

Argonaut Global Gold Fund



Monthly Performance Report – October 2023

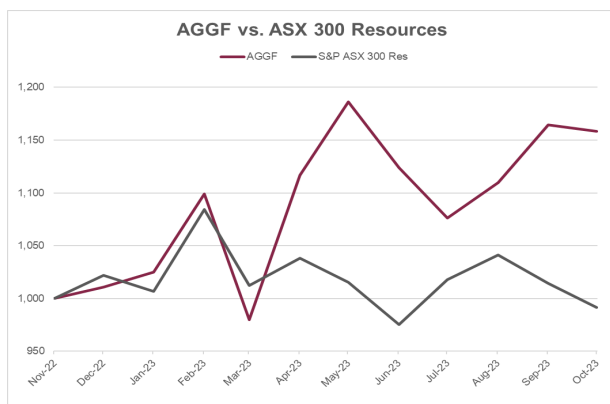
ASSET CLASS | RESOURCES SELECT

Fund Performance

	1 Month	3 Months	FYTD	CYTD	Inception
AGGF*	6.3%	11.0%	14.4%	20.1%	23.1%
S&P ASX 300 Resources	-1.4%	-6.1%	-4.0%	-2.9%	-2.2%
Outperformance to ASX 300 Resources	7.7%	17.1%	18.4%	23.0%	25.4%

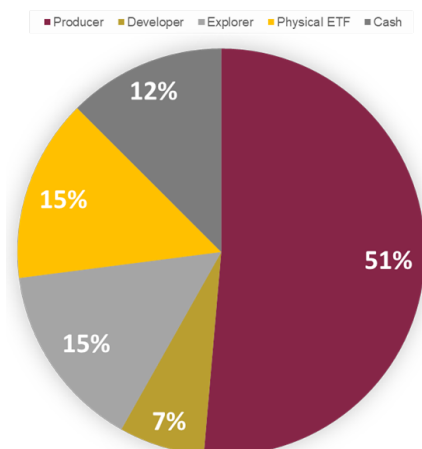
*All AGGF performance figures are net of fees.

- The Argonaut Global Gold Fund ("AGGF") gained 6.3%, net of fees, for the month of October, outperforming the ASX 300 Resources index which fell -1.4%. AGGF has delivered a return of 23.1%, net of fees, since inception (21st November 2022).
- The Fund's unit price as at 31 October was \$1.215.



Illustrates the relative performance of a \$1,000 investment in AGGF, net of fees, and the respective indices since the inception date of AGGF. Assumes all distributions are reinvested back into the Fund.

AGGF Portfolio Exposure



Market Overview

- Markets were generally weaker in October, driven by the Gaza conflict and the ongoing concerns over persistent inflation keeping interest rates higher for longer, US economic growth into 2024 and the yet to materialize recovery from the Chinese economy. In the US, the Dow Jones Index fell by 1.4% and the S&P declined by 2.2%. These losses were magnified in Australia with the ASX 300 falling 3.8% and the All Ordinaries down by 3.9%.
- Commodity markets took a beating with copper down 2%, nickel down 4%, zinc falling 8%, and oil sinking 8%. Iron ore was down a more modest 1.8% after recent gains. Amidst this turmoil, gold rallied - rising by 7% on the back of continued central bank buying, inflationary concerns and geopolitical tensions.
- The ASX 300 Resources index was down a surprisingly modest 1.4% which reflected the relative strength of index heavyweights BHP, RIO and FMG. Lithium majors were treated particularly harshly with Pilbara and Mineral Resources down by 15%, IGO down 25% and Allkem down 19%. Copper stocks also saw selling with Teck down 17% and MTAL down 7%.
- The gold index jumped by almost 9% on the back of the higher gold price which helped the Small Resources Index, declining only 0.5%.

Portfolio Update

- October saw a strong turnaround in the gold price (+7.3% XAUUSD) and the AUD\$ gold price (+8.9% XAUAUD) driven largely by geopolitical tensions in the middle east. Gold Equities duly re-rated and the fund benefited from overweight positions in mid-tier producers, including West Gold (WGX), Ramelius (RMS) and Canadian listed Kinross (K CA).
- Kinross has quickly become an important holding for the fund as it continues to outperform its quarterly production targets and its expansion plans at Tassiat in Mauritania being ahead of schedule. The company is proceeding to define its Great Bear resource which is a tier one asset in the making and could contribute upwards of 500k ounces per annum by FY28. Kinross has reshaped its asset portfolio over the last twelve months in divesting Russian exposure and with an ongoing focus around deleveraging its balance sheet, we view the prospective returns for equity holders as bright particularly given its attractive Price/NAV and Free Cash Flow valuation metrics.
- At the time of writing, Ora Gold (OAU) had just completed a placement to pursue further drilling at its Meekathara Crown Prince/SEB project where it believes further opportunity exists to add high grade ounces to its pending MRE. We view Ora as a key exploration play as it holds the rare combination of grade, geographic proximity to existing producers and an attractive pre-tax NPV driven by a relatively low capex ex per ounce profile.

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Important Disclosures

The Argonaut Global Gold Fund is a Wholesale only Fund.

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