

Argonaut Natural Resources Fund



Monthly Performance Report - July 2023

ASSET CLASS | RESOURCES SELECT

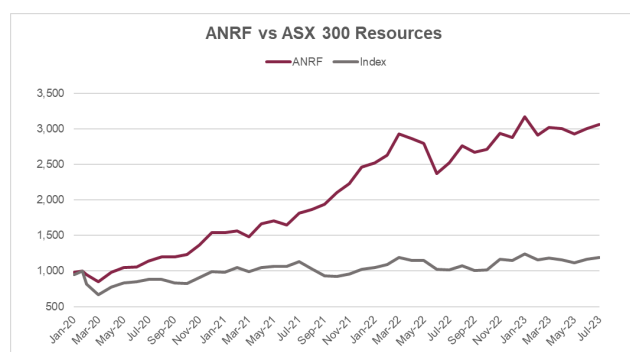
ANRF Posts Gain of +27% for FY23

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Fund Performance

	1 Month	3 Months	FYTD	12 Months	Inception
ANRF	2.0%	1.9%	2.0%	21.6%	206.0%
S&P ASX 300 Resources	2.3%	2.5%	2.3%	17.0%	18.8%
Outperformance	-0.2%	-0.6%	-0.2%	4.6%	187.2%

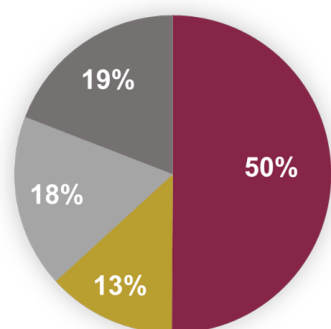
- The Argonaut Natural Resources Fund performed broadly in line with its benchmark index, with the Fund increasing by 2.0% versus the 2.3% increase of the S&P ASX Resources 300 Index. The Fund reported a 27% return for the 2023 financial year and a cumulative return of 206.0% since its inception in January 2020. The Fund's unit price as at 31 July 2023 was \$2.15.
- As mentioned in our last newsletter, the Fund will pay a distribution of 10.97 cents per unit to unitholders registered as at 30 June 2023. A distribution reinvestment plan has been made available. If you have not yet made your distribution election, we encourage you to review your election via the Automic investor portal. Those who have elected to receive their distribution in cash can expect payment on or before 31 August 2023.



*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)

■ Energy Transition ■ Gold ■ Opportunistic ■ Cash



Market Overview

- The Dow Jones and S&P 500 Indices in the US, and the ASX 300 and All Ordinaries in Australia all lifted by about 3% in July as economic data suggested the best of all outcomes – slowing inflation but with economic activity holding up. Moving into August, the market became more circumspect – with the US 10-year bond yield pushing through 4% as investors reconsider the risk of further interest rate increases. Broadly, the markets remain undecided, digesting the outlook for the US economy – soft landing or hand landing – and if or when the expected Chinese economic stimulus will drive an acceleration of the biggest commodities market in the world.
- The 300 Resources Index rose by 2% - buoyed by a recovery in many commodities with copper up 5%, nickel up 7.5%, zinc up 7.9% and oil, the standout, jumping 14%. Going against this trend was iron ore, which fell 3% to US\$109t and has fallen further since month end. Gold continued to edge higher, up 3% for the month. These commodity moves fed through to a 9% lift in the Energy Index, 2.2% lift in Small Resources and a 1.5% increase in the Gold Index.

Portfolio Update

- During the month, we added to our positions in Teck and Metals Acquisition Corp. These companies are listed in Canada and the USA, respectively, and represent the majority of our copper sector exposure. We also increased our holdings in emerging service provider and miner Develop Group, lithium developer Global Lithium, and Kambalda nickel explorer/developer Lunnon Metals.
- One of the best performers for the month was Global Lithium, which jumped 17%. A number of our gold stocks also performed strongly with Genesis up 13%, Westgold rising 15% and Auteco up 38%. The outlier was gold producer Silver Lake, which negatively surprised the market with its 2024 outlook and was punished harshly for it – its stock price plunged 8% for the month and about 20% from its month highpoint. Other notable price moves were Teck, which was up 5%, and Develop, which was down 5%.
- At month end, the portfolio was weighted 50% to Energy Transition, 13% Gold, 18% Opportunistic and 19% Cash. The top 5 positions were Develop Global, Mineral Resources, Metals Acquisition Corp, NexGen, and Teck (B).

ANRF Top Holdings (by company)

Company	Commodity	%
Develop Global	Cu/Zn	10.5%
Mineral Resources	Li/Fe	10.2%
Metals Acquisition Corp	Copper	9.2%
NexGen	Uranium	9.2%
Teck (B)	Copper	8.8%
Total Top 5		47.8%

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Important Disclosures

The Argonaut Natural Resources Fund is a Wholesale only Fund.

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