

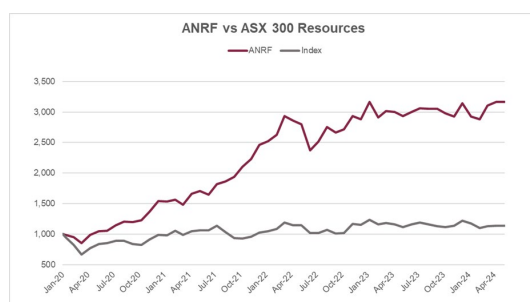
## ANRF Receives "Commended" Rating

[Link to Rating Report](#)

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### Fund Performance

|                       | 1 Month      | 3 Months    | FYTD        | 12 Months   | Inception     |
|-----------------------|--------------|-------------|-------------|-------------|---------------|
| ANRF                  | -6.7%        | -5.0%       | -1.5%       | -1.5%       | 195.3%        |
| S&P ASX 300 Resources | -6.2%        | -5.3%       | -8.0%       | -8.0%       | 6.9%          |
| <b>Outperformance</b> | <b>-0.5%</b> | <b>0.3%</b> | <b>6.5%</b> | <b>6.5%</b> | <b>188.4%</b> |



\*Illustrates the relative performance of a \$1,000 investment in ANRF and the ASX Resource 300 Index since the inception date of ANRF. Assumes all distributions are reinvested back into the Fund.

- The Argonaut Natural Resources Fund finished the 2024 financial year down 1.5% as compared to the 8% fall from the benchmark, ASX 300 Resources Index. Since inception (Jan 2020), the Fund is up by 195% and has delivered an annualized return of 27.6%, versus the 1.5% annualized return of its benchmark.
- We are pleased to report that the Fund will pay a distribution of 10 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. Since inception, the Fund has distributed a total of 74 cents per unit to unitholders, inclusive of the 10-cent distribution for FY24.
- The Fund's unit price as at 30 June 2024 was \$1.975, which represents the closing price of \$2.075 less the aforementioned distribution amount of \$0.10.
- 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.

### Additional Investment

- Investors interested in topping up their investment can do so by clicking on this link and logging into the Automatic investor portal. Should you require any assistance with your log-in, please contact Jenna Converse for assistance.
- As a reminder, Argonaut Natural Resources Fund received a "Commended" rating from the independent research group, Australian Fund Monitors. We encourage investors and prospect investors to read the full report here.

### 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\$1,000/t, nickel down 14.5% for the month, and weakened prices for both graphite and rare earths. Iron ore prices fell by 6% to US\$107/t whilst brent crude jumped 6% to US\$86 barrel. Gold held steady at US\$2,328/oz, 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

- 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, ANRF was down 6.7% with weaker performers being lithium developers Patriot Battery Metals (-36%) and Latin Resources (-35%), uranium developer NexGen (-9%) and copper producer Metals Acquisition Corp (-12%). Stronger performers included gold producer Gold Road (+4%), metallurgical coal producer Coronado (up 3% from purchase price during month) and copper developer Firefly Metals (+1.36%). Canadian listed Fission Uranium lifted 2.6% after receiving a takeover offer from Paladin Energy.
- At month-end, the portfolio was weighted 44% invested in Energy Transition, 16% in Geopolitical, 23% in Other Opportunities and 17% in Cash. Breaking this down further, Energy Transition remained dominated by exposures to copper (21%) and uranium (12%); Geopolitical consisted of exposure to gold (9%) and oil & gas (7%); and Other Opportunities included iron ore, metallurgical coal and mining services.
- At month-end, the Fund's portfolio composition was 55% Producers, 41% Developers and 4% Explorers with 77% of the portfolio invested in companies with a market capitalization above \$500m and 86% of the underlying projects domiciled in either Australia or Canada / USA.
- The top 5 holdings were BHP (10%), NexGen (8%), Karoon (7%), Metals Acquisition Corp (7%), and Firefly (7%) with these companies representing 39% of the portfolio.

# Argonaut Natural Resources Fund



Monthly Performance Report – June 2024

ASSET CLASS | RESOURCES SELECT

## Important Disclosures

The Argonaut Natural Resources Fund is a Wholesale only Fund.

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