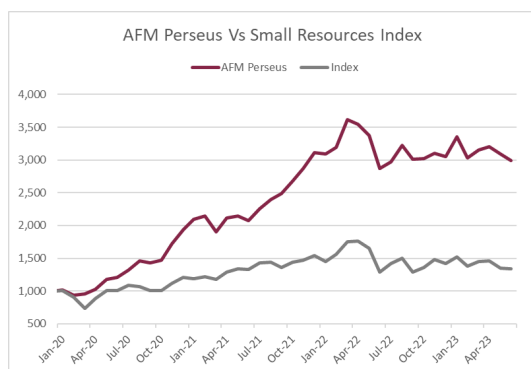


Fund Performance

	1 Month	3 Months	FYTD	12 Months	Restart
AFM Perseus	2.8%	-5.9%	-8.0%	-9.4%	176.9%
S&P ASX Small Resources	3.7%	5.4%	2.8%	-3.1%	37.1%
Outperformance	-0.9%	-11.2%	-10.8%	-6.3%	139.8%

*In March 2021, AFM Perseus Fund completed a capital raise of \$655,634 at 20 cents / share (Feb 2021 price - 23.39 cents / share). This capital raise had a diluting impact on the share price, equating to approximately 7% of the Fund's performance.

- The AFM Perseus Fund gained 2.8% in December, underperforming its benchmark, the ASX Small Resources Index, which gained 3.7% for the month.
- For the six months to December, AFM Perseus is down 8% and underperforming the ASX Small Resources Index which gained 2.8% over the same period. We note that this underperformance is almost entirely due to the decision to write down the carrying value of unlisted Ethiopian lithium developer Abyssinian Metals to zero during November 2023 (10% portfolio weight). This decision was taken to reflect the uncertain value of the Abyssinian investment as the company was ordered to leave the Kenticha site in October and is in dispute with the state-owned entity that owns a 49% interest in the project, relating to a differing understanding of funding obligations of the parties.
- Since its restart (1 January 2020), the Fund has delivered a cumulative return of 176.9% and outperformed its benchmark which has returned 37.1% over the same time horizon.
- The Fund's share price as at 31 December 2023 was 24.34 cents. The Fund has \$623,552 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 17.89 cents per share.



*Illustrates the relative performance of a \$1,000 investment in AFM Perseus and S&P ASX Small Resources at the restart date of the Fund (1st January 2020). In March 2021, AFM Perseus Fund completed a capital raise of \$655,634 at 20 cents / share (Feb 2021 price - 23.39 cents / share). This capital raise had a diluting impact on the share price, equating to approximately 7% of the Fund's performance.

Market Overview

- Long term US interest rates fell further in December as inflationary expectations cooled, with the US 10-year treasury yield slipping to 3.88% after being just under 5% at the end of October. This drove equity markets higher with the Dow Jones and S&P 500 up by 4.8% and 4.4% respectively, whilst the Australian market surged with both the ASX 300 and All Ordinaries Indices up by over 7%.
- Against this backdrop, the resources market rallied strongly with the 300 Resources Index up by 7.7%. It was buoyed by continued strength in the iron ore market - with the iron ore price pushing to US\$140t (an increase of 7.4% for the month), driving further gains from the heavyweight miners BHP, RIO and Fortescue. The small end of the resource market moved at a slower pace, up by 3.7%.
- Other commodities of note were Zinc (+6.6%), Copper (+1.7%) and Gold (+1.2%). Brent Crude was down 7%. The Australian dollar continued to strengthen against the US dollar, ending at approximately 68c.

Portfolio Overview

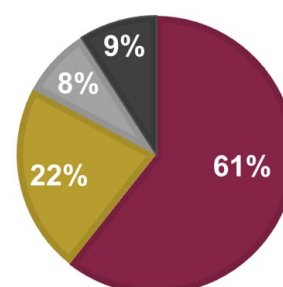
- The top three performers for the quarter were copper developers Firefly Metals (formerly Auteco, +31%) and New World Resources (+30%), along with mining services group MRM Offshore (+17%) which was purchased during the quarter. Weaker performers included nickel developer Lunnon Metals (-25%), mining services group Develop Global (-18%) and gold explorer Warriedar (-22%). We have previously noted the write down in Abyssinian Metals.
- At month end, the portfolio was 53% Energy Transition, 20% Gold, 7% other opportunities and 8% cash. Top 5 holdings were Firefly, NexGen, Develop, Patriot and Capricorn.

AFM Perseus Top Holdings (by company)

Company	Commodity	%
Firefly	Cu/Au	17.7%
NexGen	Uranium	11.6%
Develop	Cu/Zn	10.2%
Patriot	Lithium	9.1%
Capricorn	Gold	9.0%
Total		57.6%

AFM Perseus Portfolio Exposure (by commodity)

■ Energy Transition ■ Gold ■ Other ■ Cash



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Important Disclosures

AFM Zeus Pty Ltd is the Investment Manager of AFM Perseus Ltd, and Corporate Authorised Representative (No. 295119) of Argonaut Funds Management Pty Ltd (ACN 101 152 863), AFSL No. 224815.

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