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Monthly Report

November 2021

-2.77 %
Monthly return

-13.00 %
Gross annual return

The penultimate month of the year ended with a loss of 2.77% (standard class). Both gold (-0.66%) and silver (-2.55%) declined over the same period. The precious metals correction, which started at the beginning of August last year, now finally appears done. We recently had a retest of the lows of early October, where a second and higher bottom has now transpired. This is important from a technical perspective, as analysts see this as confirmation of the bottom pattern, which opens the way for further recovery.

This recent retest was mainly the result of fiscally driven sales, as a result of the so-called tax-loss selling season, which often characterizes North American markets in the Q4. Unlike in our country, where assets are charged with a capital gains tax, North Americans pay taxes on the realized profits of their investments. But realized losses may be deducted first. Hence there is a lot of selling pressure in the last quarter of almost every year. This selling wave is always followed by a strong recovery rally, usually starting in the second half of December. Our research covering the last 7 years, shows that the gains from these recovery rallies are at least 20% within a few months.

There was also slight unrest in the past month in the financial markets, causing the North American stock markets to fall by almost 5-10% in recent weeks. The higher volatility is still attributed to the ongoing real estate unrest in China, ongoing concerns about the new Corona variant, and the resulting supply chain issues, due to the disruption of supply routes. In addition, we see that inflation concerns are raising investor fears for upcoming interest rate hikes.

As a result, 2022 could be a very different year, in which the transition from the recovery phase to one with a significantly lower economic growth, could see a real risk of stagflation. A lower expected economic growth could moderate inflation in most economies, as central bank policies will move from hyperstimulation towards a monetary tightening. We expect that this will lead to increasing market volatility, and we have made our portfolio more conservative in anticipation. You will find more details about this in the next text block.

In the past month, we saw almost 9 million euros, coming from more than 180 new and many existing investors pour into the fund. Only in February this year did more capital enter the fund. For 2021 YTD, the gross inflow of capital stands at almost 50 million euros, as a result of which the number of unique participants has doubled and has exceeded 1500. We were forced to double the minimum entry amount to 50k, so that personal contact with participants can continue to be guaranteed.

Gross return (%)

	2015	2016	2017	2018	2019	2020	2021
Jan	16.04	-2.64	19.46	-8.91	4.71	-1.18	-6.82
Feb	1.47	25.39	-1.64	-5.14	-0.06	-11.15	-0.75
Mar	-5.76	10.09	-3.41	-6.79	-1.00	-15.50	-2.94
Apr	2.60	29.43	-5.78	6.32	-7.33	38.86	9.04
May	1.82	-4.44	-3.08	2.52	-3.91	13.53	8.24
Jun	-7.32	17.17	-3.07	-5.67	5.55	15.57	-9.84
Jul	-19.75	10.24	1.62	-3.83	3.94	13.77	-1.88
Aug	-1.65	-7.19	0.54	-4.19	5.09	12.14	-6.02
Sep	-3.76	2.18	0.43	2.82	-5.86	-0.75	-7.77
Oct	8.90	-7.85	2.44	-3.74	-1.70	-4.17	10.16

Dec	-1.28	-2.78	1.36	-6.60	14.42	11.20	
YEAR	-17.37	70.10	-1.67	-32.68	9.73	85.39	-13.00
CUM	-45.87	-7.92	-9.46	-39.05	-33.12	23.99	7.87

Investments

Where the technology sector is now showing great parallels with the bubble phase of 2000, our sector is starting to show two faces. Where the different precious metals are now showing losses of 5-15% after a strong 2020, base metals and uranium are in double-digit returns. A portfolio that is 75% precious metal related, does not, of course, perform as well in such a market. Precious metals-related stocks are generally 15-25% lower for the year.

Nevertheless, the demand for precious metals remains high. Even Singapore and Ireland can be added to the list of dozens of countries which have lately added bullion to their national reserves. Ireland's purchases are particularly striking. After Hungary and Poland, we see yet another EU country use gold as a monetary hedge. Only El Salvador has so far chosen to also add bitcoin to its reserves.

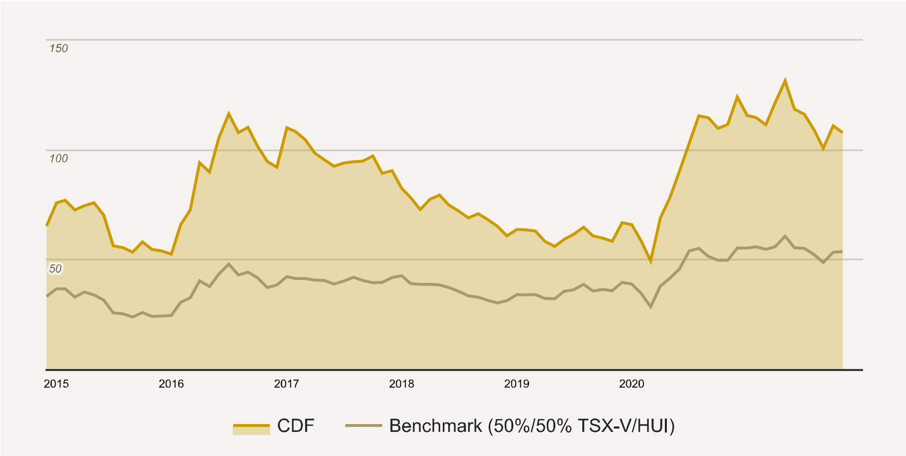
During the crash of March last year, our assets under management (AUM) had fallen below 25 million euros. At the time of writing this is more than 135 million. This extreme growth has led to some adjustments in our investment policy. We have, in consultation with our Advisory Board, decided to focus the portfolio even further on the Top 100 of most significant discoveries/projects worldwide, owned by relatively small listed (exploration) companies. As a result, we are increasingly concentrating on only those projects with a so-called Tier 1 or 2 potential. This choice is also motivated by the fact that these companies have a higher market capitalization, and therefore often greater liquidity. In addition, in recent months, we have reduced the weighting of the exploration sector in the portfolio from over 65 to below 50 per cent. This has been achieved by assuming greater interests in ETFs and producing mining companies. Especially the ETFs with exposure to the various metal markets, usually have much greater liquidity, allowing the release of cash quickly if needed, or for positions to be rotated quickly.

This Top-100 can be seen as the core of the fund, while the other positions have a more trade-oriented perspective. In November, thanks in part to an extremely strong inflow of new capital, the cash position was temporarily raised in order to be able to make additional purchases during the traditionally weaker first half of December.

Results November 2021

Participation price (euro)	107.87
Monthly gross return	-2.77%
Gross annual return	-13.00%
Gross return (cumulative)*	7.87%
Net return (cumulative)	-6.80%
CAGR since inception*	0.57

* Compound Annual Growth Rate since 01-07-2008 before correction performance fee



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following year. Where previous strong years were immediately followed by weaker years, we now see a much better technical set up. It is likely that we have experienced a retest of the low in October, and that the correction pattern is now complete. This provides a great outlook of a continuing recovery in 2022.

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