

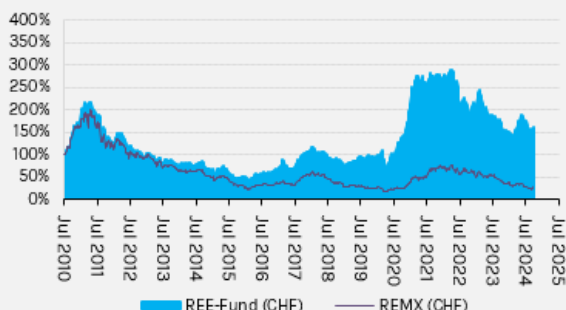
September 2024

# Rare Earth Elements Fund (CHF)

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

Ce document est un support marketing. Les investisseurs doivent lire les documents PRIIPS KID et prospectus avant d'investir.

### Peer comparison since inception



### Top 10

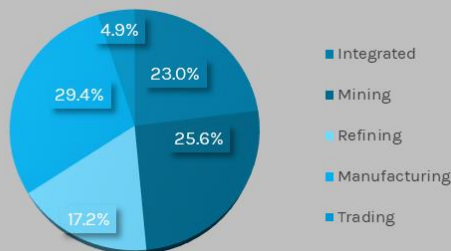
5N Plus	7.6%
Sylvania Platinum	7.2%
Lynas Rare Earth	5.7%
Sojitz	4.9%
CMOC Group	4.9%
Eramet SA	4.8%
Neo Performance Materials	4.7%
China Rare Earth	4.6%
Chalco	4.6%
Dowa Holding	4.5%

### Performance History

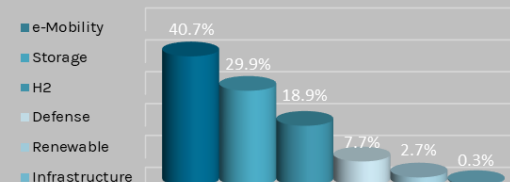
In %	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
2024	-7.36	3.75	13.01	7.94	6.05	-9.41	-16.33	11.14	3.45				8.36
2023	17.64	-8.24	-9.83	-4.18	-5.67	-2.42	3.50	-7.20	-0.18	-8.54	-1.16	-2.61	-27.53
2022	-7.94	4.85	10.13	10.00	-1.12	-18.45	5.26	-6.09	-10.07	1.61	13.77	-3.96	-23.85
2021	10.19	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 27.09.2024	CHF 162.00	Number of holding	42
Fund since inception (02.07.2010)	62.0%	Fund manager	Active Niche Funds SA, CH
MSCI-World in CHF since inception	204.66%	Custodian	Banque Cantonale Vaudoise, CH
MSCI-World in CHF (ytd)	18.21%	Mgt & Administrative Agent	Caceis (Switzerland) SA, CH
Units in circulation	171'641	Liquidity: Sub. weekly	cut-off Wednesday 5 PM
Assets under management	CHF 27'803'277	Red. weekly	cut-off Wednesday 5 PM + 1 week

### Value Chain



### Sub-Sector Themes



ISIN	CH0111943673	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	<a href="http://www.caceis.ch">www.caceis.ch</a> - <a href="http://www.swissfunddata.com">www.swissfunddata.com</a>

### Forex Exposure (rounded, net in %)

AUD 28.4	CAD 16.3	CNY 3.3	DKK 1.0	EUR 8.6	GBP 9.8	HKD 10.5	JPY 9.5	NOK 2.4	CHF 10.0
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## Outlook

### *China – the CRM Elephant*

China's bazooka-type stimulus announced last week took many investors by surprise; understandably so, given the lackluster performance of Sino-related equities over the recent past.

The strong rally was accompanied by heavy trading volume what underpins a possible upside reversal and higher prices going forward.

Critical raw materials (CRM)-related common stocks fully participated in the above-described runup what tells us that, and by far, China is the driving force in the energy transition as so often discussed in the past. That comprises miners as much as refiners and manufacturers, including companies linked to batteries and permanent magnets. Importantly, spot prices of different CRMs reacted positively, too, telling us that the equity rally wasn't simply "short-covering".

Should market participants finally acknowledge that China is the real CRM-elephant in the room and that Europe and the US play a subordinated role only?

Next to the above event, we also learned that *"...Western nations are directing their development finance and export credit agencies to work with private industry to support critical minerals projects, in a drive to break China's chokehold over a sector that is essential for high-tech industries..."* (our weekly mailing dt., September 27, 2024).

Although not detailed in the mentioned article, such initiatives are not limited to the energy transition stocks but also embrace the defense sector (hence, their "dual role"). We discussed the worldwide fragile geopolitical landscape repeatedly, while stressing what impact higher defense budgets may have for those CRMs used in civil and defense industries.

In this respect, our external scientific advisor presented the case for Tungsten (W - Wolfram) during our last investment committee. On one side, W is needed in low-emission technologies and plays a crucial role in infrastructure; on the other side, the defense sector already absorbs some 10-20% of Tungsten's annual supply (e.g., armored vehicles or defense shields like Israel's "iron dome") with the trend clearly pointing higher.

As put to the forefront in our last month's *Outlook*, energy storage related equities should also return to investors' focus. Therein, so called long-duration and large-scale utility renewable energy storage application should not be neglected, with Vanadium being the critical element in focus.

The classical magnet materials (Neodymium, Praseodymium, Dysprosium and Terbium) have also reacted positively to China's stimulus program, just as its players: miners (e.g., Lynas Rare Earth) and manufacturers of permanent magnets had a nice run in anticipation that sales of electric car and wind turbines should benefit.

In conclusion, the Chinese bazooka has likely ringed-in a new cyclical uptrend for CRM-companies and therefore for the REE-Fund!

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