



Argonaut Global Gold Fund

Monthly Performance Report – March 2024

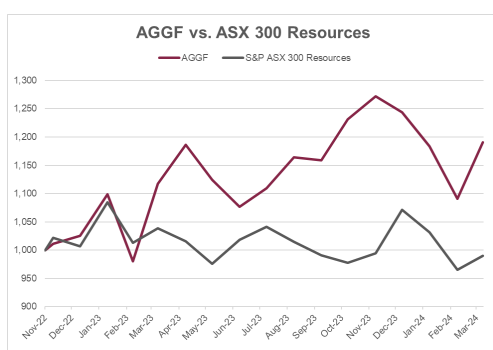
ASSET CLASS | RESOURCES SELECT

Fund Performance

	1 Month	3 Months	FYTD	CYTD	Inception
Argonaut Global Gold Fund	9.2%	-4.3%	10.6%	-4.3%	19.0%
S&P ASX 300 Resources	2.5%	-7.6%	-2.8%	-7.6%	-1.0%
Outperformance to ASX 300 Resources	6.6%	3.3%	13.4%	3.3%	20.1%

*All AGGF performance figures are net of fees.

- The Argonaut Global Gold Fund ("AGGF") gained 9.2%, net of fees, for the month of March, outperforming the ASX 300 Resources index which gained 2.5%. AGGF has delivered a return of 19%, net of fees, since inception (21st November 2022). The Fund's unit price as at 31 March was \$1.175.



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.

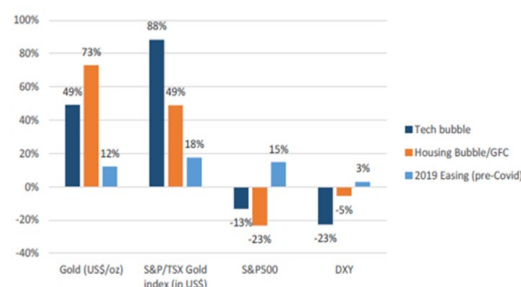
Market Overview

- Markets were strong in March with the Dow Jones up 2.1% and the S&P 500 up 3.1%. Australian markets followed suit with the ASX 300 rising 2.6% and the All Ords up 2.4%. The US 10-year yield eased back to 4.2% and the \$AUD firmed against the \$USD finishing at 65.24c.
- Resource markets also rebounded with the ASX 300 Resources Index lifting by 2.5% and the Small Resources Index jumping 8.2%. While Metals & Mining and Materials both rose by 2.2%, the standout was again gold, with the gold index surging 16% on the back of an 8.4% increase in the gold price.
- Across the other commodities, copper and Brent crude rose by 4.7% and 4.6%, respectively. Zinc also increased 2.1%. Nickel remained under pressure, falling by 3.6% while iron ore took a pounding, falling 12.4% to close at \$US110t.

Portfolio Update

- "Trying to time the gold market is futile" is a common saying within the investment landscape and overall, we agree. However, with reaffirmation from US Federal Reserve Bank head Jerome Powell that "the central bank is still likely to reduce interest rates by three-quarters of a percentage point by end-2024," the time for relative outperformance of both gold and precious metals equities is upon us.
- Gold prices slipped early in March after U.S. inflation data came in slightly stronger than expected. The consumer-price index rose by 3.2% (consensus 3.1%) in February from a year earlier, but with other economic data remaining mixed and a backdrop of support for rate cuts from Powell, the gold market closed out a strong March and gold equities mean reverted post a very challenging January/February. As per the below bar chart (Exhibit 1), the relative outperformance of gold, but more importantly gold equities, is historically very strong during Fed easing cycles. The second chart (Exhibit 2) provides insight into the relative historic valuation disconnect between gold equities and gold. Again, we view this as a clear opportunity for investors to add to their gold equity exposure as company margins and free cash flow yields continue to expand with not only a rising gold price, but also the first signs of moderating labour costs, particularly in WA (Exhibit 3) as both nickel and lithium labour demand ebbs post commodity price falls.
- March returns for the fund were buoyed by holdings in high quality producers, Genesis Minerals (2.8%), Northern Star (0.7%), New Gold (0.8%) and Resolute (3.2%). Resolute is viewed as one of the most attractively valued producers with improving free cash flow generation at Mako and Syama with expansion optionality at Syama North through FY25.

Exhibit 1: Performance During Fed Easing Cycles (30D before first cut to one-year after last cut*)



* we cut-off the data from the 2019 easing cycle before COVID emerged
Source: Company Reports, Canaccord Genuity estimates

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Exhibit 2: Ratio of the S&P/TSX Gold Index (in USD) relative to the gold price



AGGF Portfolio Exposure (by type)

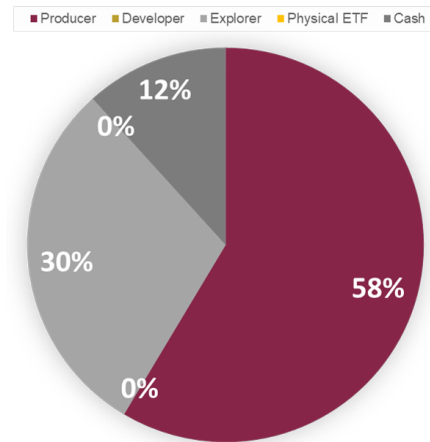
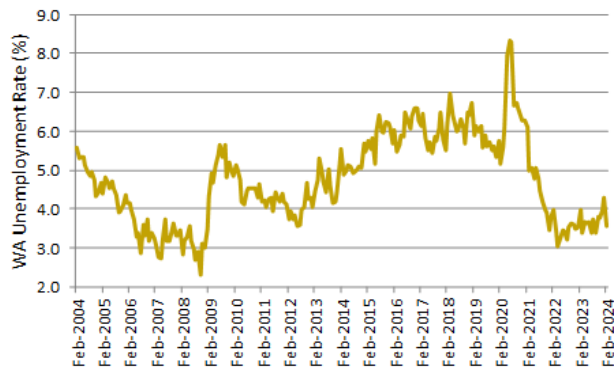


Exhibit 3: WA Unemployment Rate



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