



AFM PERSEUS FUND LIMITED

ACN 087 023 612

10 June 2020

Dear Shareholder,

The AFM Perseus Fund is an investor in the Australian small resource sector, being those resource and mining service companies outside the S&P ASX 100 Index. As from 1 January 2020 the fund has operated with a new investment team and a revised investment mandate.

May Net Asset Backing Per Share

AFM Perseus Fund Limited advises that the Net Asset Value (NAV) as at 31 May 2020 was 12.90 cents per share. This is after providing for all fees and taxes on realised and unrealised gains and losses.

This represents an increase of 15.3% for the month. Since the restart date (1 January 2020) the fund is up by 18.1% which compares favorably to the 0.8% gain from the S&P ASX Small Resources Index.

The Fund has \$946,319 in deferred tax losses that are available to offset against future taxable profits. This equates to a further 19.65 cents per share.

Portfolio Update

The Fund performed well in May, with the small resources sector continuing its strong recovery. Best portfolio performers for the month were gold stocks Pantoro and Red 5 which increased by 45% and 42% respectively. Other strong contributions came from copper developer Stavely Resources (up 37%), silver and lead project owner Myanmar Metals (up 32%) and Nickel company Mincor (up 28%).

The Fund took the opportunity to lock in some profits in the buoyant market and ended the month with cash holdings representing 37% of the portfolio - the highest level since early March.

Major portfolio holdings now include IGO (10.2%), Odyssey Energy (8.3%), Gold Road (7.7%), Myanmar Metals (6.9%) and Lynas (6.4%).

The intention is to continue to add high quality, good value and financially robust resource companies to the portfolio.

Advanced Share Registry

Advanced Share Registry manages the AFM Perseus Fund share register on behalf of Argonaut Funds Management.

Should you have any queries regarding your holding in the Fund, please contact Advanced Share Registry on 1300 113 258 and quote the SRN on your holding statement. They can also be contacted via email on admin@advancedshare.com.au

David Franklyn
Executive Director
Argonaut Funds Management
dfranklyn@argonaut.com