



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 31 December 2018

NAV per unit	\$5.4296
No. of units on issue	2,787,957
Market price (ASX)	\$4.82
Net Asset Value	\$15.1m

Fund performance summary – December 2018

- The Fund's NAV per unit was \$5.4296 at 31 December 2018 vs \$5.9176 as at 30 November 2018.
- Unit price of the ASX listed LRT units at month end was \$4.82/unit, representing a 11% discount to underlying NAV.
- The NAV of the Fund was affected by a further write-down of the value of its position in Laguna Gold.

Top 6 holdings as at 31 December 2018

The unlisted Laguna Gold Pty Ltd notified shareholders on 19th December 2018 that it had appointed administrators. LRFM understands this was due to the cashflow and creditor position at the El Toqui zinc gold mine in Chile. As a result LRFM has written down the Fund's holding in Laguna to a nominal value. During the month, Gold Road announced its 50% owned Gruyere gold development is on track for first gold production in Q2 CY 2019, at an upgraded average LoM rate of 300,000 oz pa. Tinka Resources announced a new resource containing 56 Mt of 6.8% Zn, while Musgrave Minerals intersected 242m @ 1.0g/t Au

Company	Commodity	Listing code	% of gross investments
Gold Road Resources	Gold	ASX: GOR	8%
Tinka Resources	Zinc	TSXV: TK	5%
Musgrave Minerals	Gold	ASX: MGV	5%
Adriatic Metals	Zn/Cu/Au/Ag/Ba	ASX: ADT	5%
Cardinal Resources	Gold	ASX: CDV	4%
Indago Energy	Oil & Gas	ASX: INK	3%
Cash			9%



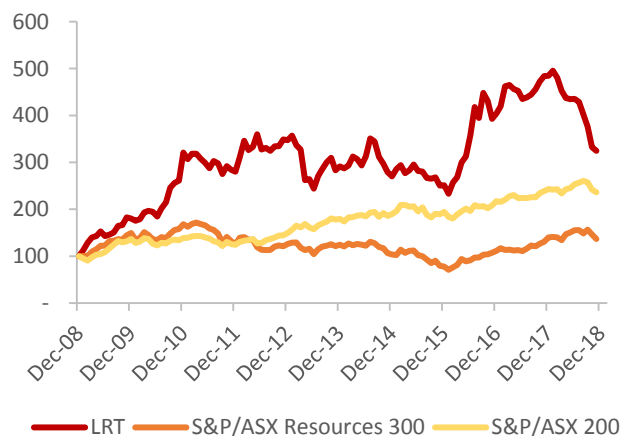
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Portfolio changes during the month ended 31 December 2018

During December, the Fund increased positions in O&G stocks with good exposure to Australian exploration programs in H1 2019, it also continued to take advantage of further market weakness in high quality junior Australian gold explorers and developers such as MGX, AZY, GMR and GMD.

As at 31 December 2018 the Fund's investments were weighted 42% in gold, 21% in base metals (predominantly zinc and copper), and 16% in oil & gas. Fertilisers were 3%. Battery minerals, mineral sands, uranium, coal, nickel and vanadium made up 1-2% each. The Fund's cash weighting was 9%.

10 year comparison performance chart (to 31 Dec 18, indexed at 100)¹



Total unitholder return comparison table¹

	LRT	Res 300	ASX 200
10 year	10.3%	3.5%	9.0%
5 year	0.6%	2.9%	5.6%
3 year	7.2%	22.5%	6.7%
2 year	-13.9%	13.4%	4.2%
1 year	-35.3%	2.3%	-2.8%
12 months (to 31 December 2018)	-35.3%	2.3%	-2.8%

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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¹LRT 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.