



Argonaut Australian Gold Fund

Changes to Investment Mandate and Name

Dear Unitholder,

I am writing to inform you that the Trustee and Investment Manager of the Argonaut Australian Gold Fund have approved changes to the investment mandate and the name of the fund.

These changes are effective 1st August 2023 to provide unitholders with an opportunity to capitalize on compelling investments outside of Australia.

With the strong performance of the fund since inception and the consistent message from current and prospective investors that we shouldn't limit our investment universe to Australian listed gold equities, we have expanded our investment universe to allow international equities.

To put the limitations of our current mandate into context, we'd highlight the Van Eck Gold Producers ETF (GDX) which is a benchmark ETF for the global universe of gold producers ([list here](#)). Of the 51 global gold companies in the portfolio, only 11 of these companies are listed on the ASX, and only 6 meet the current investment criteria of the fund. By evolving the mandate to allow international equities, we expand our remit to quality gold companies.

Our view is that we are at the beginning of a multi-year upgrade cycle in gold and precious metals equities. With the prospective growth of the fund, we see the inclusion of offshore equity investment as a natural mandate progression. Exposure to gold and listed gold equities will still constitute a minimum 50% of the fund with a particular focus on investment in stable gold jurisdictions of Australia and North America. With the restructure of our investment committee and our proven risk management process, we look forward to investing in offshore opportunities, which will provide us with a greater universe of companies and liquidity to deliver ongoing outperformance. The change to the performance benchmark of the RBA CPI rate aligns us with other global gold and precious metals funds.

The name of the fund will change to Argonaut Global Gold Fund ("AGGF") to reflect the change in investment mandate. All documentation / notifications will reflect this name change going forward.

We encourage you to review the updated investment memorandum which is available on our website.



Please see below for a summary of the investment mandate changes:

Portfolio Composition	Previous Mandate	New Mandate
Investment Universe	Australian Gold Equities	Gold and Precious Metals (i.e. silver, platinum, palladium) through equities, debt, royalties and streaming.
Minimum Exposure to Gold and Gold Equities	N/A	50%
Exposure to Physical Gold and Precious Metals Trusts / Exchange Traded Funds	0-25% (Gold Only)	0-25% (Gold and Precious Metals)
Exposure to listed gold producer companies	50-100% (ASX only)	50-100% (globally)
Exposure to listed gold developers and advanced explorer companies	0-50% (ASX only)	0-50% (globally)
Benchmark	ASX 300 Resources	RBA CPI Rolling Annual Rate
Number of Securities in Portfolio	10-25	unchanged
Micro Cap Exposure (Mkt Cap < \$50m)	0-20%	unchanged
Cash Weighting	0-30%	unchanged
Company Exposure (Portfolio %) at Purchase	0-15%	unchanged
Company Exposure (Portfolio %) at Valuation	0-20%	unchanged
Exposure to Unlisted Companies	0-10%	unchanged
Borrowings	0%	unchanged
Short Selling / Hedging	0-30%	unchanged

Should you have any questions regarding these changes, please feel free to reach out to me directly at bclifford@argonaut.com or contact our Marketing Manager, Jenna Converse, at jconverse@argonaut.com. We'd be happy to schedule a call to discuss the revised mandate in further depth.

Best regards,

Benjamin Clifford
 Joint Head of Argonaut Funds Management &
 Fund Manager of Argonaut Australian Gold Fund