



Argonaut Global Gold Fund

Monthly Performance Report – June 2024

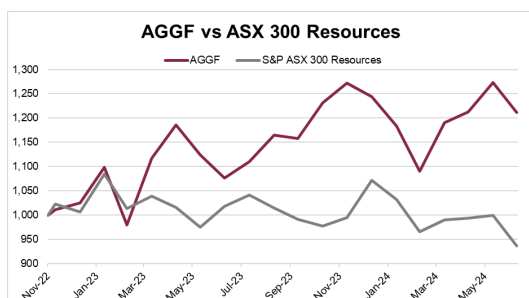
ASSET CLASS | RESOURCES SELECT

Fund Performance

	1 Month	3 Months	FYTD	CYTD	Inception
Argonaut Global Gold Fund	-4.9%	1.7%	12.5%	-2.6%	21.1%
RBA CPI Rolling Annual Rate	0.3%	0.9%	4.9%	1.9%	10.1%
S&P ASX 300 Resources	-6.2%	-5.3%	-8.0%	-12.5%	-6.3%
Outperformance to ASX 300 Resources	1.3%	7.0%	20.5%	9.9%	27.4%

*All AGGF performance figures are net of fees.

- The Argonaut Global Gold Fund ("AGGF") fell 4.9%, net of fees, for the month of June, outperforming the ASX 300 Resources index (-6.2%) and AGGF's benchmark. AGGF has delivered a return of 21%, net of fees since inception (21st November 2022).
- We are pleased to report that the Fund will pay a distribution of 19.5 cents per unit to unitholders registered as at 30 June 2024. A distribution reinvestment plan has been made available. Shareholders who elected to receive their distribution in cash will receive their payment in August 2024.
- Fund's unit price as at 30 June 2024 was \$1.00, which represents the closing price of \$1.195 less the aforementioned distribution amount of \$0.195.



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

- 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%.
- The 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 Update

- The fund continues to view the price gap between gold and precious metals stocks relative to the gold price as compelling. High conviction holdings are supported by significant valuation support on both a relative and historic basis. A case in point is our high conviction holding in developer Ora Gold (OAU). Ora Gold recently announced a strategic alliance with WA producer West Gold (WGX). This will accelerate the advancement of Ora's Crown Prince deposit in Western Australia to production during FY25. The resource is a high margin 240,000-ounce deposit at an average grade of over 4 g/tonne. An ore purchase agreement is anticipated to be announced late in the third quarter of FY24, with production at Crown Prince scheduled to commence early 2025. This will deliver free cash flow over the next two years at a multiple of the current OAU market capitalisation.
- Ora Gold CEO Alex Passmore commented, "Ora and Westgold will work collaboratively over the next few months to define the development timetable." "This alliance with a large regional operator with extensive processing infrastructure gives us strong confidence in the potential for future economic extraction of other advanced projects within our tenure."
- Westgold participated in a selective placement and now owns an 18.7% shareholding in Ora Gold. OAU is well capitalised and able to continue adding ounces via select exploration over the next 6 months.
- Notwithstanding OAU is a relatively small company by market capitalisation, the strategic nature of its deposit, the high grade and indicative support through both a substantial shareholding and an impending Ore Purchase Agreement gives us the comfort to maintain a high conviction stance on what is a quality investment within the gold sector.
- Silver continues to feature in the portfolio with approximately 15% of the exposure as at 30 June through a list of offshore larger market capitalised producers (MAG Silver, Pan American and First Majestic) and an ASX listed Silver Developer in Mitre Mining. Noteworthy is that per Morningstar, "Most silver bullion and silver-mining stock exchange-traded funds have net outflows year to date while U.S. Mint silver bullion coin sales are 1.34 million ounces, less than half of 2023's sales of 3.4 million ounces through June." Further, "The Silver Institute, an industry group, said industrial demand in 2023 reached a record, noting a 64% jump in demand from the solar-panel industry in 2023. The group expects 2024 usage to rise another 20%. That aligns with data from the Solar Energy Industries Association, which reported that the U.S. solar market saw its second-largest quarter of installed capacity in the first quarter, just behind the record set in 2023's fourth quarter, led by utilities installations."
- We continue to view the outlook for both gold and silver equities into FY25 as highly attractive and expect share price gains to accelerate as the proximity to first Federal Reserve rate cuts closes.

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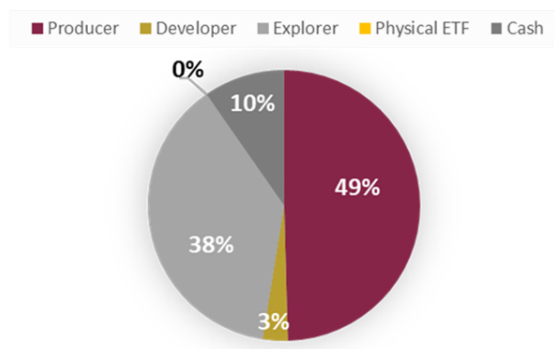


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AGGF Portfolio Exposure (by type)



Important Disclosures

The Argonaut Global Gold Fund is a Wholesale only Fund.

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