



Argonaut Global Gold Fund

Monthly Performance Report – December 2023

ASSET CLASS | RESOURCES SELECT

Portfolio Update

- December was an eventful month for equity markets and for gold. The USD\$ gold price gained (1.2% XAUUSD) and the AUD\$ gold price marginally fell (-1.7% XAUAUD) with the surprise dovish commentary from the Federal Reserve at their December meeting resulting in significant rate cut projections for 2024. Gold traded in a volatile 7.5% range for the month, driven by both ongoing geopolitical concerns as the Israel conflict widened to include the Red Sea and market gyrations around inflation expectations and associated rate cuts into FY24.
- Against this backdrop of heightened market volatility, AGGF fell 2.25% for the month with De Grey (DEG) being a contributor to the loss; a name we continue to view as value and one of the best tier one gold discovery and development projects globally. Having posted strong gains financial year to date of 15.5% to 31st December 2023, AGGF is well placed to capitalise on both deteriorating economic data and interest rate cuts in 2024. The FOMC updated its long-term economic projections in December, decreasing its forecast for 2024 U.S. GDP growth from 1.5% to 1.4%, and also increasing its unemployment rate projection of 4.1%, up from the 3.7% rate the Labor Department reported in November.
- As of January 2024, there will be six extra countries joining BRICS, with Saudi Arabia, Iran, the UAE, Egypt, Ethiopia and Argentina. These new six countries will join the existing BRICS group of China, Russia, India, Brazil and South Africa. We watch with interest as to how this new BRICS alliance evolves, particularly in the context of any utilisation of gold in any intra-BRICS gold backed trading platform. We view the likelihood of a near term shift to a non USD\$ trade platform as remote given the incumbency of the USD\$ and the reality that the majority of commodities are priced and settled in USD\$. A clear incentive exists for BRICS members to move away from USD\$ trade and to also continue diversifying foreign currency reserves. We continue to view gold as an important component of the latter.

Market Overview

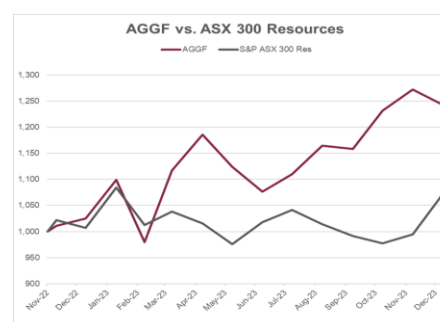
- Long term US interest rates fell further in December as inflationary expectations cooled, with the US 10-year treasury yield slipping to 3.88% after being just under 5% at the end of October. This drove equity markets higher with the Dow Jones and S&P 500 up by 4.8% and 4.4% respectively, whilst the 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.

Fund Performance

	1 Month	3 Months	FYTD	CYTD	Inception
AGGF	-2.3%	7.3%	15.5%	21.3%	24.3%
S&P ASX 300 Resources	7.7%	8.1%	5.2%	6.4%	7.1%
Outperformance	-10.0%	-0.7%	10.3%	14.9%	17.2%

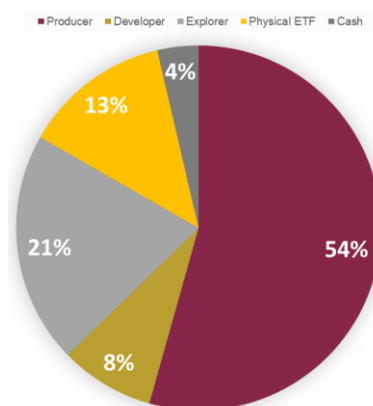
*All AGGF performance figures are net of fees.

- The Argonaut Global Gold Fund ("AGGF") fell 2.25%, net of fees, for the month of December, underperforming the ASX 300 Resources index which gained 7.7%. AGGF has delivered a return of 24.3%, net of fees, since inception (21st November 2022).
- The Fund's unit price as at 31 December was \$1.227.



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 (by commodity)



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ARGONAUT
FUNDS MANAGEMENT

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Important Disclosures

The Argonaut Global Gold Fund is a Wholesale only Fund.

AFM Artemis Pty Ltd is the Investment Manager of Argonaut Global Gold Fund, and Corporate Authorised Representative (No. 1277645) of Argonaut Securities Pty Ltd (ACN 108 330 650), AFSL No. 274099

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