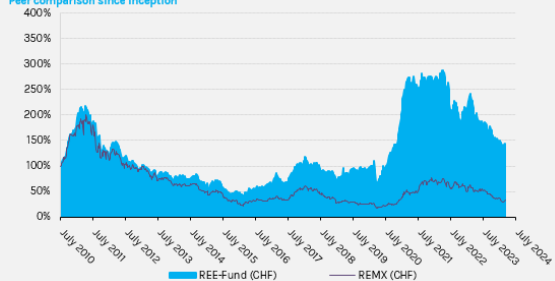


February 2024

Rare Earth Elements Fund (CHF)

Long-only equity fund investing along the Critical Raw Materials industry.

Peer comparison since inception



Top 10

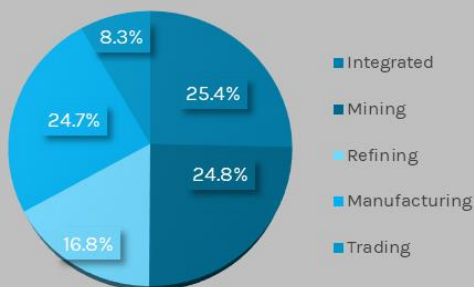
Ivanhoe Mines	11.8%
CMOC Group	9.3%
Sojitz	8.4%
Sylvania Platinum	7.7%
5N Plus	6.4%
Neo Performance Materials	5.1%
China Rare Earth Holding	4.6%
Lynas Rare Earth Ltd.	4.5%
Plastic Omnium	3.9%
South Manganese	3.6%

Performance History

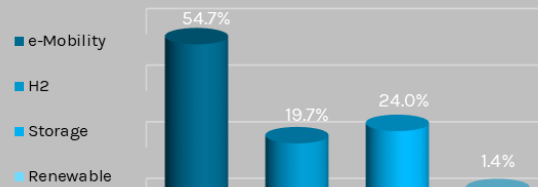
In %	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
2024	-7.36	3.75											-3.88
2023	17.64	-8.24	-9.83	-4.18	-5.67	-2.42	3.50	-7.20	-0.18	-8.54	-1.16	-2.61	-27.53
2022	-7.94	4.85	10.13	-10.00	-1.12	-18.45	5.26	-6.09	-10.07	1.61	13.77	-3.96	-23.85
2021	10.19	13.78	-1.40	1.89	-2.80	-1.32	5.75	2.20	-7.80	9.33	-5.64	3.83	28.94
2020	-1.54	-4.70	-27.82	22.31	14.76	4.76	13.21	14.31	3.27	4.02	26.65	23.15	115.93
2019	6.71	4.11	2.47	0.60	10.53	2.38	-6.03	-2.02	10.10	-1.88	-4.68	8.47	33.29
2018	-4.14	-6.30	-0.50	4.13	-3.10	-8.69	-3.83	-0.68	0.11	0.57	-5.80	11.84	-34.23
2017	18.88	6.43	-9.62	-7.09	-2.06	5.85	16.86	8.61	8.82	5.23	-0.10	8.29	73.17
2016	-10.02	-2.73	8.18	17.93	-0.55	-0.92	5.76	0.00	3.51	5.09	3.55	0.00	31.08
02.07.2010 – 31.12.2015													-51.10

NAV as of 01.03.2024	CHF 143.70	Number of holding	39
Fund since inception (02.07.2010)	43.70%	Fund manager	Active Niche Funds SA, CH
MSCI-World in CHF since inception	186.60%	Custodian	Banque Cantonale Vaudoise, CH
MSCI-World in CHF (ytd)	11.20%	Mgt & Administrative Agent	Caceis (Switzerland) SA, CH
Units in circulation	187'833	Liquidity: Sub. weekly	cut-off Wednesday 5 PM
Assets under management	CHF 26'985'522	Red. weekly	cut-off Wednesday 5 PM + 1 week

Value Chain



Sub-Sector Themes



ISIN	CH011943673	Performance fees	20% outperformance above HR with principle of High Watermark
Domicile	Switzerland	Max. Admin. fees	0.45% p.a.
Legal structure	CH contractual umbrella fund classified as "other traditional investment fund"	Load-up fees	Maximum 2%
Investor profile	Public	Redemption fees	0.50% (goes to the Fund)
Auditor	KPMG, CH	TER	3.36% p.a. (2022)
Tax transparency	Germany & Austria	Dividends	Paid to investors
PRIIPS KID	Risk category 6	Security lending	None
Management fees	1.50% p.a.	Initial NAV. 02.07.2010	CHF 100
Hurdle rate (HR)	10% p.a. cumulative	Prospectus & legal	www.caceis.ch - www.swissfunddata

Forex Exposure (net in %)

AUD 17.7	CAD 31.2	CNY 0.2	DKK 1.4	EUR 6.8	GBP 10.4	HKD 10.5	JPY 10.6	NOK 2.7	CHF 8.5
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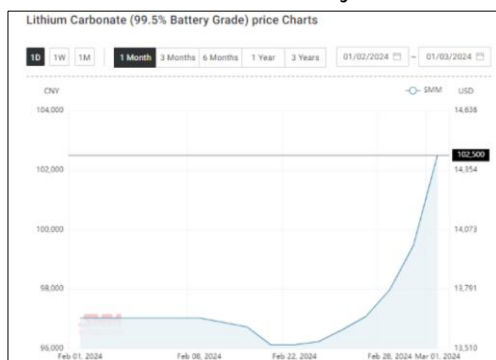
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Investment Strategy

Outlook

In last month's *Outlook*, we discussed the positive correlation between the Chinese stock exchange indices and the broader *energy transition*-theme. That statistical co-movement has a fundamental background as we detailed – China is simply the leading economic power house, way more important than Europe and the USA. During the reporting month, we saw kind of a V-bottom recovery in the *Shanghai Composite Index* and, as little surprise, the energy transition stocks rebounded, too.

In the latter part of February, lithium, the best-known battery material, came into headlines. At the Guangzhou Commodity Exchange (GFEX), prices for lithium-carbonate finally started to rebound:



(Source: Juan Carlos Zuleta @jczuleta)

Higher prices for battery materials go hand-in-hand with strong electric vehicles (EV) sales – again in China. We regularly observe price changes in all critical raw materials (CRM) as early signals for corresponding price changes in related equities.

In this respect, we also mention battery grade Nickel that is up some 5% over the last 90 days; Manganese, another cathode material saw a similar upside reaction.

Prices for materials used in permanent magnets (Neodymium, praseodymium, dysprosium and terbium), however, still lack upside momentum. These elements must be observed carefully, too, as they seem to be mispriced when compared to the bolstered activity in their underlying markets such as EVs and wind turbines.

Related miners and especially processing companies (that separate and refine the various elements) should remain in investors' focus – more so as *Beijing* last December banned exports of technology for making rare-earth magnets and imposed other restrictions related to the vital industrial metals.

In any case, the geopolitical landscape is unlikely to change in the foreseeable future and the new multi-polar world will force most Western countries to not only rebuild the whole value chain in CRMs but also to rebuild strategic stocks as a national defence measure.

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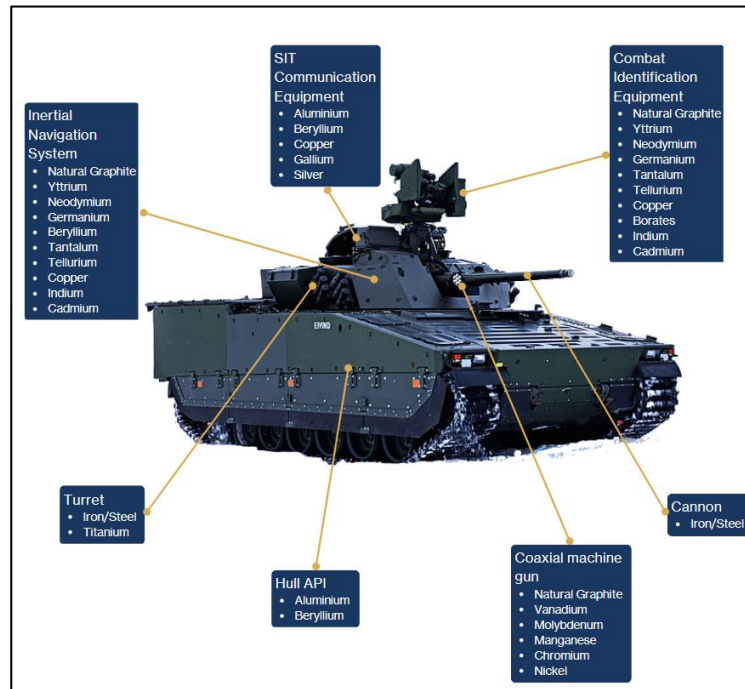
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What many investors may ignore are the uses of many CRMs in drones, missiles and other military equipment – the defence industry that, till today, we never highlighted in our publications for obvious reasons.

Here below just once example from *The Hague Centre for Strategic Studies* (“Strategic raw materials for defence Mapping European industry needs”):



(Source: [here](#))