

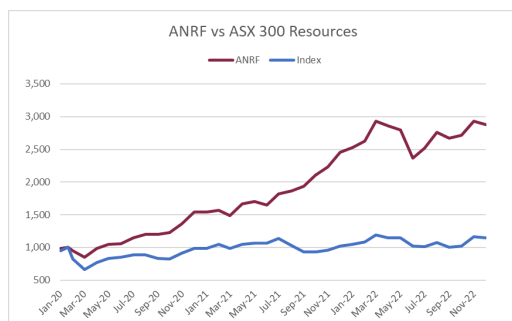
## ANRF Posts Gain of +22% for first half of FY23

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### Fund Performance

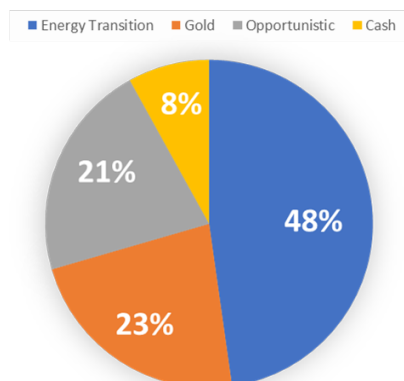
	1 Month	3 Months	FYTD	12 Months	Inception
ANRF	-1.9%	8.0%	21.5%	17.1%	187.9%
S&P ASX 300 Resources	-1.5%	14.1%	12.6%	12.1%	14.9%
<b>Outperformance</b>	<b>-0.3%</b>	<b>-6.1%</b>	<b>8.9%</b>	<b>5.0%</b>	<b>173.0%</b>

- The Argonaut Natural Resources Fund fell by 1.85% over the month, which was broadly in line with the 1.5% decline in the Fund's benchmark, the S&P ASX Resources 300 Index. The Fund posted a gain of 21.5% for the first half of FY23, outperforming its benchmark by 8.9%. The Fund's unit price as at 31 December 2022 was \$2.128.
- The Fund delivered a return of 17.1% over the past twelve months, outperforming its benchmark by 5.0%. Since inception (21 January 2020), the Fund has delivered a cumulative return of 187.9% (including the reinvestment of all distributions) and outperformed its benchmark index by 173.0%.



\*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)



### Market Overview

- Major markets eased in December as the prospect of higher interest rates and slowing global growth weighed on investor sentiment. In the USA, the Dow Jones fell 4.2% and the S&P 500 fell by 5.9%. Australia fared better with the ASX 300 and All Ordinaries both down 3.5%. The 10-Year Treasury Yield jumped to 3.88% and the US/AUD exchange rate remained unchanged at 68c.
- In the resources market, the 300 Resources Index slipped by 1.5% whilst the Small Resource Index fell by almost 5%. There was continued strength in iron ore (+11%) which provided support for the major miners BHP (+5%), Rio (+8%) and Fortescue (+5.4%). Gold also continued to gain favour with the gold price lifting 4% and the gold index jumping by a similar amount. Momentum eased in the lithium sector as prices seem to have reached a peak, for now at least. Notwithstanding this, prices remain attractive and those lithium companies in production will generate strong margins and substantial free cashflow.
- China holds the key to a resurgence in commodity market demand for 2023. Coming off the property debacle, the tech entrepreneur crackdown, the zero covid "about face" and growing resentment of China's international relations approach, Xi can do with a win and the best way to do this is to crank up the economy, which in turn will drive demand for commodities. But, many things could also go wrong in 2023, including increasing interest rates, the prospect of recession in the EU and US, and Russia seeking to freeze out Ukraine by destroying critical infrastructure.

### Portfolio Update

- The Fund performed broadly in line with ASX Resources 300 for the month of December. We added copper/zinc developer Develop Global to the portfolio and repurchased a small position in Pilbara Minerals following the price fall (-19%). We topped up positions in Bellevue Gold and BHP, and also added UK based Uranium investor Yellow Cake. Stronger contributors included Lunnon (+16%), Westgold (+17%) and Develop Global (+11%). Weaker performers were Mineral Resources which fell 12% and Lynas which declined by 9%.
- As at 31 December 2022, 48% of the portfolio was invested in the Energy Transition thematic, 23% in Gold and 21% in other opportunities. The cash weighting was 8%. The top 5 positions at month end accounted for 43% of the portfolio which included BHP, Oz Minerals, NexGen, Lynas Rare Earths, and Santos.

### ANRF Top Holdings (by company)

Company	Commodity	%
BHP	IO/Cu/P	10.2%
Oz Minerals	Copper	10.0%
NexGen	Uranium	8.3%
Lynas Rare Earths	Rare Earths	7.3%
Santos	Oil and Gas	7.0%
<b>Total</b>		<b>42.8%</b>

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# Argonaut Natural Resources Fund



Monthly Performance Report – December 2022

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## Important Disclosures

The Argonaut Natural Resources Fund is a Wholesale only Fund.

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