Amati Global Investors

FACTSHEET • NOVEMBER 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	£54.2m
B Share Class	83.84p
Dealing Line	+44(0)115 988 8275
IA Sector	Commodities and Natural Resources
No. of Holdings	38
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	6.9%
G Mining Ventures	6.5%
Sovereign Metals	4.5%
Greatland Gold	4.4%
Eldorado Gold	4.1%
K92 Mining	4.1%
Lifezone Metal	3.9%
Pan American Silver	3.7%
Perpetua Resources	3.7%
Vizsla Silver	3.6%

Cumulative Performance

(B CLASS)

	Fund Return (%)#	Benchmark Return (%)##
1 month	-8.64	-1.29
3 months	6.02	2.02
6 months	-7.15	-6.09
1 year	0.49	4.16
Since Launch*	-16.16	28.20

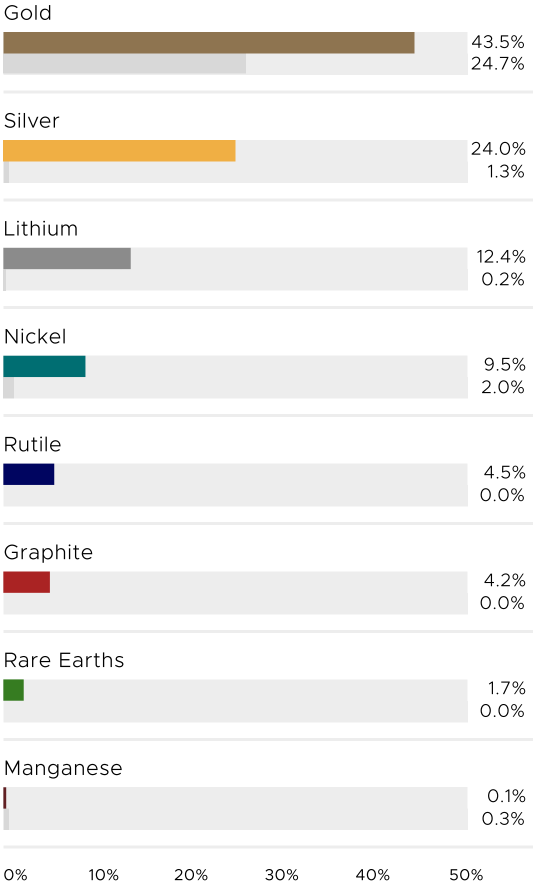
Cumulative performance data as at 30/11/2024
#WS Amati Strategic Metals Fund, Total Return
##MSCI World Metals and Mining Index (GBP), Total Return
#15 March 2021

Past performance is not a reliable indicator of future performance.

Discrete Annual Performance

	Fund Return (%)	Benchmark Return (%)
29/11/2024	0.49	4.16
30/11/2023	-20.92	-5.01
30/11/2022	-2.29	29.58

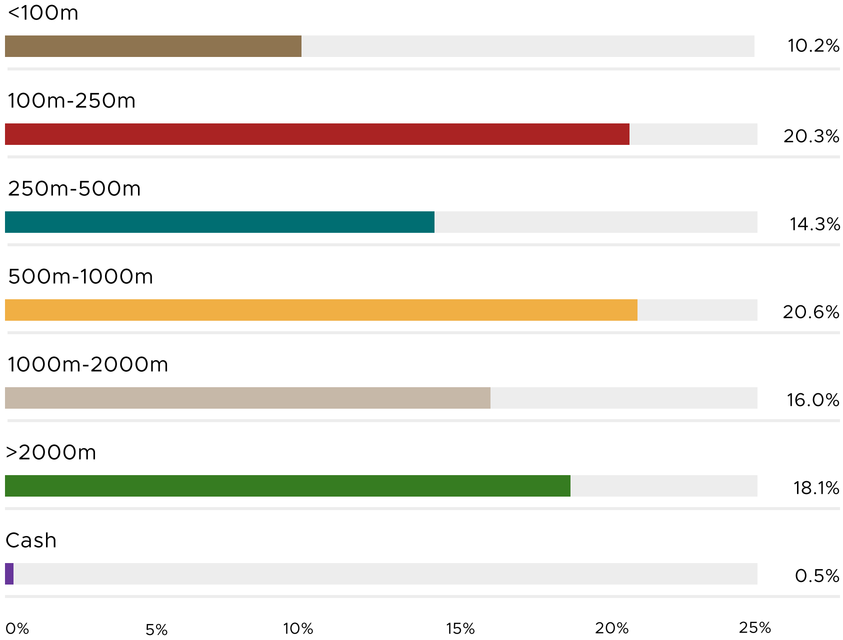
Asset Allocation vs Benchmark



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

Source: Amati Global Investors as at 30/11/2024

Market Cap



Source: Amati Global Investors as at 30/11/2024

Fund vs Benchmark Market Cap

	WS Amati Strategic Metals Fund	MSCI World Metals and Mining Index
Number of Constituents	38	33
Market Cap (USD Millions)		
Median	280	21,500
Average	936	30,928
WAMC	1,414	59,195

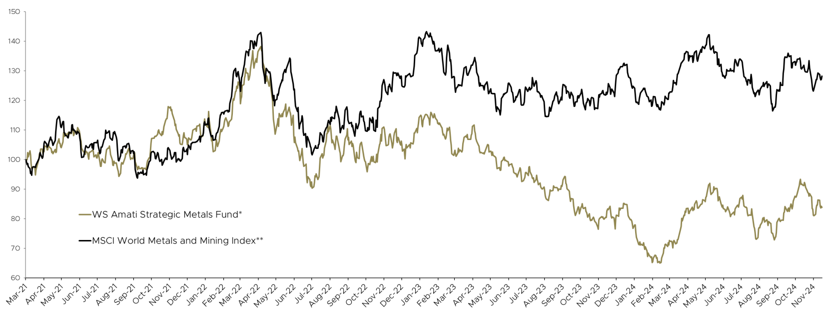
Source: Amati Global Investors as at 30/11/2024

Geographical Distribution by Revenue

North America	44.4%
South America	22.1%
Africa	13.3%
Australia	7.5%
Rest of the World	12.7%

Source: Amati Global Investors as at 30/11/2024

Performance vs Benchmark



Source: Amati Global Investors as at 30/11/2024

*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.

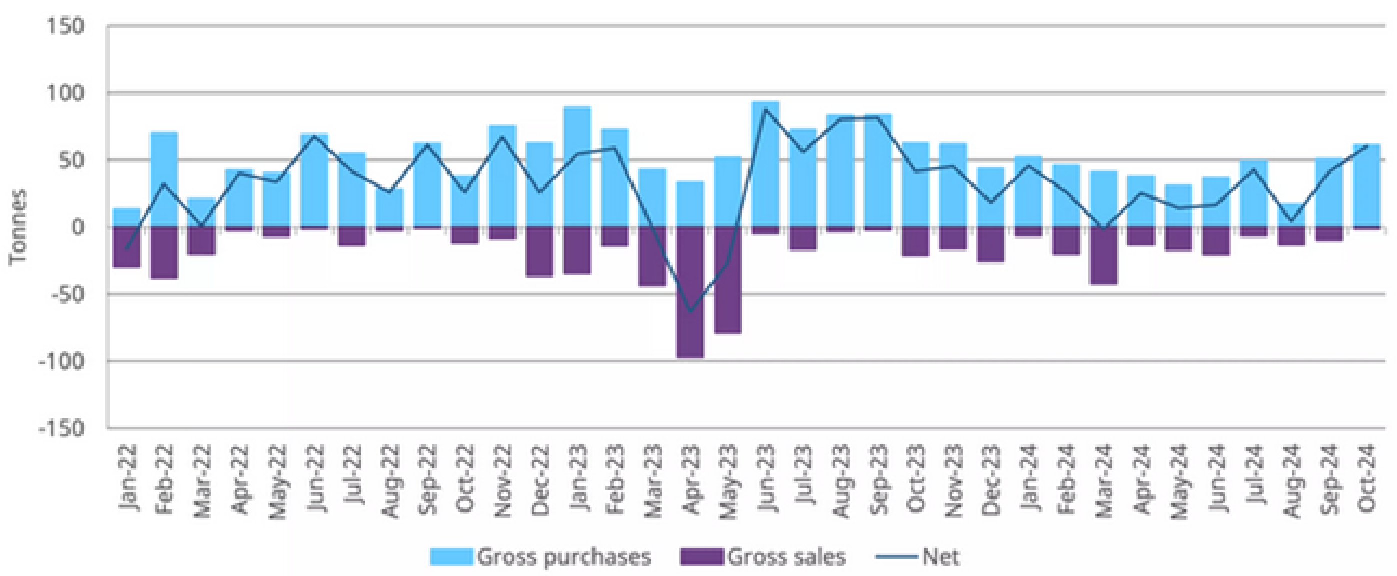
Investment Report

The Fund's performance in November was negatively affected by a pullback in precious metals and battery metals-related equities following the nomination of Donald Trump as President-Elect on November 6.

The gold price entered the month at the ~$2,745/oz level and fell $200/oz (-7%) over the week following the election result, as the dollar and Treasury yields strengthened. Gold and silver equities had a harder time, falling 10-11% over the same period.

However, the gold price recovered through the month as the U.S. dollar pulled back ahead of official comments by the U.S. Federal Reserve on interest rate cuts, and on rising tensions between Russia and Ukraine. In the gold market, the World Gold Council reported that China's central bank refrained from gold purchases for the sixth consecutive month in October (its gold holdings stood at 72.8 Moz) although overall central bank purchases remained strong in Q3/24, with 60t of net purchases in October being the highest amount recorded year-to-date. The net purchases were led by India who added 27t to their reserves, bringing their year-to-date purchases to 77t – a five-fold increase on the same period in 2023. Turkey added 17t and Poland added 8t in October, bringing their total gold purchases this year to 72t and 69t respectively. We believe that India and Turkey's motivation to increase gold purchases is as a protection against currency devaluation, while Poland is likely stockpiling in order to safeguard holdings in the event of an escalation of the Russia-Ukraine conflict.

Figure 1: Monthly reported central bank activity (tonnes)



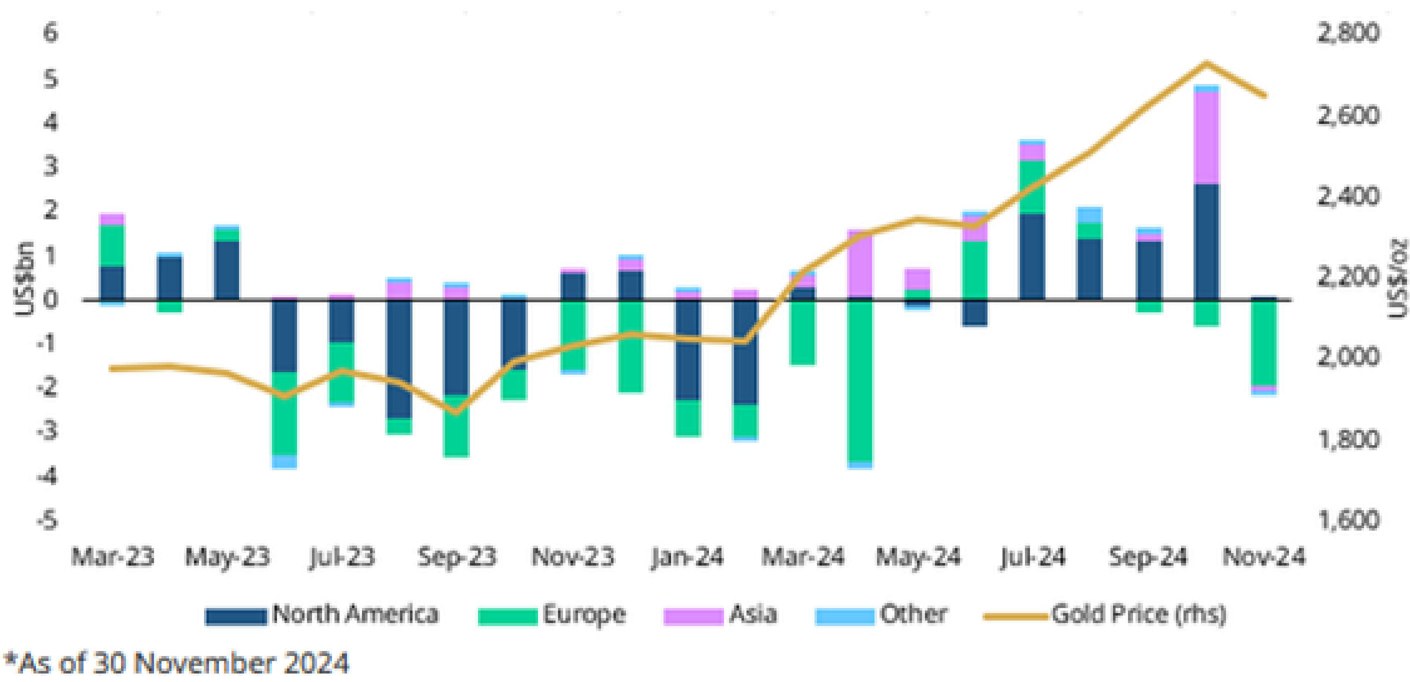
*Data to 31 October 2024 where available. Note: chart includes only purchases/sales of 0.5t or more.

Source: World Gold Council

Investment Report

Speculative and investment demand for gold in the form of physical ETFs (and precious-metals equities) turned negative in November following the election results in the US as a number of positions that were built up in the months leading to the election on the basis of a Kamala Harris win, were seemingly unwound.

Figure 2: Regional gold ETF flows and the gold price

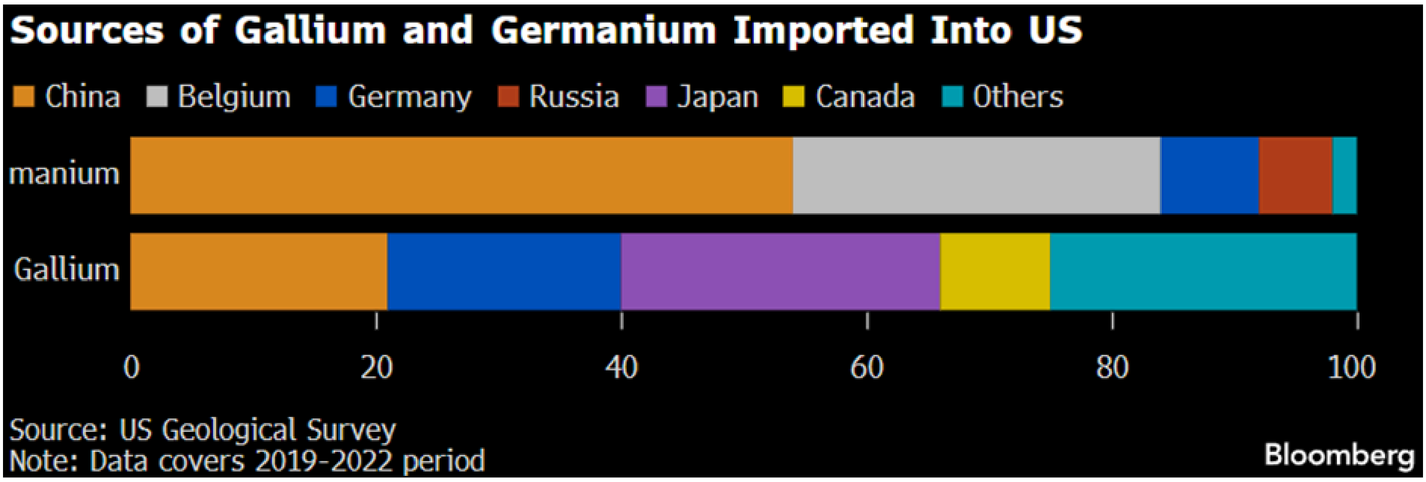


Source: World Gold Council

Base metal prices also came under pressure following the election results in the US as a stronger dollar translates to higher metal prices in non-US dollar denominated regions. All eyes remain on China though, where economic stimulus packages announced to date have failed to restore confidence in a meaningful growth in demand for metals in the short to medium term. China's top leaders are currently meeting to discuss GDP targets and further stimulus measures. While any specific numbers settled on won't be revealed until the yearly parliament session in March 2025, market participants will scour the statement for clues of policymakers' conclusions.

Critical metals got a boost this month with China announcing an outright ban on exports of several materials with high-tech and military applications, in a tit-for-tat move after US President Joe Biden's government escalated technology curbs on Beijing. Gallium, germanium, antimony and superhard materials (tungsten) are no longer allowed to be shipped to America, according to China. Beijing will also place tighter controls on sales of graphite, it added. "The US has generalized the concept of national security, and politicized and weaponized economic, trade and tech issues," a ministry spokesperson said in a separate statement. "It has abused export control measures and unreasonably restricted certain products' export to China". This came as the White House slapped fresh curbs on the sale of high-bandwidth memory chips made by US and foreign companies to China as the US intensified its campaign to contain Beijing's technological ambitions. China's response targets metals used in everything from semiconductors to satellites and night-vision goggles.

Figure 3: China targeting a ban of exports of certain critical metals, including Gallium and Germanium



Source: Bloomberg

Two of the Fund's largest holdings, **Perpetua Resources** (an Idaho project with a large antimony by-product, sufficient for 25% of US military needs) and **Sovereign Metals** (a very large rutile and graphite project undergoing a definitive feasibility study in Malawi, 19.9% owned by Rio Tinto), received a boost on this news.

Uncertainty with regards to what a second Trump term might mean for IRA funding and tax credits added another dent to investor confidence in the battery metals sector. There is no doubt that the e-mobility transition narrative has been undisputably negative in recent years, which has led to the poor performance of EV and battery metals share price indices compared to the wider industrial average.

However, despite pervasive negative sentiment in the new electric vehicles (NEV) space, sales remain strong with year-to-date global NEV sales having risen by 24% y/y. This has largely been driven by China (38% y/y), and a consequence of the meteoric rise in Chinese NEV production has been a simultaneous growth in "rest of world" sales (27% y/y), as Chinese OEMs seek export markets in an increasingly saturated domestic market.

European battery electric vehicles (BEVs) could be about to become cheaper and more plentiful. Tighter 2025 emissions standards have caused many original equipment manufacturers (OEMs) to postpone the launch of mass-market models until next year in order to guarantee that their fleet emissions come under the target. As a result, a slew of small BEVs priced under €25,000 are set to enter the European market next year.

With the downtrend in lithium prices, we are seeing more and more supply cuts. Ex-China, we believe feedstock supply has been cut ~3-4% – if one includes the CATL lepidolite mines and assumes curtailments there last beyond a few months, it's more like a 5-10% cut. These cuts are likely to mark the bottom of the lithium price cycle, and futures prices are now rallying, but we do note that marginal supply could easily come back to market, capping upside, at a 15-20% price move.

Looking ahead to 2025, we remain constructive on precious metals and increasingly constructive on lithium and nickel following the production cuts announced through 2024. 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. M&A activity seems to be accelerating with Northern Star bidding for De Grey Mining in Australia in a A$5bn transaction.

Investment Report

During these volatile markets and low trading volumes, we are not changing the portfolio much. We have maintained a 43% exposure to gold equities (including a number of companies with significant copper credits), 24% in silver equities (reintroducing **Aya Silver** in the portfolio this month), 12% in lithium equities, 9% 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.