



TB Amati Strategic Metals Fund

CITYWIRE **AAA** June 2022

KEY INFORMATION

Launch Date	March 2021
Fund Managers	Georges Lequime Mark Smith
B Share Class	99.02p
Fund Size	£63.9m
Dealing Line	+44(0)1159888275
IA Sector	Commodities and Natural Resources
Benchmark	EMIX Global Mining Index (GBP)
No. of holdings	42
Min Lump Sum	£1,000
Min. Regular Savings Plan	£50/month
Charges	0.75% Annual Mgt Charge plus research charge of 0.10% (OCF capped at 1%)
Share Type	Accumulation
Scheme	UK UCITS
ISIN	GB00BMD8NV62

10 LARGEST HOLDINGS (% OF TOTAL ASSETS)

Fresnillo	5.2%
AngloGold Ashanti	5.0%
Coeur Mining	4.6%
Fortuna Silver Mines	4.4%
Endeavour Mining	4.2%
Sigma Lithium	4.1%
K92 Mining	3.4%
Pan American Silver	3.4%
Atlantic Lithium	3.0%
Centaurus Metals	2.9%

CUMULATIVE PERFORMANCE

Time Period	Fund Return *%	Benchmark Return **%
1 mth	-16.66	-14.21
3 mths	-23.00	-20.47
6 mths	-11.10	1.33
1 year	-1.19	0.81
Since Launch#	-0.98	4.71

INVESTMENT OBJECTIVE

The fund aims to provide capital growth over the long term (periods of 5 years or more). The Fund invests in mining companies listed in developed markets worldwide.

For further information on our objectives and policy, please view the Key Investor Information Document (KIID) at: [Strategic Metals Documentation](#)



*Performance data as at 30 June 2022

*TB Amati Strategic Metals Fund, Total Return.

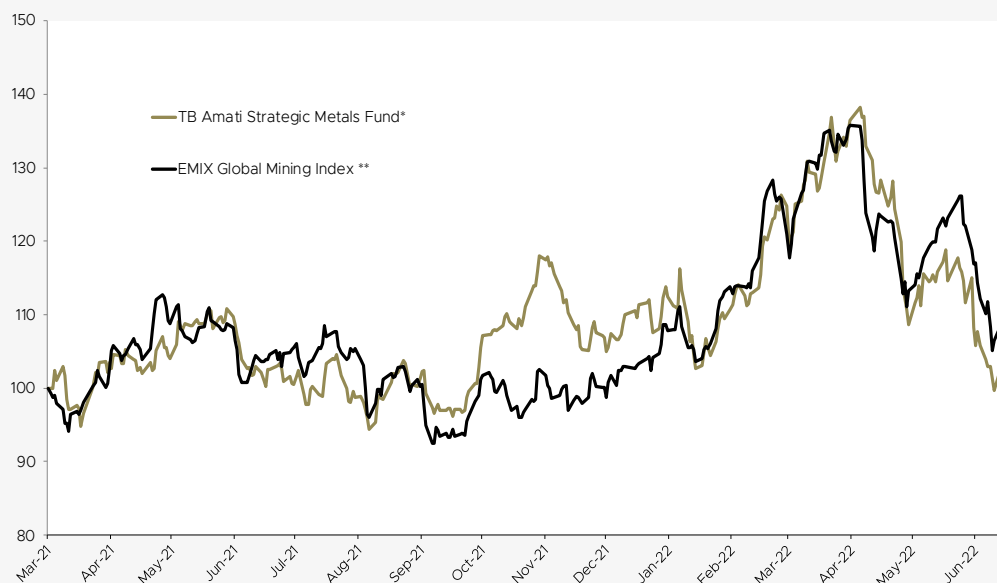
**EMIX Global Mining Index (GBP), Total Return.

#15 March 2021



PERFORMANCE VS BENCHMARK

SOURCE: AMATI GLOBAL INVESTORS (AS AT 30 JUNE 2022)



*TB Amati Strategic Metals Fund, Total Return.

**EMIX Global Mining Index (GBP), Total Return. The stocks comprising the index are aligned with the Fund's objectives, and on that basis the index is considered an appropriate performance comparator for the Fund. Please note that the Fund is not constrained by or managed to the index.

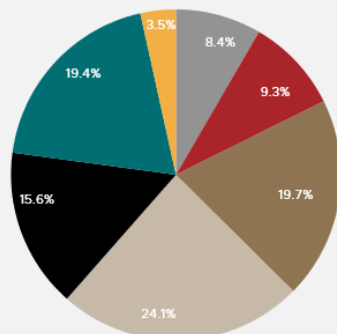
Sources: T. Bailey Fund Services, Financial Express Analytics and Numis Securities. Information in this factsheet is at the last valuation point of the month, except where indicated.

Past performance is not a reliable indicator of future performance.



MARKET CAP

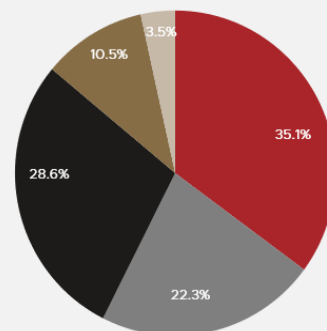
<\$100m	8.4%
\$100m-\$250m	9.3%
\$250m-\$500m	19.7%
\$500m-\$1000m	24.1%
\$1000m-\$2000m	15.6%
>\$2000m	19.4%
Cash	3.5%



Source: Amati Global Investors as at 30/06/2022

ASSET ALLOCATION

Gold	35.1%
Silver	22.3%
Specialty	28.6%
Industrial	10.5%
Cash	3.5%

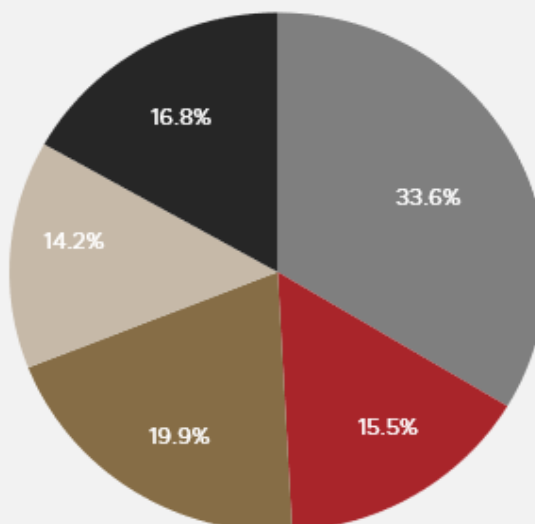


Source: Amati Global Investors as at 30/06/2022



GEOGRAPHICAL DISTRIBUTION BY REVENUE

North America	33.6%
South America	15.5%
Africa	19.9%
Australia	14.2%
Rest of the World	16.8%



Source: Amati Global Investors as at 30/06/2022

INVESTMENT REPORT

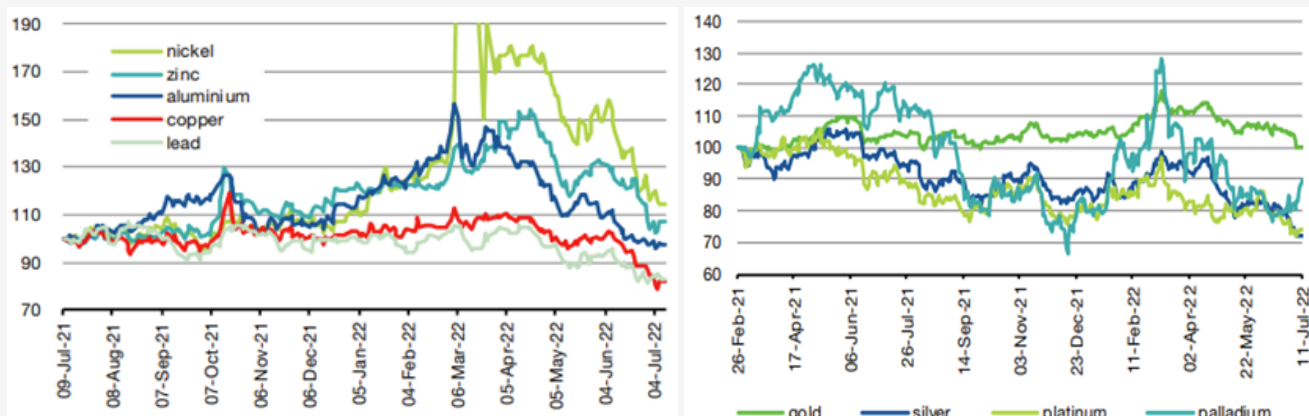
After many weeks of heavy selling, we continue to see short term price volatility (3-6mth) for most of the commodity markets. Before Russia's war began, the expectation was that the post-lockdown reflation trade would be undermined by the US Fed's growth-slowing rate hike cycle/quantitative tightening, and that global supply (mine, scrap) slowly recovers from lockdown.

It's now mid-2022, and the US Fed's not only determined to curb inflation via an aggressive combination of an accelerating rate hike cycle/QT, China's covid-hit economic growth has stalled, and failing to respond to stimulus and Russia's inflation-driving war continues. For the next 12 months, we remain positive on gold and silver which offers some capital protection, indeed gold has only lost 1% of its value since 12 months ago, demonstrating its role as a store of value.

Figure 1 – Commodity price indices (12 mth rolling)

Base Metals

Precious Metal



Source: Liberum

For the medium and longer term we are confident that we will continue to see elevated commodity prices. Commodity prices need to remain high enough for long enough to incentivise the allocation of capital to the sector. Capital allocation remains at 15 year lows despite the higher prices that we have witnessed through 2021 and this year (until very recently).

What has changed in recent weeks is that recession fears have come to the fore after the Fed's hawkish stance on interest rates. Earlier this year, we reduced our exposure to the economically sensitive metals – copper and aluminium – to a bare minimum in anticipation of a global slowdown in economic activity. This paid off for us but we have really witnessed indiscriminate selling across all mining equities.

We expected lithium to continue to be a bright spot in the sector – which it has been – given the supply and demand imbalance that we see over the next two years. Yet lithium equities have sold off as well in recent weeks with market concerns about cost inflation. Again this brings us back to the circular argument that capital allocation to the sector is again slowing because of the lack of visibility on costs.

Where we have had to bear some pain in our investments is the gold and silver equities. We have maintained (and increased slightly) our exposure to gold and silver at around 55% of the portfolio as a risk diversifier, and given the value that we recognise in the listed gold and silver equities. Over the past few weeks, the gold price, and particularly, the silver price, have weakened with the selloff in stocks and bonds. A backdrop of rising interest rates, coupled with the expectation that the current high inflation figures are temporary, is putting investors off gold and silver as a safe haven trade for now with the US dollar very much in favour as the ultimate safe haven trade.



Typically gold prices weaken into a recession and the start of the rate hike cycle, and then outperforms as the monetary policy responses to stimulate global economic activity are initiated.

The timing and scale of the monetary policy responses are very difficult to predict. For this reason, and the fact that the gold and silver equities have become even cheaper in recent weeks, we continue to hold around 55% in gold and silver equities in the portfolio.

For the rest of the portfolio, we are positioned to own stocks exposed to commodities that the world is short of. Against global commodity price corrections, both nickel and lithium remain in positive territory (on 12 months), up 15% and 434% respectively. During these volatile markets and low trading volumes, we are not touching the portfolio. We hold solid investments which are well capitalized, developing quality mining projects, which will once again regain investor interest after the summer doldrums.



CONTACT

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RISK WARNINGS

Past performance is not a reliable guide to future performance. The value of investments and the income from them may go down as well as up and you may not get back the amount originally invested. Tax rates, as well as the treatment of OEICs, could change at any time. The investments associated with this fund are concentrated in natural resources companies, which means that the fund is subject to greater risk and volatility than other funds with investments across a range of industry sectors. The fund invests in companies that have operations in developing markets and which therefore may be subject to higher volatility due to political, economic and currency instability. Shares in some of the underlying companies in the fund may be difficult to sell at a desired time and price. A dilution levy may be applied to the share price when the fund is expanding or contracting. Should you buy or sell in these circumstances it may have an adverse impact on the return from your investment.

This factsheet does not provide you with all the facts you need to make an informed decision about investing in the fund. Before investing you should read the Prospectus, the Key Investor Information Document (KIID) and the Supplementary Information Document (SID). The Prospectus sets out the main risks associated with the fund, the KIID shows you how costs and charges might effect your investment, and the SID details your cancellation rights. If you are in any doubt as to how to proceed you should consult an authorised financial intermediary. Fund documentation can be requested from T Bailey or Amati using the contact details above, and is available to download from our [website](#).

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