



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 16-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 rewarding sectors of the Australian as well as global share markets.

Fund overview

Investment Manager	Lowell Resources Funds Management Limited	NAV per unit	\$6.11
Managed since	6 February 2004	No. of units on issue	2,735,474
ASX code	LRT	Market price (ASX)	\$4.86/unit
Income distribution	Annual	Net Asset Value	\$16.7m

Unit price snapshot as at 29 February 2020

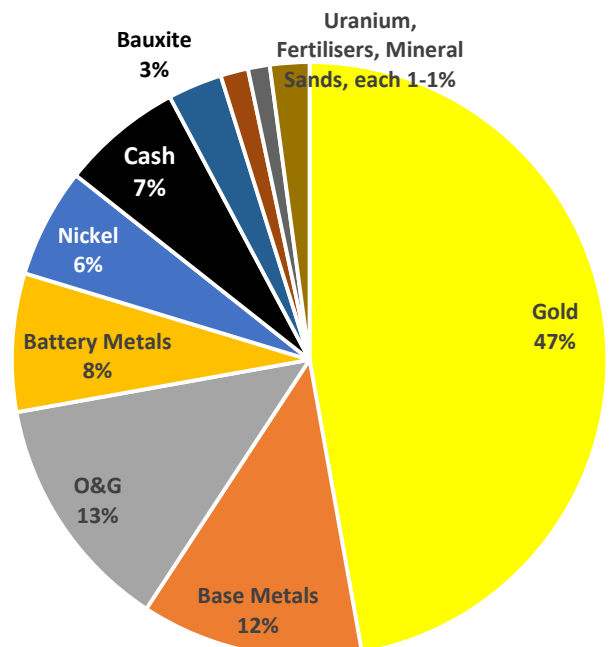
Fund performance summary

- The LRT continues to strongly outperform the small resources index with a net 19% out performance over the last 12 months. The Fund's NAV per unit was \$6.11 at 29 February 2020 vs \$6.21 as at 31 January 2020, a decrease of 1.6%.
- Unit price of the ASX listed LRT units at month end was \$4.68/unit, representing a 20.5% discount to underlying NAV.
- The Fund's NAV at the end of the month was approximately \$16.7 million.

Top Holdings

During February, volatility returned to both equity markets and commodity prices. As a result of gold price strength, and a major discovery by De Grey Mining, the Fund's weighting to gold moved up to 47% - the highest for some time. De Grey announced continuous, thick, good grade intercepts at its Hemi deposit in the Pilbara, and its share price jumped from 5cps to 20cps. Liontown Resources announced a world class 'interim' resource of 139Mt at 1.3% LiO₂, as well as high grade intersections at depth outside the resource envelope.

Company	Commodity	% of gross investments
De Grey Mining	Gold	9.1%
Liontown Resources	Lithium	7.0%
Cardinal Resources	Gold	6.2%
Musgrave Minerals	Gold	5.6%
Genesis Minerals	Gold	4.4%
Cash		6.6%





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Portfolio changes

The Fund increased its position in Calima Energy during February, as share price remained at attractive buying levels despite good news on the acquisition of the Tommy Lakes production facility adjacent to its Calima Lands gas and liquids field.

In gold, the Fund added to its position in Hammer Metals, and participated in a placement by Apollo Consolidated upon its maiden 1Moz resource estimate.

In base metals and bulk commodities, the Fund added to a position in Canyon Resources (bauxite developer in West Africa), while it took advantage of strength in Adriatic Metals share price to reduce.

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

Comparison performance

The month end position was impacted by equity market fears over Coronavirus. However, In the 12 months to 29th February 2020, the Lowell Resources Fund generated a 4.1% increase in underlying net asset value per unit (after fees and expenses), compared to the benchmark S&P/ASX Small Resources Index return of -14.7% (i.e. negative).

12 Month Performance	LRT Change in NAV per unit	S&P/ASX Small Resources Index (XSR.ASX)
31 Jan 2019 - 31 Jan 2020	4.1%	-14.7 %

The ASX trade unit price of LRT at the end of the month was \$4.86, which is a 5% increase over the previous 12 months.

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