

Argonaut Australian Gold Fund

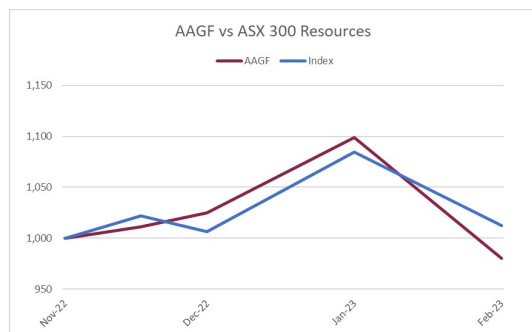


Monthly Performance Report – February 2023

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Fund Performance

- The Argonaut Australian Gold Fund fell by 10.8% in February on the back of a 5% fall in the \$US gold price, a strengthening US dollar and higher interest rates. The Fund fell slightly more than the Gold Index, which was down 9.5%, whilst the broader ASX 300 Resources Index was down 6.6%. The portfolio continues to be weighted toward gold producers and quality developers and retains a high cash weighting of 28%. As at 28th February 2023, the unit price was \$0.98.



Portfolio Update

- February was a difficult month for the Australian gold sector given the combination of a 5% drop in the gold price, the strengthening of the US dollar, and US interest rates moving sharply higher. Despite this, our focus on larger, better quality gold companies in conjunction with a healthy cash position provided some protection.
- Gold producers were negatively impacted by the market conditions and generally offset the gains they made in January. Silver Lake and Westgold were the weakest performers, down 23% and 22% respectively, followed by Northern Star (-17%), Evolution (-15%), Gold Road (-10%) and Ramelius (-10%). At month end, the producers represented 47% of the overall portfolio and 66% of invested capital.
- The Fund had 23% of the portfolio in gold developers with a heavy weighting to the larger, quality names such as De Grey (-6%), Bellevue (-11%) and Genesis (-12%).
- Cash weighting at month end was 28%, leaving the Fund well placed to allocate to quality gold companies when opportunities arise.

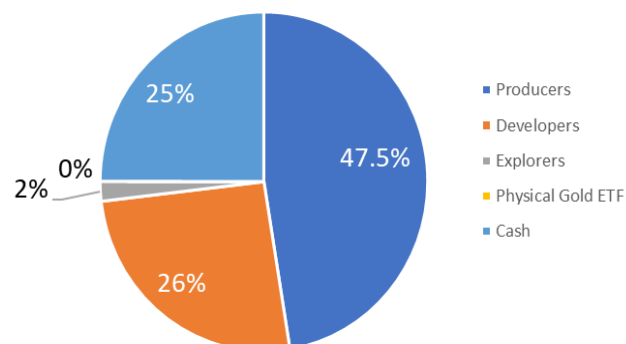
AAGF Top Holdings (by company)

Company	Commodity	%
De Grey Mining	Developer	11.3%
Westgold	Producer	11.0%
Ramelius	Producer	8.8%
Silver Lake	Producer	8.4%
Bellevue Gold	Developer	8.1%
Total		47.6%

Market Overview

- Economic data out of the US in early February indicated that the view that inflation was under control was a tad premature. After a rampant rally in January, markets took a thumping in February on the back of an 11% increase in the US 10 Year Treasury yield, which rose to 3.93% by month end - reflecting the view that interest rates would be higher for longer. Broader indices fell, with the Dow and the S&P 500 down 4.2% and 2.6% respectively. The Australian market shared in the pain with the All Ords and ASX 300 both down by 3%.
- Resources were particularly weak, offsetting much of the January gains. The 300 Resources Index declined by 6.6% and the Small Resources fell 9.2%. The Gold Index was down 9.5%, Metals and Mining was down 7.8% and Materials fell 6.9%. Energy was a relatively good performer falling by 2.4%. Most commodities fell over the month with nickel down 18%, zinc falling 11%, gold down 5% and copper down 4%. The better performers were iron ore and oil which fell by 1.6% and 1% respectively.
- While the Gold Index declined by 9.5% in the month, it would have been worse had it not been for the takeover offer for the ASX's largest gold producer, Newcrest, by the global major Newmont.
- Looking forward, the market will be influenced by guidance around the Chinese growth story, as its economy emerges from lockdown, and the perceived trajectory of interest rates in the US.

AAGF Portfolio Exposure



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Important Disclosures

The Argonaut Australian Gold Fund is a Wholesale only Fund.

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