

Argonaut Natural Resources Fund



Monthly Performance Report – March 2022

ASSET CLASS | RESOURCES SELECT

Argonaut Funds Management (“AFM”) is a high conviction investor in the Australian resources sector. It is part of the Argonaut Group, which provides corporate advisory, research and stockbroking services to retail, high net worth and institutional clients. AFM operates independently from the broader Argonaut Group with strong governance and compliance structures in place.

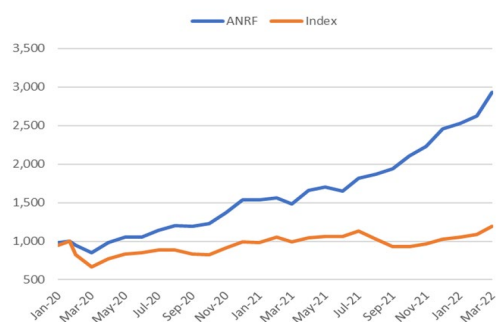
Argonaut Natural Resources Fund is a high conviction actively managed wholesale fund that primarily invests in ASX listed resource companies – those companies within the Materials and Energy sub-sectors.

Fund Performance

	1 Month	3 Months	6 Months	12 Months	Inception
ANRF	11.6%	19.2%	51.3%	97.8%	193.4%
S&P ASX 300 Resources	9.5%	16.3%	27.7%	20.6%	19.1%
Outperformance	2.1%	2.9%	23.5%	77.2%	174.2%

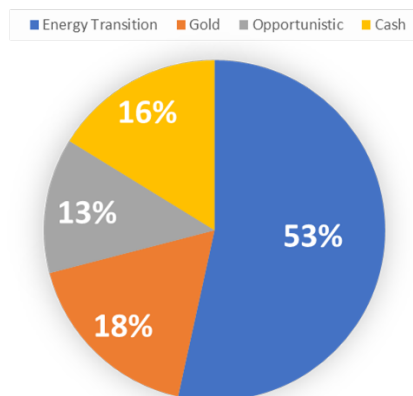
- The Argonaut Natural Resources Fund delivered a return of 11.6% in March, net of fees and expenses, outperforming its benchmark, the S&P ASX Resources 300 Index, by 2.1%. The Fund's unit price as at 31 March 2022 was \$2.574.
- Over the twelve months ended 31 March 2022, the Fund delivered a return of 97.8%, outperforming its benchmark by 77.2%. Since its inception (21 Jan 2020), the Fund has delivered a return of 193.4% (including the reinvestment of all distributions), outperforming its benchmark by 174.2%.

ANRF vs ASX 300 Resources



*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.

ANRF Portfolio Exposure (by commodity)



Market Overview

- The market strengthened over the course of March, digesting inflation data and higher interest rates and adjusting to the situation in Ukraine. The US S&P 500 Index rose by 3.6%, but was outperformed by the Australian market with the ASX 300 Index and the All Ordinaries both up 6.4%. The Australian market's relative strength was again driven by surging demand for resource stocks on the back of strengthening commodity prices. The 300 Resources Index leapt 9.5% and the Small Resources Index jumped 12.2%.
- On the commodities front, Nickel was up 35%, Zinc increased by 17%, Oil rose 7%, Iron Ore was up over 6%, and Copper increased by 4%. The gold price rose 2.6% to US\$1,949 which was enough to propel the gold index up 5.1%. The Australian dollar increased by 3.2% to 74.9c whilst the US 10 year Treasury Yield jumped 31% to 2.4%.

Portfolio Update

- During March, we deployed some of our cash reserve by adding Mineral Resources (iron ore and lithium), Santos (oil and gas) and London listed copper/gold developer Solgold. We also topped up our position in 29 Metals. Additionally, we took advantage of capital raising opportunities in the emerging lithium group Global Lithium and the gold companies, Pantoro Resources and AusGold.
- The strongest performers in March included Global Lithium (+68%), Firefinch (+61%), Ausgold (+60%), and Liontown (31%). The weakest performer in the portfolio was the copper producer and developer Sandfire Resources, which was down 15% due to cost concerns at its recently acquired Matsa copper project in Spain.
- At month-end, 53% of the portfolio was invested in the Energy Transition thematic, 18% in Gold, 13% in Other Opportunities, and 16% in Cash. The Fund's Top 5 holdings represented 33% of the portfolio with the largest holdings in OZ Minerals, Pilbara Minerals, Centaurus Metals, Mincor and NexGen.

ANRF Portfolio Exposure (by commodity)

Company	Commodity	%
OZ Minerals	Copper	7.0%
Pilbara Minerals	Lithium	6.7%
Centaurus Metals Ltd	Nickel	6.5%
Mincor	Nickel	6.5%
NexGen	Uranium	5.9%
Total		32.6%

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Important Disclosures

The Argonaut Natural Resources Fund is a Wholesale only Fund.

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

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