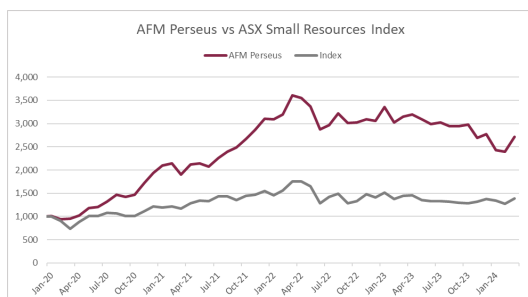


Fund Performance

	1 Month	3 Months	FYTD	12 Months	Restart
AFM Perseus	-6.3%	-4.6%	-13.5%	-13.5%	158.6%
S&P ASX Small Resources	-8.1%	-4.5%	-1.0%	-1.0%	32.1%
Outperformance	1.7%	-0.1%	-12.5%	-12.5%	126.5%

*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 declined 6.3% in June, outperforming its benchmark, the ASX Small Resources Index, which lost 8.1% for the month.
- For the 2024 financial year, the Fund reported a decline of 13.5% versus the 1% fall in the Small Resources Index with the majority of the negative impact attributable to the write down of the Fund's interest in lithium developer Abyssinian Metals.
- Since its restart (1 January 2020), the Fund has delivered a cumulative return of 158.6% and outperformed its benchmark which has returned 32.1% over the same time horizon.
- The Fund's share price as at 30 June 2024 was 22.73 cents. The Fund has \$640,286 in deferred tax losses that are available to offset against future taxable profits. This equates to an additional 18.37 cents per share.
- FY24 proved to be a challenging year for the resources sector, as demand growth from China underwhelmed, the US fluctuated between concerns over inflation and concerns over economic activity and global conflicts continued to take center stage. Resource investors increasingly switched their attention away from battery metals such as lithium, nickel, graphite and rare earths as supply overtook demand. Investors looked for opportunities in the safe havens of gold and silver and other pockets of value, with interest building in uranium as a zero-carbon baseload fuel, the looming east coast gas market issues creating opportunities and global conflicts supporting oil and gas prices. Copper remained a consensus favorite, with a strong demand outlook from various market drivers compounded by supply concerns given the dearth of new tier 1 projects and declining grades from many major producing mines.
- While FY24 was a year to protect capital and minimize portfolio risk, we see greater opportunity in FY25 with better inherent value in the resource market.



*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.

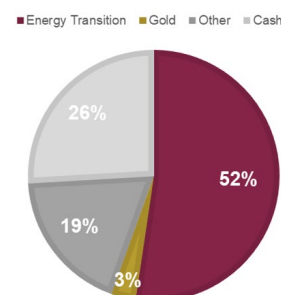
Market Overview

- Major indices were up in June with the Dow Jones and S&P 500 rising by 1.1% and 3.5% respectively. Australian markets lagged global peers, with the ASX 300 up 0.8% and the All Ords up by 0.5%. The resource sector came under pressure with the ASX 300 Resources Index down 6.2% for the month of June and 8% for the financial year. The small resource sector was hit harder, falling 8.1% for the month of June but down only 1% for the financial year.
- Across the commodities, battery metals remained under pressure with spodumene (hard rock lithium) prices back below US\$1,000t, nickel down 14.5% for the month, and weakened prices for both graphite and rare earths. Iron ore prices fell by 6% to US\$107t whilst Brent crude jumped 6% to US\$86 barrel. Gold held steady at US\$2,328oz, but this was not enough to support gold equities which declined by 4.7%.
- US 10 Year treasury yield fell from 4.5% to 4.4% as the market confronts a slowing US economy and assesses the future inflationary outlook. The \$AUD remained steady at 67 cents versus the \$USD.

Portfolio Overview

- There was broad based selling across the resources space for much of June with the 300 Resources Index down 6.2% and the Small Resources Index down by 8%. This was driven by concerns over global growth, inflationary uncertainty, tax loss selling and a continued re-evaluation of the battery metals sector. Against this backdrop, AFM Perseus has maintained a focus on quality, with the top 5 holdings representing 54% of the portfolio with a further 24% in cash as at 30 June 2024. The Top 5 holdings were:
 - ❖ Firefly Metals - Emerging copper project in established resources province of Newfoundland, Canada.
 - ❖ NexGen Energy - Tier 1 uranium asset in the Athabasca Basin, Canada.
 - ❖ MMI Offshore - Marine services business focused on offshore oil and gas and offshore wind projects. Under takeover from Singapore based private equity group Cyan.
 - ❖ Wia Gold - Emerging West African gold project.
 - ❖ Patriot Battery Metals - An emerging Tier 1 lithium asset in James Bay, Canada
- The focus for FY25 will be to reinvest surplus cash as market opportunities emerge.

AFM Perseus Portfolio Exposure (by type)



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AFM Perseus Fund



Monthly Performance Report – June 2024

ASSET CLASS | RESOURCES SELECT

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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