

### Fund Performance

	1 Month	3 Months	FYTD	12 Months	Restart
AFM Perseus	4.1%	3.1%	9.7%	-12.8%	215.0%
S&P ASX Small Resources	5.0%	-0.3%	9.7%	-19.6%	41.1%
<b>Outperformance</b>	<b>-0.9%</b>	<b>3.4%</b>	<b>0.0%</b>	<b>6.9%</b>	<b>173.9%</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 gained 4.1% in March, but underperformed its benchmark, the S&P ASX Small Resources Index, which gained 5.2%.
- Since its restart (1 January 2020), the Fund has delivered a cumulative return of 215% and outperformed its benchmark which has returned 45.0% over the same time horizon.
- The Fund's share price as at 31 March 2023 was 27.69 cents. The Fund has \$580,030 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 6.97 cents per share.

### Business Update

- The directors of AFM Perseus Fund Limited are pleased to present Shareholders with a proposed equal access offer to buy back your shares in the Company. The Buy-Back Offer provides all Shareholders with the ability to sell their shares back to the Company at the net tangible asset (NTA) value of the Shares.
- The Board recognises that many Shareholders have been invested in the Company from as early as 2003 without an opportunity to exit their investment. In the Company's Prospectus lodged in December 2020, the Board indicated its intention to provide an opportunity for Shareholders to exit the Company by the three-year anniversary of the offer under the Prospectus. The Buy-Back provides Shareholders with that opportunity.
- The Notice of Meeting and materials relating to the Buy-Back Offer were sent to Shareholders on 6 April 2023. The General Meeting of Shareholders to vote on the resolution for the equal access share buy-back will be held on **Tuesday, 2 May 2023**. The deadline for the Acceptance Forms to participate in the Buy-Back is **Wednesday, 17 May 2023**.
- If you did not receive these materials or if you have any questions relating to the Buy-Back Offer, please contact Jenna Converse at [jconverse@argonaut.com](mailto:jconverse@argonaut.com).

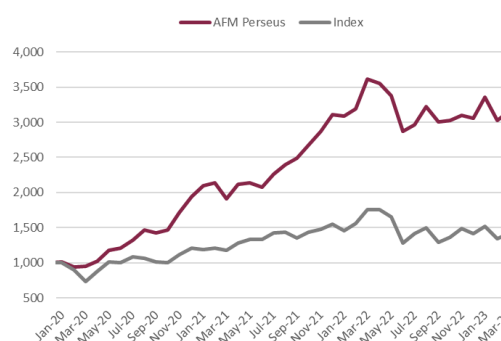
### Portfolio Update

- Positive performers over the month were in gold stocks, Silver Lake (+16%), Musgrave (+17%), Westgold (+38%), and Auteco (+20%), and copper stocks, Solgold (+34%) and New World Resources (+14%). Negative performers over the month included Warriear Resources (-13%), Global Lithium (-8%), NexGen (-6%), and Yellowcake (-6%).
- As at 31 March 2023, 42% of the portfolio was invested in the Energy Transition thematic, 26% in Gold and 5% in other opportunities. The cash weighting was 27%. The top 5 positions at month end accounted for 34% of the portfolio which included Develop, NexGen, Westgold, Silver Lake, and Lunnon.

### Market Overview

- In February, cracks emerged in the global financial system in response to the sustained increase in interest rates over the past twelve months. The collapse of Silicon Valley Bank and the shotgun marriage of Credit Suisse with UBS highlighted the point that driving interest rates higher at a time of high debt levels will create some unexpected consequences. The big winner from this uncertainty was gold which surged 7.2% for the month to end at US\$1,969 per ounce, pushing up to \$3,000 per ounce in \$AUD terms. This led to a 19% rally in the ASX Gold Index and a gain of 39% since 30 June 2022.
- As the month progressed, it became clear that the banking issues were specific rather than endemic – but it also became clear that the financial system could not really handle substantial further increases in interest rates. Inflation expectations also eased. The 10-year treasury yield fell from 3.93% to 3.49% which led markets to respond positively, thereby increasing from mid-month lows. The US market posted gains at month-end, with the Dow Jones up 1.9% and the S&P 500 jumping 3.5%. The Australian market did not fare as well, with the ASX 300 and All Ordinaries down by 1.2% and 1.1% respectively.
- The spotlight returned to the resource market, with the gold surge acting as the catalyst for a 2.5% increase in the 300 Resources index and a 5.2% spike in the Small Resources Index. On the commodities front, Iron Ore continued to perform well for the month (+3.3%), ending at US\$127t. Copper was also up 1% to US\$8,935. Oil eased by 4.9% to US\$80 barrel and nickel fell by 6.9% to US23,100.
- Corporate activity in the resource sector was notable. Following recent bids by BHP for the copper major Oz Minerals and gold giant Newmont's bid for Australian gold leader Newcrest, we saw Andrew Forrest's Wyloo bid for nickel producer Mincor Resources and lithium major Albermarle's bid to scoop up WA based lithium developer Liontown Resources. The Wyloo bid took advantage of recent price weakness as Mincor has struggled to reach targeted production rates during commissioning. Albermarle has sent a strong positive message to the lithium sector as it seeks to lock in additional long-term spodumene production as the energy transition rolls on.

AFM Perseus vs Small Resources Index



\*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.

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# AFM Perseus Fund



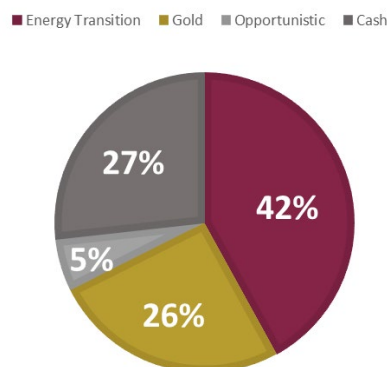
## Monthly Performance Report – March 2023

ASSET CLASS | RESOURCES SELECT

### AFM Perseus Top Holdings (by company)

Company	Commodity	%
Develop	Copper	8.6%
NexGen	Energy	7.4%
Westgold	Gold	6.2%
Silver Lake	Gold	6.1%
Lunnon	Nickel	5.2%
<b>Total</b>		<b>33.5%</b>

### AFM Perseus Portfolio Exposure (by commodity)



### 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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