FINELY CRAFTED INVESTMENTS

Amati Global Investors

FACTSHEET • DECEMBER 2024

WS Amati Strategic Metals Fund

Fund 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) here.

Contact Details

Investment Manager

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ACD of the Fund

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W: Waystone Management (UK) Limited

Key Information

Launch Date	March 2021
Fund Size	£49.5m
B Share Class	78.89p
Dealing Line	+44(0)115 988 8275
IA Sector	Commodities and Natural Resources
No. of Holdings	35
Minimum Investment	£1,000
Min Lump Sum Regular	£50/month
Share Type	Accumulation
Scheme Type	UK UCITS
ISIN	GB00BMD8NV62
Benchmark	MSCI World Metals and Mining Index (GBP)
Charges (no initial)	0.75% Annual Mgt Charge plus research charge of up to 0.10% (OCF capped at 1%)

Investment Team

Georges Lequime
Fund Manager

Mark Smith
Fund Manager

Ratings, Awards & Signatories

CITYWIRE SILVER
UK STEWARDSHIP CODE
ELITE RADAR on our watchlist: FundCalibre.com
Signatory of: PRI Principles for Responsible Investment
Silver

10 Largest Holdings

	% OF TOTAL ASSETS
Fresnillo	7.3%
G Mining Ventures	6.8%
Lifezone Metals	4.4%
Sovereign Metals	4.4%
Greatland Gold	4.3%
Eldorado Gold	4.2%
Atlantic Lithium	4.2%
K92 Mining	4.1%
Pan American Silver	3.8%
Perpetua Resources	3.8%

Cumulative Performance

(B CLASS)

	Fund Return (%)#	Benchmark Return (%)##
1 month	-5.90	-8.38
3 months	-4.78	-12.72
6 months	-3.31	-9.64
1 year	-7.10	-10.90
Since Launch*	-21.11	17.45

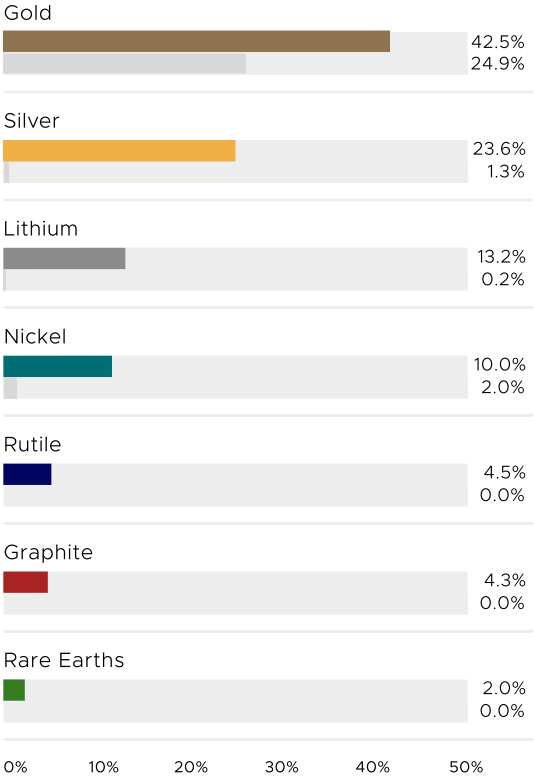
Cumulative performance data as at 31/12/2024
#WS Amati Strategic Metals Fund, Total Return
##MSCI World Metals and Mining Index (GBP), Total Return
#15 March 2021

Past performance is not a reliable indicator of future performance.

Discrete Annual Performance

	Fund Return (%)	Benchmark Return (%)
31/12/2024	-7.10	-10.90
29/12/2023	-19.65	2.97
30/12/2022	-5.11	20.65

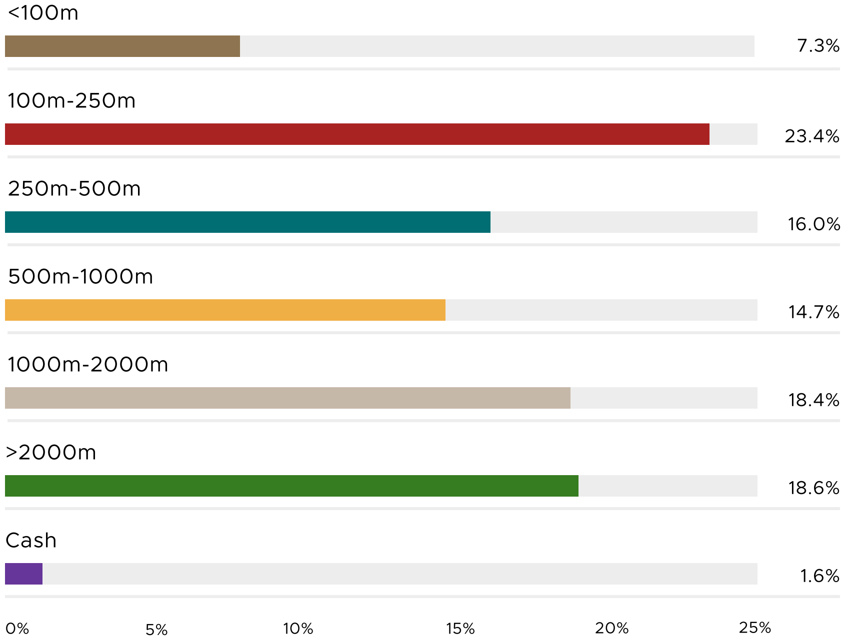
Asset Allocation vs Benchmark



Benchmark weightings (in dark grey) only shown for asset classes in which the Fund has an allocation.

Source: Amati Global Investors as at 31/12/2024

Market Cap ($)



Source: Amati Global Investors as at 31/12/2024

Fund vs Benchmark Market Cap

	WS Amati Strategic Metals Fund	MSCI World Metals and Mining Index
Number of Constituents	35	33
Market Cap (USD Millions)		
Median	275	21,500
Average	942	30,928
WAMC	1,354	59,947

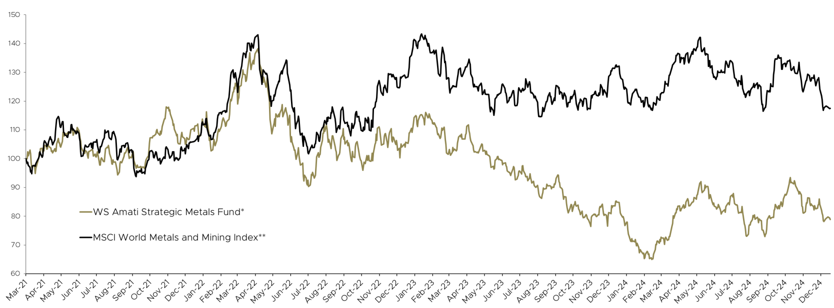
Source: Amati Global Investors as at 31/12/2024

Geographical Distribution by Revenue

North America	41.3%
South America	22.7%
Africa	15.0%
Australia	8.3%
Rest of the World	12.7%

Source: Amati Global Investors as at 31/12/2024

Performance vs Benchmark



Source: Amati Global Investors as at 31/12/2024

*WS Amati Strategic Metals Fund, Total Return.

**MSCI World Metals and 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: Waystone Management (UK) Limited, Financial Express Analytics and MSCI. Information in this factsheet is at the last valuation point of the month, except where indicated.

Investment Report

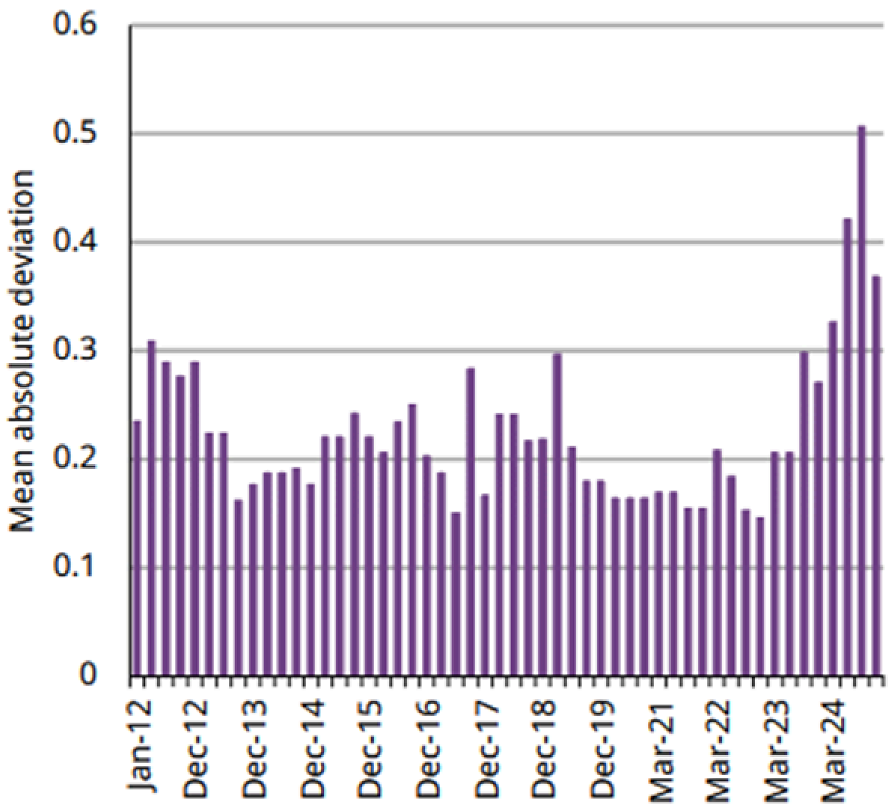
December proved to be a volatile month for gold and silver prices on the back of a surge in the US dollar and on the increasingly mixed message of the overall state of the US economy. Although the Fund held up reasonably well through a volatile December, it was negatively affected by the traditional year-end tax-loss in the US and Canada as well as softer battery-metals related equities over the course of the month.

The gold price entered the month at the ~US$2,625/oz level, falling as low as US$2,585/oz in mid-December, before rebounding and ending the year at US$2,615/oz. Gold and silver equities had a harder time, falling 7-10% in December. Although Newmont and Barrick Gold proved to be weakest large cap gold shares in December due to company-specific issues, we saw significant downward moves in the smaller cap gold and silver stocks, due to aggressive tax-loss selling in the last two weeks of the year in a very illiquid market.

The gold price is currently being whiplashed by comments from the US Fed. In December, Fed Chairman Jerome Powell's comments proved to be more hawkish than usual and centred on inflation with core CPI remaining at 3.30% and a reported PPI number that proved to be higher than expected (0.4% m/m versus 0.2% consensus). The dot plot adjusted to indicate only two rate cuts in 2025 (was previously four) on the Fed's comments and reported data. In December, the Bank of Canada and the ECB cut rates for the fourth time, causing a strong dollar and rising yields. On the positive side for gold sentiment, China's central bank added to its gold reserves in November to 72.96 Moz (versus 72.80 Moz in October), ending a six-month pause in purchases after prices for the precious metal rose to a record high, per the official release by the People's Bank of China.

The Fed's hawkish guidance, as well as growing uncertainty with regards to monetary rate policy in the short-to-medium term, has resulted in sizable intraday wobbles in equities, US Treasuries and gold. While the FOMC members are somewhat confident in where interest rates will be at the end of 2025, they are unusually divided on where rates will be at the end of this cutting cycle (figure 1).

Figure 1: Dispersion of FOMC outlooks for long-term policy rate

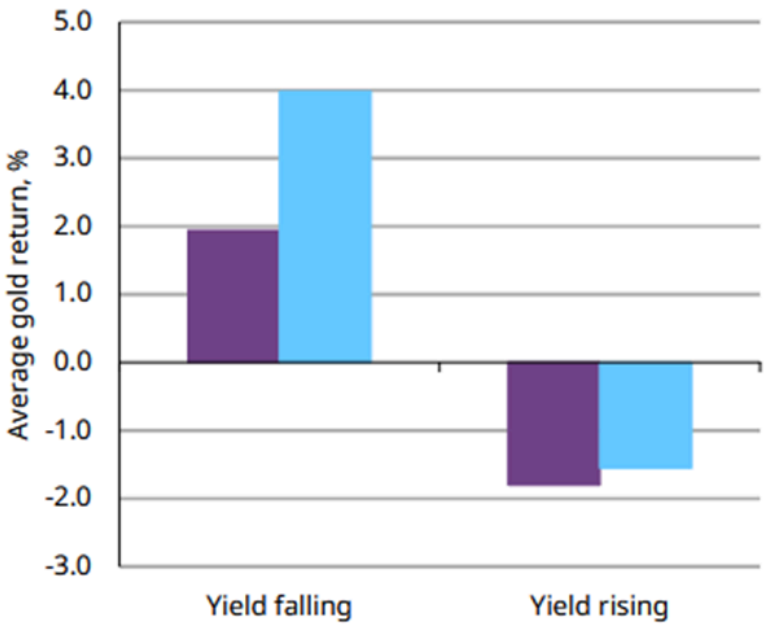


Source: World Gold Council

Investment Report

Data suggests that when interest rate uncertainty – as measured by the MOVE index – is high, yield trajectory appears to exert less of a drag on gold returns than when it is low (figure 2).

Figure 2: Average gold returns during yield and interest rate uncertainty (MOVE index) regimes*



Source: World Gold Council

For the above reasons, we are wary of the consensus forecast that the gold price will fall significantly over the next year or so, through the rate cut cycle. A US$600-800/oz pullback in the gold price is already being discounted by the gold stocks, suggesting a major catch-up rally if this pullback does not materialise. Gold's reason for not taking much of a negative cue from bond yields at the moment is the fact that central banks around the world are to continuing to diversify their reserves, in light of heightening global debt concerns and geopolitical risk. This is unlikely to wane until debt concerns and geopolitical risk are alleviated. To add fuel to the fire, bond market uncertainty might get ramped up in January again as the Biden administration carves out its last twenty days in office. And debt ceiling jitters are set to resurface in the middle of the month, when the Treasury could be forced into extraordinary measures to avoid a debt default, as warned by the incumbent Treasury Secretary, Janet Yellen.

Base metal prices stayed under pressure through December as a result of the stronger dollar, although hoarding ahead of potential tariffs helped to support copper prices above US$4/lb.

Critical metal prices seem to have found support levels at their four-year lows although the related equities are still not finding buyers. This is only likely to happen once we see a definitive recovery in the underlying metal prices.

Looking ahead to 2025, we remain constructive on precious metals, as well as lithium and nickel, following the production cuts announced through 2024 and the proposed cuts to nickel production in Indonesia. Uranium and copper remain very crowded trades, where it is difficult to find value, and where the near-term outlook is very uncertain.

Although gold and silver prices are still close to all time highs, sentiment towards the sector remains negative, which is reflected in the record low valuations for the stocks.

During these volatile markets and low trading volumes, we are not changing the portfolio much. We have maintained a 42% exposure to gold equities (including a number of companies with significant copper credits), 23% in silver equities (we added to Aya Silver in the portfolio this month), 13% in lithium equities, 10% in nickel, 4% graphite, 4% rutile and 2% rare earths. We hold solid investments with exposure to mining activities ex-China (mostly North America and Australia), which are well capitalized, as well as quality development projects which are gaining increased investor interest relative to other sectors in the market.

Georges Lequime
Fund Manager

Risk Warning

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 Key Investor Information Document (KIID) and associated Fund documentation. If you are in any doubt as to how to proceed you should consult an authorised intermediary. Fund documentation can be requested from Waystone or Amati and is available to download from our website.

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