AUSTRALIAN GOLD FUND

Quarterly Performance Report

For the Quarter Ended 30 June 2026

1. Executive Summary

2026 June Quarter Fund Performance Statistics

2026 June Fund Performance Statistics				
	Australian Gold Fund	ASX Gold Index (XGD)	Van Eck GDX	Van Eck GDXJ
Quarter Performance	-16.43%	-9.89%	-17.78%	-18.15%
Quarter Volatility (%)	42.43%	52.93%	51.30%	56.95%
12 Month Performance	25.48%	31.77%	45.95%	48.57%
12 Month Volatility (%)	37.93%	45.23%	46.73%	51.52%
Performance Since Inception	124.81%	122.11%	176.08%	162.90%
Volatility Since Inception (%)	31.69%	36.39%	39.67%	46.42%
Quarter % Days Outperform XGD	50.00%			
12 Month % Days Outperform	49.23%			
% Days Outperform Since Inception	48.83%			

The June quarter closed the most testing six months the precious metals complex has delivered since the Fund's inception, even if it does not stand as the most difficult quarter in isolation - the March 2020, June 2022 and September 2022 quarters were each more severe on that narrower measure. What sets the first half of this calendar year apart is the sheer distance prices travelled in the period. The quarter itself was the drawn-out final act of a correction that began in late January: after gold peaked near US$5,600 (~AU$7,840) and silver near US$120 (~AU$170), a flash crash, the outbreak of the Israel-US-Iran conflict, and then three months of grinding attrition returned the complex to earth. The June quarter was that third act - less violent than the flash crash but more corrosive, wearing down prices and patience through a series of false dawns.

Gold fell from around US$4,500-4,600 (~AU$6,500-6,650) at end-March to close near US$4,000 (~AU$5,800), briefly breaking to a seven-month low. Silver retraced from the US$70-75 (~AU$100-107) region to close near US$58 (~AU$83). Meanwhile, the ASX gold complex, having already absorbed the flash crash, took its heaviest damage in this quarter. The Fund returned -16.39% against the ASX Gold Index's -9.89% - a second consecutive negative quarter and a wider deficit to benchmark than March's roughly two-and-a-half points, reflecting the Fund's deliberate tilt toward the developer and explorer cohort that bore the brunt of the drawdown.

The most telling figure this quarter was not the Fund's own return but the gap between the ASX Gold Index at -9.89%, the Van Eck GDX at -17.78%, and the Van Eck GDXJ at -18.15%. The Fund, producer-light by design, fell by a similar amount to the Van Eck gold stock indices during this period.

We attribute the gold price weakness to five forces converging at once: a resurgent US dollar as the market repriced the Federal Reserve toward hikes rather than cuts; the deflation of the war premium as the ceasefire took hold; the diversion of safe-haven capital into the artificial-intelligence and technology complex, with the dollar rather than gold treated as the refuge; a wave of official-sector gold sales by nations funding elevated oil purchases through the conflict; and seasonal end-of-financial-year selling by Australian investors. None of these is structural, and it is the removal of the cyclical supports - war and easy money - rather than any change in the monetary thesis, that the correction represents.

The Fund preserved a narrow lead over the ASX Gold Index since inception (+125.00% versus +122.11%) and remained less volatile than the benchmark across every window, though the cushion has compressed sharply and the twelve-month figure has flipped to a lag. We do not read the quarter as a repudiation of strategy. The structural case - an emerging bi-currency order in which gold reassumes its role as monetary backstop - is intact, oil is braced for a lower long-run range, and the historical pattern of a mid-year trough giving way to a stronger September quarter is, in our judgement, setting up again. The Fund enters the new financial year with a larger cash reserve, a retained ETF buffer, and its highest-conviction developer positions held for the recovery we expect rather than sold into the low.

2. The Correction in Three Acts - How the June Quarter Fits the Pattern

The defining feature of the past two quarters has not been random volatility but a recognisable, almost textbook, three-act correction following a euphoric peak. Setting the June quarter in that arc is essential to interpreting it correctly.

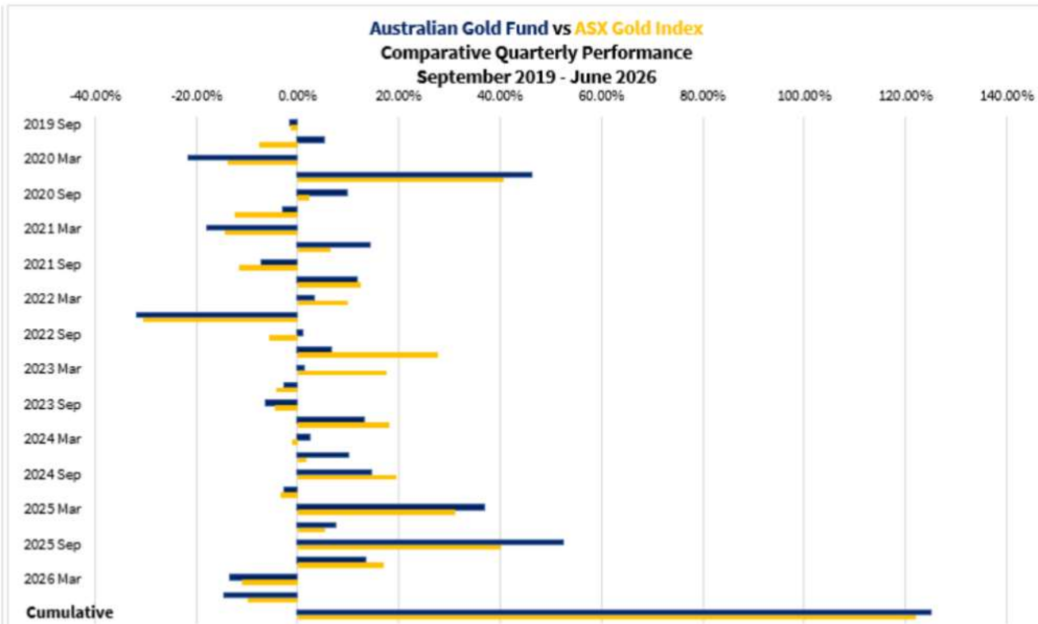
Act one was the flash crash. After gold pushed to euphoric highs near US$5,600 at the end of January and silver approached US$120, a brutal and fast unwind cleared the most extended speculative positioning in a matter of sessions. **Act two** followed as the Israel-US-Iran conflict broke out in late February: oil spiked - reaching as high as US$120 a barrel by mid-March as the Strait of Hormuz was blockaded - and dragged precious metals lower in the crossfire. Both acts fell largely within the March quarter and were documented in our previous report.

Act three is the June quarter: a slow, grinding tumble, less dramatic than the crash but more punishing for the way it lingered and repeatedly offered false hope before resuming lower. The gold price ground down to a seven-month low near US$4,000, silver slid under US$60, and the speculative end of the mining market continued to fall even after the larger producers had steadied. This is the phase that tests conviction hardest, and the point at which momentum investors capitulate while disciplined buyers accumulate.

The importance of the framework is that it separates cause from noise. The June quarter's declines were the tail of a positioning reset that began five months earlier, compounded by the withdrawal of the war premium and a hawkish repricing of the Fed - not evidence that the underlying monetary thesis has broken. The complex remains in a structurally elevated regime; what cleared this quarter was the last of the speculative excess and the crisis premium layered on top of it.

3. Fund Performance - A Second Reset Quarter and the Cost of Forward Positioning

The historical quarterly performance of the Fund against the ASX Gold Index is presented below.



Australian Gold Fund vs ASX Gold Index - Comparative Quarterly Performance, September 2019 - June 2026. Source: Australian Gold Fund.

The Fund returned -16.39% for the quarter, a steeper fall than March's -13.0% and its first back-to-back negative quarters since inception. The ASX Gold Index declined -9.89%, so the Fund trailed its benchmark by roughly 6.5 percentage points against approximately 2.5 in March. The widening of that gap, not the shared negative direction, is what needs explaining, and the explanation lies in composition.

Against that backdrop the Fund's shortfall is principally an allocation outcome, and a predictable one. Developers and explorers represent 45.0% of the book - the single largest exposure and precisely the cohort most exposed to the speculative unwind. The physical-metal ETF buffer, at 6.9%, was directionally correct but modest, and its silver component fell with the metal rather than defending against it; the 15.7% cash weighting did the most genuine defensive work. The same forward-leverage tilt designed to outperform in the next leg of the cycle is what amplified the drawdown in this one.

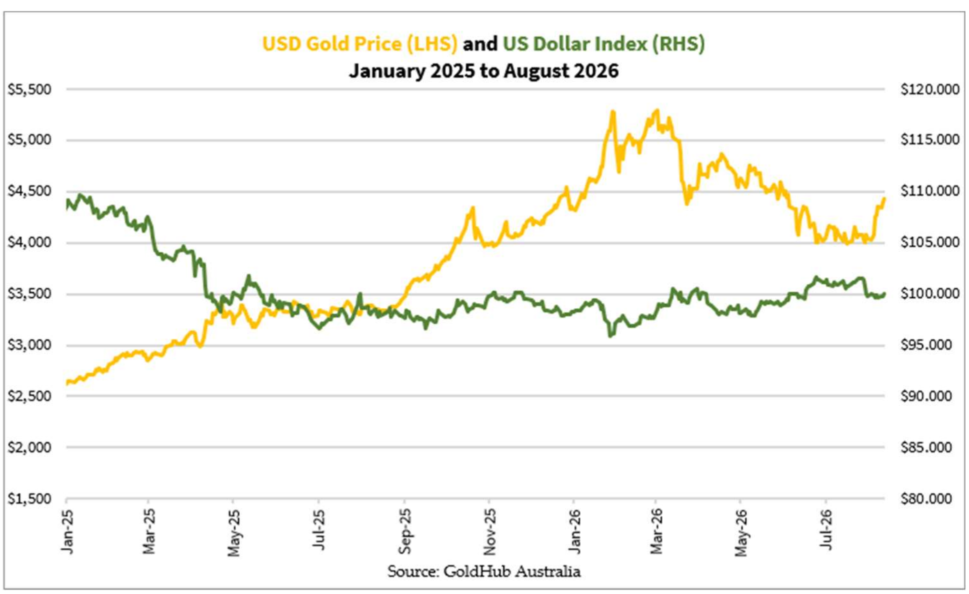
The risk-adjusted picture is more favourable than the headline. The Fund was less volatile than XGD across every window - 42.34% versus 52.93% for the quarter and 31.72% versus 36.25% since inception - so it fell further in total return while moving with less day-to-day violence. With a 50.0% daily hit rate against the benchmark for the quarter, the underperformance was concentrated in a handful of high-magnitude down days when the developer book was marked hardest, rather than being broad-based.

The medium-term record must be stated plainly. The rolling twelve-month return has flipped from leadership to lag - +25.59% versus XGD's +31.77% - having been about seven points ahead in March, a rolling-window effect as the strong mid-2025 quarters roll off and both reset quarters roll in. The since-inception lead survived at +125.00% versus +122.11%, but the cushion has compressed from nearly twenty points to under three. The Fund remains ahead on an inception-to-date and volatility-adjusted basis; it no longer does so comfortably.

The March positioning produced a mixed result. The defensive elements worked in the right direction but were undersized for the move. The developer rotation detracted on a mark-to-market basis and has not yet been vindicated - its justification rests entirely on the recovery it is designed to capture. We hold that conviction deliberately: the pattern of the past three years has been for a mid-year trough in gold and the established producers to give way to a materially stronger September quarter, with silver and the smaller stocks late to turn but explosive when they do. The Fund has positioned for that turn rather than capitulating into the low.

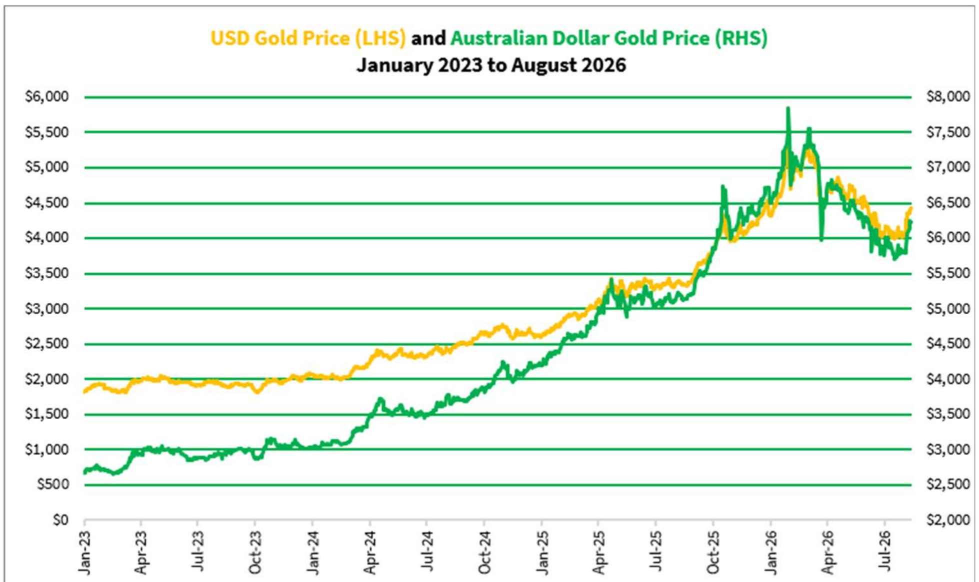
4. Precious Metals Macro - Five Cyclical Forces, One Structural Reset

The June quarter's weakness in gold came from five forces converging at once. First, the US dollar came roaring back: the US Dollar Index pushed above 100 to a one-year high as the market repriced the Federal Reserve toward the risk of hikes rather than the cuts our March report had assumed:



Second, the war premium deflated as the US and Iran extended a ceasefire to negotiate terms, pricing out the prospect of a prolonged conflict that had been propping up the gold price. Third, safe-haven capital was diverted - rather than fleeing to gold, investors crowded into the artificial-intelligence and technology complex and treated the dollar itself as the refuge of choice. Fourth, a wave of official-sector selling emerged as some nations liquidated portions of their gold reserves to fund oil purchases at elevated prices during the conflict. Fifth, Australian investors conducted seasonal end-of-financial-year selling into 30 June. Together they made a perfect storm.

None of these forces is structural. USD gold, having peaked near US$5,600 in late January and closed March around US$4,400-4,500, fell to close the June quarter near US$4,000:

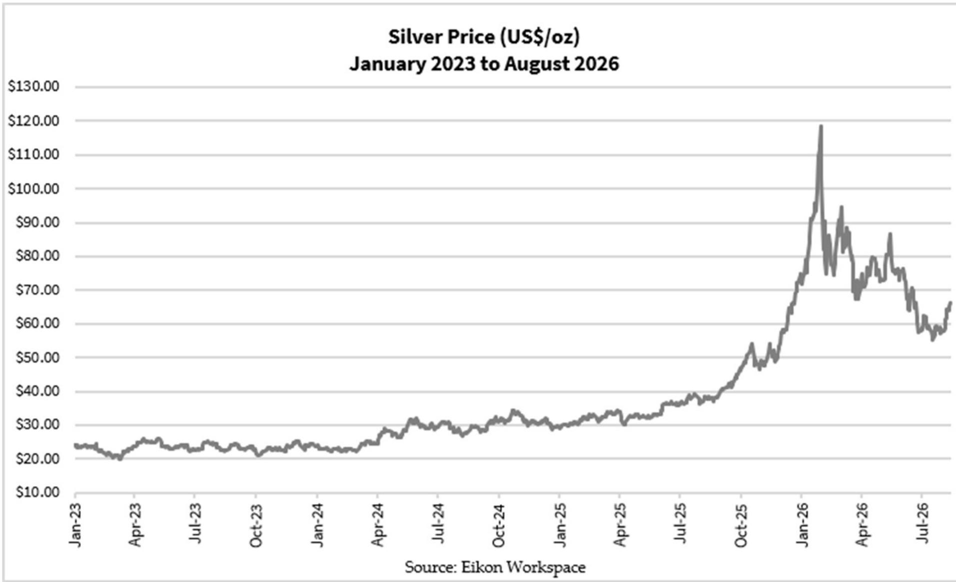


Source: GoldHub Australia

The Australian-dollar gold price eased in parallel to roughly A$5,800 and offered little currency relief, because the Australian dollar was itself elevated on the RBA's hawkish stance. In both currencies gold remains far above its pre-2025 base; what has been given back is the premium that war and easy money had temporarily added.

Beneath the cyclical noise, the structural reset that matters is a transformation of the petrodollar system rather than its collapse. The UAE's exit from OPEC on 1 May, the rerouting of global oil flows, and the prospect of Iranian supply returning to the market point toward a lower long-run oil price and cement the United States - whose production now rivals Saudi Arabia and Russia combined - at the centre of the global economy. In parallel, China has continued to reduce its US-dollar and Treasury reserves and replace them with gold, a flow that has underwritten much of the metal's multi-year advance. What is emerging is a bi-currency order: the dollar still dominates trade, but gold increasingly serves as the monetary backstop. The June sell-off did not disturb that architecture; the official-sector selling that pressured gold this quarter was a conflict-driven, tactical impulse, not a reversal of the strategic accumulation that continues in the background.

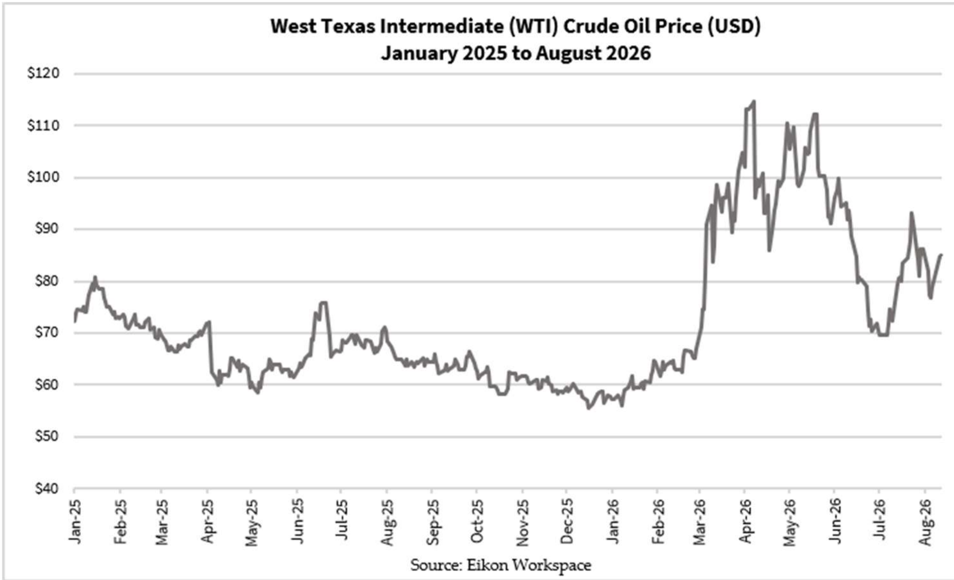
Silver expressed the same forces with greater amplitude. Having peaked above US$120 in January, it spent most of the quarter in the US$70-90 band before a late-June risk-off wave carried it below US$60, closing near US$58:



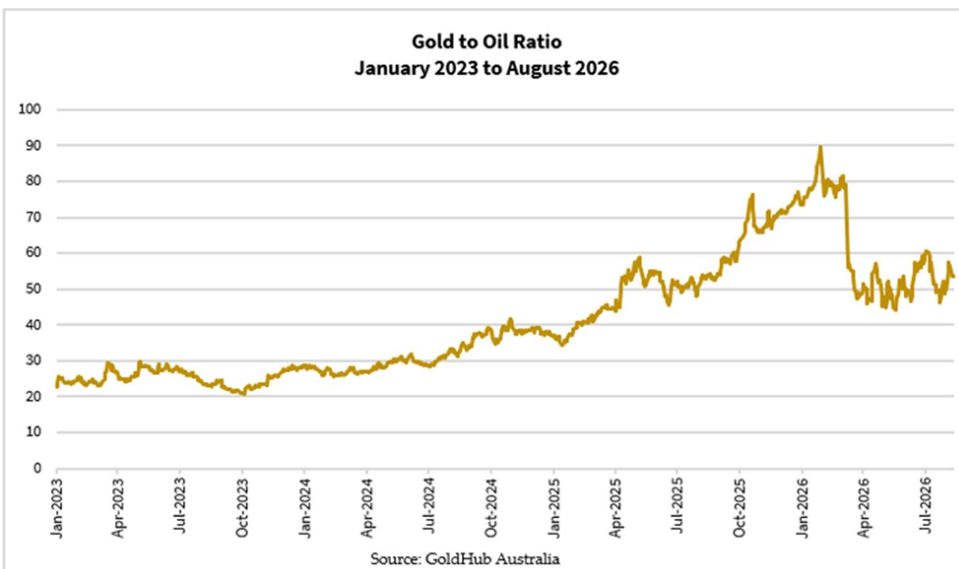
Its underperformance relative to gold - the gold-silver ratio widening back out. This confirms that speculative and industrial demand, not monetary demand, drove the drawdown. The structural case set out in March is intact; silver's June behaviour is simply a reminder that it trades as a high-beta proxy for risk appetite in the short run, and that appetite was withdrawn this quarter. For the Fund, whose ETF buffer includes direct silver exposure, we address this directly in the portfolio section.

5. Gold vs Oil - The Margin Tailwind Returns, and Why It Should Persist

The most important macro development of the June quarter was, once again, in crude oil - but in the opposite direction to March. After spiking to as high as US$120 a barrel by mid-March on the Strait of Hormuz blockade, oil pulled back to the US$80-105 range through late May and then fell toward US$70 as the mid-June ceasefire took hold, returning to levels last seen before the war began on 27 February. The feared 1970s-style fuel crisis did not materialise: strategic-reserve drawdowns by the United States, China and Japan, the rerouting of tankers, and the UAE's new Habshan-Fujairah pipeline bypassing the Strait all worked to keep supply flowing and cap the price.



The consequence for the gold-oil ratio directly inverts the concern we raised last quarter. In March the ratio had compressed from a February peak near 90 to roughly 50, which we characterised as the possible end of the 'GOLDilocks' phase for producers:



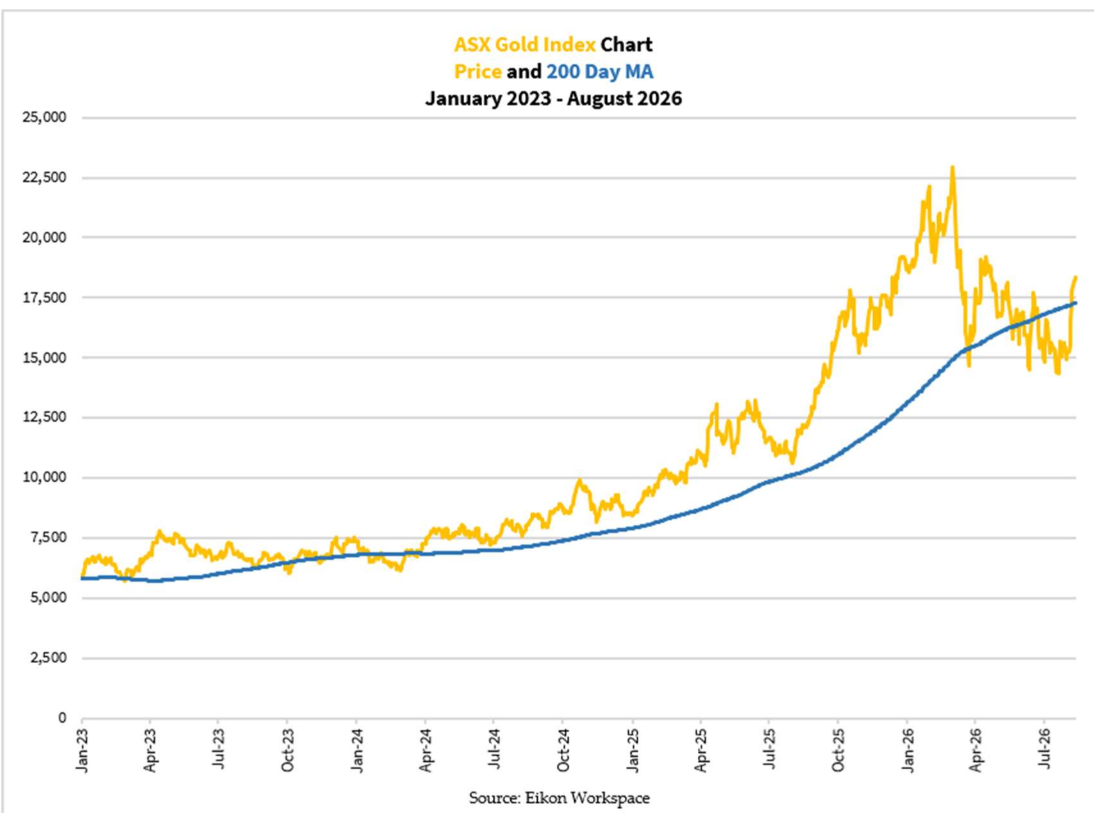
In June the ratio recovered to around 57 as oil fell proportionally further than gold. For a low-cost producer that is a genuine margin tailwind, one we expect to show through in producer earnings, and in time valuations, over the quarters ahead.

More importantly, we expect the tailwind to persist. The UAE's departure from OPEC, the potential unravelling of the cartel's quota discipline, and the eventual return of sanctioned Iranian barrels all point to a structurally lower oil price - a regime in which US$60 a barrel behaves more as a ceiling than a floor. A sustained low oil price does more than lift producer margins: it unwinds the very inflation narrative being used to justify further Fed tightening. Lower oil means softer headline inflation, which means less justification for the Fed to raise rates, which is precisely the environment in which gold and silver have historically thrived. This is the single most important signal we are watching, because it links the oil market directly back to the monetary case for gold and to a recovering gold-oil ratio that would give gold equities their setup for a rally.

Two qualifications remain. The relief is lagged in the accounts: the March-quarter oil spike will still flow through reported all-in sustaining costs in the June and September quarters before the June decline appears, and Strait-of-Hormuz disruption may show up as elevated freight and reagent costs for Australian operations specifically. And the ratio's recovery was achieved partly by gold falling, not by oil falling alone. But the direction of travel for producer economics turned favourable this quarter, and it is the market's assumption that oil must re-spike - which we do not share - that keeps sentiment bearish.

6. Gold Equities - Producers Find a Floor as the Speculative End Lags

The ASX Gold Index extended its decline through the June quarter, falling -9.89% to close at approximately 15,010 points - derived from the 16,658 close reported at end-March and this quarter's return:



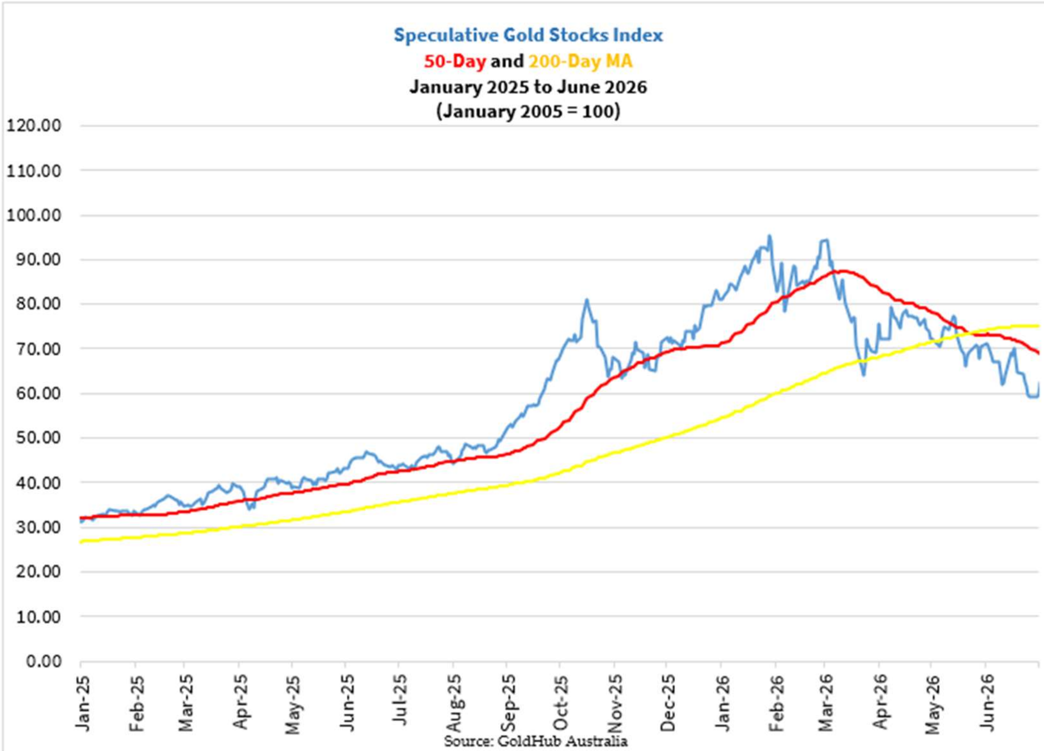
That level returns the index almost exactly to the 200-day moving-average support we identified in March as the line separating a healthy medium-term uptrend from genuine technical damage. On average, established producers and late-stage developers fell around 35% from their highs earlier this year before, encouragingly, appearing to find a bottom late in the quarter.

The divergence that mattered this quarter was between the ASX and the world. Stripping out Newmont, which dominates the headline benchmark, the domestic mid-tier and junior cohort carries the higher beta that made it vulnerable to the unwind and, at the same time, being unhedged, captured none of the currency-driven uplift that flattered GDX's reported return. The practical implication is more encouraging than the headline suggests. The operating environment for well-run producers improved over the quarter, with lower oil, recovered margins, and a handful of corporate transactions occurring, including Regis Resources and Genesis Minerals making an offer to acquire Vault Minerals, the sale of the Edna May assets by Ramelius Resources to Forrestania Resources, and the sale of Peak Hill by Westgold Resources to Great Boulder Resources.

Despite that, domestic producers ended the quarter weaker than at the end of the previous quarter. This makes their valuation more attractive as they could offer significant upside potential in the future. For this reason, our Fund retains a sizable exposure to some of the strongest cashflow-generating producers, including Capricorn Metals, Ramelius Resources, West African Resources, etc.

7. Developers and Explorers - Where the Pain, and the Opportunity, Concentrate

The speculative end of the market remained under pressure through the quarter, and continued falling even as the larger producers steadied. The index masks the severity at the company level: some explorers and early-stage developers dropped by almost two-thirds from their highs. The narrative that had propelled the cohort through late 2025 - that physical-market tightness in silver would drag the entire speculative complex higher regardless of company-specific fundamentals - broke decisively when silver fell below US$60, leaving these names without a top-down bid at the moment the metal complex was making new local lows.



Speculative Gold Stocks Index with 50-day and 200-day moving averages, January 2025 - June 2026 (January 2005 = 100). Source: GoldHub Australia.

This is the ordinary late-cycle pattern, not a structural failure. When speculative excess is cleared and the marginal momentum buyer has gone, the upside available in developers and explorers with genuine project quality improves markedly - and it is historically silver and the smaller stocks that turn last but move most violently once the cycle re-inflects. The corporate-activity pipeline that defined 2025 has paused as boards reassess cost of capital, but deal flow should resume as the market stabilises, on terms far more favourable than those available at the February peak.

Within the Fund, the developer and explorer book drew down with the cohort, and this is where the quarter's underperformance was concentrated. The disciplined profit-taking executed at the December and January highs continued to shelter the Fund on an inception-to-date basis, and the late-quarter weakness allowed selective additions to the highest-conviction names at more attractive entry levels. When a sell-off looks this overdone against companies with real project progress, the opportunity is usually there for those prepared to act; the Fund has treated this act of the correction as the time to build, not abandon, its forward-leverage positions.

8. Portfolio Positioning and Strategy

The Fund's end-of-quarter portfolio allocation is shown below.

	% Portfolio by Market Value	Range
Cash	15.7%	2-10%
Major and Large Producers	0.2%	0-20%
Mid-Tier Producers	20.4%	0-60%
Junior and Micro Producers	11.9%	0-60%
Developers and Explorers	45.0%	0-25%
Precious Metals and Tech ETF	6.9%	0-30%

Australian Gold Fund - End of Quarter Portfolio Allocation, 30 June 2026. Source: Australian Gold Fund.

Three features of the June allocation stand out. First, developers and explorers remain the largest single exposure at 45.0% - a strategic tilt retained through the drawdown on the thesis that the next leg of the cycle rewards forward leverage. Second, the cash weighting has been built to 15.7%, providing both the defensive cushion that worked best through the quarter and dry powder to deploy as the recovery clarifies. Third, direct producer exposure outside the mid-tier is negligible: major and large producers stand at just 0.2%, with the 20.4% mid-tier weighting anchored by Capricorn Metals, and the precious metals and technology ETF bucket at 6.9%.

This configuration is deliberate. The Fund holds direct metal exposure through liquid ETFs to capture continued outperformance without single-stock execution risk; preserves concentrated, high-conviction developer positions where company-specific catalysts - permitting, funding, first pour - can drive returns independently of the broader tape; and keeps a low-cost producer core in Capricorn for quality and optionality. We are conscious that the improved margin environment strengthens the producer case, and we will apply the same valuation discipline to re-engaging with producers as governed the decision to rotate away from them through 2025. But with oil braced for a lower range, the Fed's tightening case weakening, and the seasonal setup favourable, the Fund is positioned first and foremost for the recovery in the developer and speculative cohort that we expect to unfold over the September quarter and beyond.

Investment Framework

The Australian Gold Fund manages its portfolio by assessing the stage of the gold price cycle to determine appropriate exposure across precious metals assets. The portfolio is built bottom-up, with each position selected on the quality of its assets, its stage in the mining life cycle, geographic exposure, financial position, management quality and relative valuation.

Our quantitative framework anchors on the macroeconomic conditions that drive producer operating and financial performance. The Gold-Oil Ratio is, in our view, an effective one- to two-quarter leading indicator of producer share-price performance, and it is this quarter's recovery in the ratio that underpins our expectation of a producer rerating over the quarters ahead. Sentiment drives the trading of gold first before passing through to gold stocks; only then are individual stocks evaluated on their capacity to create value.

For ranking producers and late-stage developers we use the Valuation to Profit Margin Multiple, a metric developed by our Founder, Brian W.B. Chu, conceptually analogous to the Price-Earnings Ratio. It considers annual gold production adjusted by extraction cost; a higher ratio implies either overvaluation or market pricing of factors beyond cost-adjusted production. For explorers and early-stage developers, we recognise that investor sentiment, more than fundamentals, drives market value; selection focuses on the potential to advance the project and on balance-sheet capacity to do so without undue dilution, benchmarking the share price against its level at comparable points in the gold cycle rather than attempting a necessarily speculative fundamental valuation.

9. Top 5 Holdings

The Fund's top five holdings as at 30 June 2026 are set out below.

#	Holding	Category	Role
1	**Cavalier Resources**	Late-stage developer	Conviction
2	**Global X Physical Palladium ETF**	Precious metals ETF	Buffer
3	**Maritana Minerals**	Late-stage developer	Conviction
4	**Capricorn Metals**	Mid-tier producer	Core
5	**Global X Physical Silver ETF**	Precious metals ETF	Buffer

The composition reflects the disciplined repositioning of the past six months, with two changes from March. First, the Global X Physical Palladium ETF has risen above the Global X Physical Silver ETF in the ranking - a direct consequence of silver's roughly twenty-per-cent drawdown over the quarter, which reduced the relative weight of the silver position even as both metals were retained for their structural supply-demand cases. Their presence near the top of the book is a deliberate choice to hold liquid, lower-idiosyncratic-risk metal exposure through a period of elevated equity volatility, with the silver holding a candid reminder that a high-beta metal is an imperfect defensive instrument.

Capricorn Metals retains its position as the core producer holding, its low-cost Western Australian base and disciplined capital allocation underpinning relative resilience through the correction and making it the natural anchor for producer exposure. Cavalier Resources remains the highest-conviction late-stage developer, offering substantial leverage to a recovery in gold equities and to the transition from developer to producer. Near the end of the March quarter the company updated the market with a refined, non-binding funding package, confirming that progress was being made despite the challenging environment prevailing at the time; a binding funding package followed after the close of the June quarter.

The principal change is the entry of Maritana Minerals at number three, replacing Horizon Minerals. Maritana has advanced its project pipeline and strengthened its funding position over the quarter, and we hold it as a high-conviction developer position with meaningful leverage to a recovery in gold equities. Its promotion into the top five reflects both that progress and the redeployment of capital from names that had reached our valuation thresholds.

The rotation away from the producers that featured in the Fund's top five through 2025 reflects ongoing discipline: taking profits in positions that rerated to or beyond our internal valuation thresholds, and redeploying into developers with greater forward potential or into ETF buffers. With the correction now deep into its third act and the recovery setup building, that same discipline governs the accumulation of quality developer positions at prices we expect to look attractive in hindsight.

Glossary

Producer classification (annual gold production): Major - 1Moz p.a. or more; Large - 0.5-1Moz p.a.; Mid-tier - 150,000-500,000oz p.a.; Junior - 50,000-150,000oz p.a.; Micro - less than 50,000oz p.a.

Developers are companies with at least one advanced deposit that has confirmed resources and reserves together with a scoping or feasibility study. Early- and late-stage developers are distinguished by permits and approvals secured, whether construction funding is in place, and the stage of construction; a company pouring first gold remains a late-stage developer until it confirms the mine has reached commercial capacity. Explorers are companies with properties in early stages of exploration and development, from pre-discovery through to a confirmed deposit yet to publish a study of its projected economics.

To value gold mining companies we use Enterprise Value - the market value of equity plus net borrowings (or less net cash) - compared against tangible assets to assess reasonable valuation. All-in Sustaining Cost (AISC) is the World Gold Council's standardised measure comprising cash cost plus sustaining expenditure. Net Cashflow from Operations Excluding Maintenance Capital Expenditure measures cash generation after operating costs and sustaining capital, excluding exploration and evaluation treated as growth capital; it is not fully comparable across companies given discretion in classifying operating versus investing and development versus exploration expenditures.

Disclaimer