



# Lowell Resources Fund Monthly Update

## Fund introduction (ASX: LRT)

ASX-listed Lowell Resources Fund is focused on generating strong absolute returns from the junior resources sector. Our experienced team of fund managers has many years of experience in this high risk, high reward sector. Lowell Resources Fund Management (LRFM) manages the portfolio of exploration and development companies operating in precious and base metals, specialty metals and the oil and gas space. LRFM has a successful 14-year track record managing LRT. An investment in LRT provides investors with exposure to an actively-managed portfolio focused squarely on one of the most exciting and rewarding sectors of the Australian as well as global share markets.

## Fund overview

|                     |   |
|---------------------|---|
| Investment Manager  | Lowell Resources Funds Management Limited |
| Managed since       | 6 January 2004                            |
| ASX code            | LRT                                       |
| Income distribution | Annual                                    |

## Unit price snapshot as at 30 June 2018

|                       |           |
|-----------------------|-----------|
| NAV per unit          | \$7.9347  |
| No. of units on issue | 2,797,239 |
| Market price (ASX)    | \$6.75    |
| Net Asset Value       | \$22.2m   |

## Fund performance summary

- On a traded closing price basis, during its first full month of trading on the ASX, the Lowell Resources Fund returned -5.7% for the month against a benchmark S&P/ASX 300 Resources 300 Index return of 7.7%.
- The Fund's NAV per unit was \$7.9347 at 30 June 2018 vs \$7.9219 at 31 May 2018.

## Top 6 holdings as at 30 June 2018

The Fund's largest invested position remains in the unlisted Laguna Gold Pty Ltd which is pursuing a listing on the ASX. During June, the Fund's third largest holding TSX-listed Tinka Resources announced an outstanding drill intersection of 10m of 44% zinc at its Ayawilca project in Peru. Also during June, top six holding Bounty Mining listed on the ASX.

| Company             | Commodity | Listing code | % of gross investments |
|---------------------|-----------|--------------|------------------------|
| Laguna Gold         | Gold/Zinc | n.a.         | 13%                    |
| Gold Road Resources | Gold      | ASX: GOR     | 8%                     |
| Tinka Resources     | Zinc      | TSXV: TK     | 6%                     |
| Kidman Resources    | Lithium   | ASX: KDR     | 4%                     |
| Indago Energy       | Oil & gas | ASX: INK     | 3%                     |
| Bounty Mining       | Coal      | ASX: B2Y     | 3%                     |
| <b>Cash</b>         |           |              | <b>10%</b>             |



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## Portfolio changes during the month ended 30 June 2018

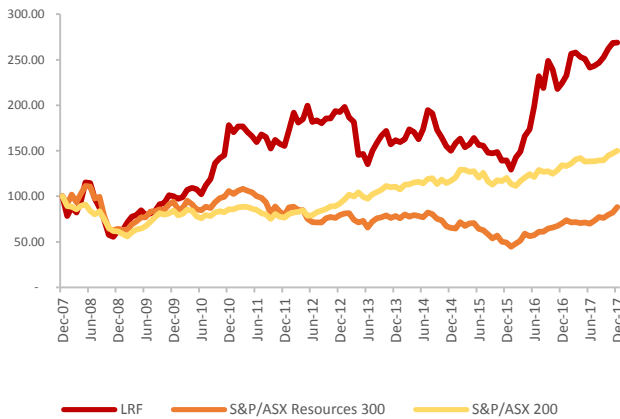
During June, through investments in listed companies, the Fund added positions in a number of Australian Oil & Gas stocks, as well as the listed oil & gas royalty company High Peak Royalties. The Fund also added to many existing positions in gold company shareholdings.

Two of the Fund's larger seed positions Adriatic Metals (gold / base metals) and Bounty Mining (coal) achieved liquidity events by listing on the ASX.

As at 30<sup>th</sup> June, the Fund's investments were weighted 43% in gold, 32% in base and other metals, and 13% in energy. The successful IPO increased the Fund's cash weighting to 12% at the end of the quarter.

## 10 year comparison performance chart (indexed at 100)<sup>1</sup>

## Total unitholder return comparison table<sup>1</sup>



|                            | LRT   | Res 300 | ASX 200 |
|----------------------------|-------|---------|---------|
| 10 year                    | 10.4% | -1.3%   | 4.1%    |
| 5 year                     | 7.1%  | 2.1%    | 10.2%   |
| 3 year                     | 21.9% | 10.5%   | 8.6%    |
| 2 year                     | 39.3% | 34.0%   | 11.8%   |
| 1 year                     | 20.7% | 25.7%   | 11.8%   |
| 6 months (to 30 June 2018) | -5.5% | 11.1%   | 4.3%    |

## Characteristics of the fund

|                     |  |
|---------------------|--|
| Nature of fund      | Long only, absolute return fund  |
| Investee companies  | Junior resource companies, including gold, base and specialty metals, and energy |
| Investment type     | Focus on global listed and unlisted resource equities                            |
| Distribution policy | 100% of taxable profits distributed annually                                     |

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<sup>1</sup>LRT refers to Lowell Resources Fund, Res 300 refers to the S&P/ASX Resources 300 and ASX 200 refers to S&P/ASX 200 and the years refer to calendar years in the chart.