

Argonaut Natural Resources Fund



Monthly Performance Report - April 2023

ASSET CLASS | RESOURCES SELECT

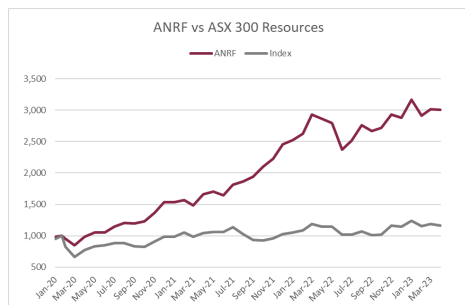
ANRF Posts Gain of +27% YTD for FY23

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Fund Performance

	1 Month	3 Months	FYTD	12 Months	Inception
ANRF	-0.5%	-5.1%	26.7%	4.9%	200.2%
S&P ASX 300 Resources	-2.2%	-6.4%	13.5%	1.2%	15.9%
Outperformance	1.7%	1.2%	13.2%	3.7%	184.3%

- The Argonaut Natural Resources Fund fell by 0.5% over the month, but outperformed the Fund's benchmark, the S&P ASX Resources 300 Index, which declined 2.2%. The Fund returned 26.7% year to date for FY23, outperforming its benchmark which gained 13.5% over the same time horizon. The Fund's unit price as at 30 April 2023 was \$2.219.
- Since inception (21 January 2020), the Fund has delivered a cumulative return of 200.2% (including the reinvestment of all distributions). Its benchmark has returned 15.9% over the same period.



*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.

Portfolio Update

- The best performer during the month of April was Canadian based Teck Resources which was up 29% over the month on the back of corporate activity. Whilst Teck was in the midst of seeking shareholder approval to split its coal and copper assets into separate listed entities, commodities trader Glencore lobbied an alternative merger proposal. At month-end, the shareholder meeting was cancelled as Teck considered the best path forward for shareholders.
- Other strong performers included gold stocks Genesis (+22%), Westgold (+16%) and Silver Lake (+9%). The worst performer was Syrah Resources which fell by 37% on the back of a disappointing quarterly report which showed lower graphite prices, higher than expected costs and a higher capital cost for its proposed Vidalia anode material facility. Develop Global was also down 9%.
- As at 30 April 2023, 50% of the portfolio was invested in the Energy Transition thematic, 12% in Gold and 12% in other opportunities. The cash weighting was 26%. The top 5 positions at month end accounted for 40% of the portfolio which included Develop Global, Mineral Resources, NexGen, Pilbara Minerals and Teck (B).

ANRF Top Holdings (by company)

Company	Commodity	%
Develop Global	Copper/Zinc	9.1%
Mineral Resources	Iron/Lithium	8.8%
NexGen	Uranium	7.9%
Pilbara Minerals	Lithium	7.9%
Teck (B)	Copper	6.8%
Total		40.4%

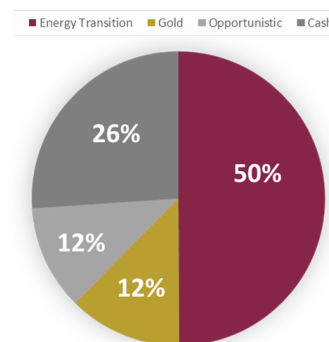
Market Overview

- US markets climbed over the month with the Dow Jones up 2.5% and the S&P 500 up 1.5%. Australian markets posted more moderate gains with the ASX 300 up 1.8% and the All Ordinaries up 1.7%. The market seemed to lack momentum, with lingering concerns over the health of the US second tier banking sector, increasing recession risks, China's recovery lagging expectations and hope, rather than conviction, that interest rates are approaching their peak. The US 10-year treasury yield remained flat at 3.45% while the Australian dollar eased against the US dollar, closing at 66.1c.
- The resource market decreased over the month with the 300 Resources Index down 2.2% impacted by a 9% fall in the iron ore price- this drove index leaders BHP, Rio and FMG all 3%-4% lower. The Small Resources Index was up 0.4%. Copper and Zinc fell 4% and 8% respectively. Nickel bounced back, rising by 3% after a tough couple of months. Oil remained flat at \$80 barrel. The shining light was again Gold with a 1% lift in the gold price; enough to drive the gold index 7.5% higher. Importantly, we saw net buying in gold ETFs in March for the first time in a long time as investors begin to consider the implications of the US banking situation.

Business Update

- We are pleased to announce the appointment of Benjamin Clifford as Co-Head of Argonaut Funds Management (AFM). Benjamin will start the co-head role immediately and will work alongside fellow co-head David Franklyn. Benjamin was previously the Co-Head of Equities and Managing Director at Goldman Sachs. Prior to Goldman, Mr. Clifford worked for 12 years with Macquarie Bank in Sydney and Tokyo, including as head of sales trading for Australia. We believe Benjamin's established track record of leadership and client partnerships coupled with his team-oriented approach and broad transaction experience will help drive further momentum in our growing funds management business.
- Argonaut remains committed to providing its clients with a suite of investment opportunities in the resource sector. We believe there is an opportunity to take advantage of the strong gold macro environment given current market conditions of a heightened geopolitical risk, a looming US recession and increasing gold purchases by Central Banks. To capitalise on this opportunity, Benjamin will focus on establishing and managing a global gold and precious metals equities fund.
- David Franklyn will continue to manage AFM's flagship fund, the Argonaut Natural Resources Fund, which has performed positively to date (+27% FYTD 2023 and +200% since inception).

ANRF Portfolio Exposure (by commodity)



Argonaut Natural Resources Fund



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Important Disclosures

The Argonaut Natural Resources Fund is a Wholesale only Fund.

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