



# Argonaut Global Gold Fund

## Monthly Performance Report – November 2023

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### Portfolio Update

▪ November saw heightened volatility across equity markets and in particular gold and precious metal equities. The USD\$ gold price gained (2.7% XAUUSD) and the AUD\$ gold price marginally fell (-1.5% XAUAUD) primarily due to a weakening in the USD\$ which was driven by bond yields falling as a function of weakening economic data. More importantly, the messaging from the Federal Reserve members indicated that they felt a period of significant tightening via interest rate hikes through 2022/23 put them in a position to now sit and observe. The market responded by slashing the prospect of a December interest rate hike by the US Fed to a probability of less than 10% and bringing forward rate cut expectations in 2024 as at the end of November to the sum of 125bps by year end, considerably higher than the 83bps priced as at the end of October. We don't attempt to predict the precise number of rate cuts in any one period nor the level that the USD\$ will trade. We are more focused on the rate of change of market expectations and what this means for the underlying price range of gold. To that end, we are very constructive on gold trading above US\$2000 ounce through 2024.

▪ Strong portfolio performance through the month was driven by a range of names - Gold Road, Kinross, Ramelius and De Grey. De Grey remains a core holding in the fund and we think it is noteworthy that their Hemi asset continues to expand with recent drill results at Eagle adding a further 1mn ounces since March 2023. The Hemi resource now stands at 10.5Moz at 1.3g/t (+950k oz) with the increase driven by extensional drilling at Eagle and Diucon. Eagle added 808koz and remains open at depth and continues to provide solid grades and now stands at 1.9Moz at 1.3g/t. With only a handful of tier one gold deposits discovered globally in the last few years and with significant resource growth at Hemi, we continue to view this asset as a key development opportunity with undeniable corporate appeal.

▪ Silver prices also enjoyed a strong move through November with spot silver up over 9% and our silver equity holding MAG Silver (MAG CN) up near 15%. MAG Silver owns 44% of the Juanicipio silver mine and once at full capacity, Juanicipio will be one of the largest and highest grade primary silver mines in the world. Our total silver exposure in the portfolio is currently 15% of NAV and silver as a precious metal has a very constructive outlook into 2024 primarily driven by an ever-increasing annual production shortfall relative to demand. As Bank of America recently noted regarding mine supply, "in contrast to gold, a much larger share of silver production is consumed, rather than put into storage, this means that, similar to the base metals, prices of the white metal tend to be driven by market balances." "Sustained silver price declines 10 years ago ultimately prompted production cuts, these curtailments have helped to rebalance the market, laying the foundations for the price increases thereafter."

▪ Finally, the BofA analysts noted the green tech sector is becoming increasingly important for the silver market, with EV penetration rates projected to rise above 40% by 2030, while the white metal is heavily used in solar applications. "As such, aggregate silver purchases from the green economy will likely trend higher in the coming years, accounting for 22% of total silver demand by 2030E, from 18% in

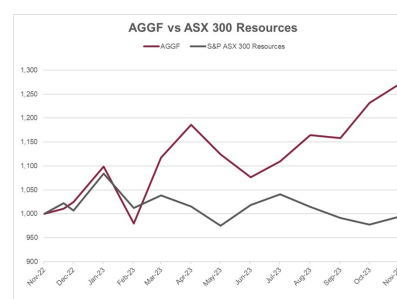
### Fund Performance

	1 Month	3 Months	FYTD	CYTD	Inception
Argonaut Global Gold Fund	3.3%	9.2%	18.2%	24.1%	27.2%
S&P ASX 300 Resources Index	1.7%	-2.0%	-2.4%	-1.2%	-0.6%
<b>Outperformance</b>	<b>1.6%</b>	<b>11.2%</b>	<b>20.5%</b>	<b>25.4%</b>	<b>27.8%</b>

\*All AGGF performance figures are net of fees.

▪ The Argonaut Global Gold Fund ("AGGF") gained 3.3%, net of fees, for the month of November, outperforming the ASX 300 Resources index which gained 1.7%. AGGF has delivered a return of 27.2%, net of fees, since inception (21st November 2022).

▪ The Fund's unit price as at 30 November was \$1.255.



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.

### Market Overview

▪ The US market boomed in November with both the Dow Jones and S&P 500 Indices jumping by almost 9%. This was largely driven by an increasing confidence in the belief that inflation was trending lower and interest rates had peaked. The broader Australian market also fared well with the ASX 300 and All Ordinaries rising by 4.6% and 4.7%, respectively.

▪ The resource market climbed higher, with the 300 Resources Index increasing by 1.7%, buoyed by the index dominating iron ore miners BHP (+4%), Rio (+6%) and FMG (+12%). The Small Resources Index was buoyed by gold, with a 2.7% jump in the US gold price, translating to a 7% rally in the Australian gold index.

▪ Across the commodities, iron ore remained the standout, up 10% in November. Gold and copper also had gains of 3% and nearly 4%, respectively. Lithium prices continued to tumble, rare earths edged lower, oil prices weakened by 5%, and uranium moved higher.

▪ Lithium stocks remained under pressure with the majors Allkem and IGO down 9% and the smaller players, Core Lithium and Lakes Resources, down 22% and 19%, respectively.

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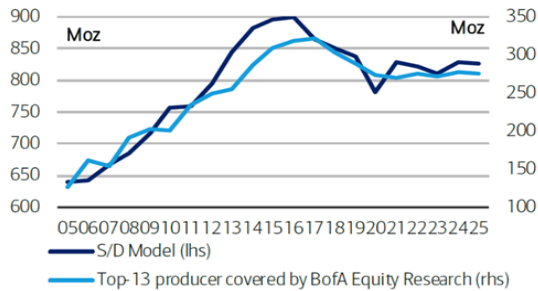


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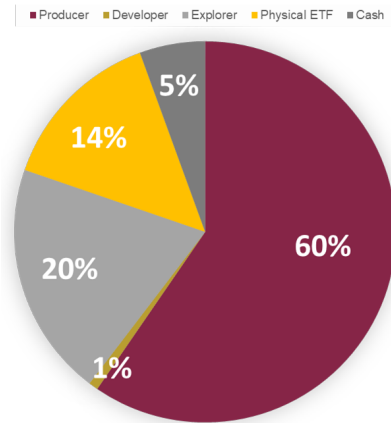
### Exhibit 85: Silver production

Guidance from the largest silver producers suggests that silver output will not return to previous highs any time soon



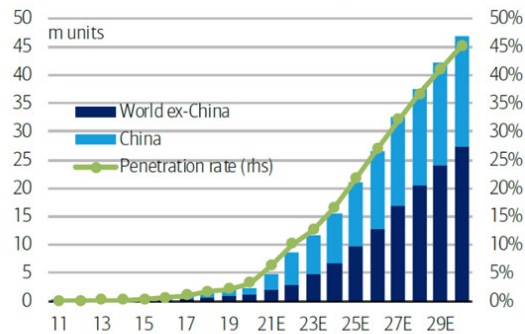
Source: Bloomberg, Silver Institute, BofA Global Research

### AGGF Portfolio Exposure



### Exhibit 87: Global EV production and penetration rates

EV penetration rates are set to rise above 40% by 2030



Source: Bloomberg, BofA Global Research

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## Important Disclosures

The Argonaut Global Gold Fund is a Wholesale only Fund.

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