Energy  | Energy    | 7.4%         |
| De Grey Mining | Gold      | 6.7%         |
| <b>Total</b>   |           | <b>41.0%</b> |

### Market Overview

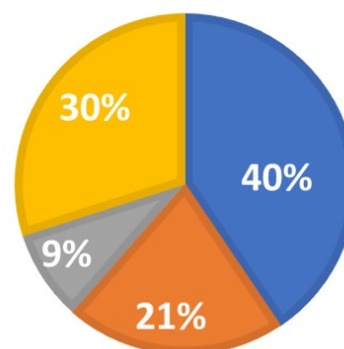
- The US market weakened in August. The Dow Jones and S&P 500 Index both fell by over 4%, driven by concerns over high inflation and the expected slowdown in economic activity resulting from central bank actions. We note that the US 10-Year Bond rate jumped 20% to 3.21% as it became clear that interest rates will need to increase for inflation to curtail. In contrast, the Australian market posted a small gain, with the ASX 300 up 0.6% and the All Ordinaries up 0.7%.
- Against this backdrop, the Australian resources sector was a standout performer, with the 300 Resources and the Small Resources both up by about 5.5% for the month. Performance was driven by a recovery in the lithium sector from recent lows, strong support for the iron ore and oil & gas majors, and a takeover offer for the leading copper producer Oz Minerals.
- Commodity prices were generally lower over the month, suggesting the rally in equities was a response to the heavy sell off in recent months. Copper was down 1%, Nickel fell 3.6%, Iron Ore fell 8% and Brent Crude was down 12%. Gold equities were the outlier, with the 3% decline in the physical translating to a 5.6% drop in the gold index.

### Portfolio Update

- Over the course of the month, we topped up our position in Silver Lake, reduced our exposure to Liontown, and exited our positions in Ausgold and AIC Mines..
- As at 30 August 2022, 40% of the portfolio was invested in the Energy Transition thematic, 21% in Gold and 9% in other opportunities. The cash weighting was 30%. The top 5 positions at month end were Liontown, Leo Lithium, NexGen, Cooper Energy, and De Grey Mining.

### AFM Perseus Portfolio Exposure (by commodity)

■ Energy Transition ■ Gold ■ Other ■ Cash



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# AFM Perseus Fund



Monthly Performance Report – August 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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