Metals Exploration Fund (class CHF)

Hidden Values in the Ground

FACT SHEET as of end of May 2022

Fund Description

The **Metals Exploration Fund (class CHF)** is a sub-fund of the Metals Exploration Fund, which is a niche fund under Swiss law that invests worldwide mainly in strategic metals of mining exploration and junior mining companies.

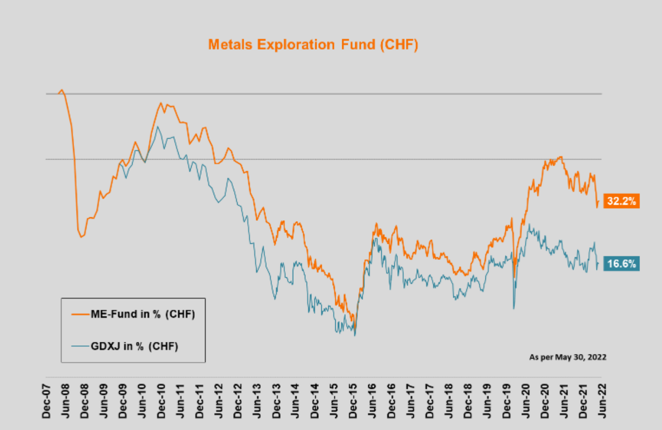
General Fund Information

Investor Profile	Public
Fund Name	Metals Exploration Fund (class CHF)
Fund Type	Swiss contractual investment fund, classified as "other traditional investments fund"
Domicile	Swiss Fund
Tax Transparency	In Germany and Austria
Asset Manager	Dolefin SA, CH-Nyon
Custodian	Banque Cantonale Vaudoise, CH-Lausanne
Fund Mgmt Company	CACEIS (Switzerland) SA, CH-Nyon
Auditor	KPMG, CH-Geneva
Inception Date	December 13, 2013
Financial Year	1 January – 31 December
Subscription	Weekly, cut-off Wednesday 17h00
Redemption	Weekly, cut-off Wednesday 17h00+1week
ISIN	CH0216430709

Additional Information

Nominal per Unit	CHF 100
Management Fees	1.50% p.a.
Hurdle Rate	15% cumulative
Performance Fees	20% of the outperformance realized above the Hurdle Rate with principle of High Watermark
High Watermark	Yes
Administrative Fees	0.40% p.a.
Load-up Fees	Maximum 2%
Redemption Fees	0.50% (goes to the Fund)
TER	2.25% p.a. (expected)
Initial NAV	CHF 100
Dividends	Reinvested
Publication of NAV	Swiss Fund Data AG www.caceis.ch
Security lending	none

Performance Graph

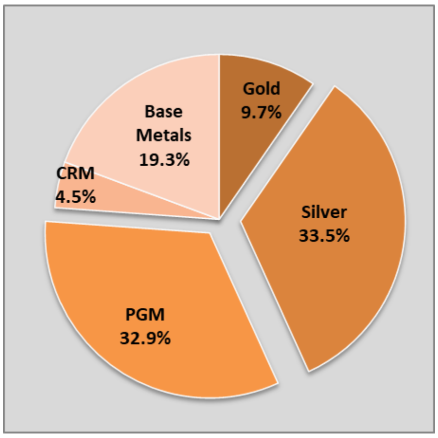


Portfolio Structure

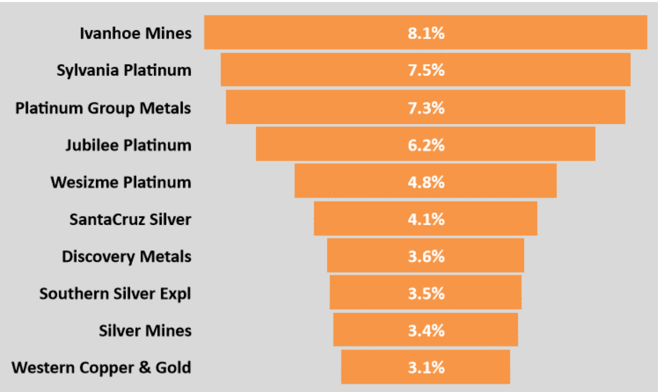
Stock Listings

Australie	12.0%	Canada	67.4%
South Africa	6.8%	UK	13.8%

Metals Allocation



10 Top Holding



Metals Exploration Fund (class CHF)

Hidden Values in the Ground

metals Exploration Fund

FACT SHEET as of end of May 2022

Performance & Risks

NAV as of 30.05.2022	CHF 155.00
Fund since inception	55.00% (*)
Fund (ytd)	-12.07%
Units in circulation (rounded)	428'667
Fund size (rounded)	CHF 74'463'631
Launch date	December 13, 2013

Monthly Returns

in %	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008					4.69	-6.48	-15.23	-14.01	-30.26	-52.25	-7.41	2.24	*-77.51*
2009	18.62	1.30	-1.01	8.74	22.74	-7.61	4.73	1.86	18.82	-2.70	17.14	*4.32*	*121.04*
2010	-6.22	4.37	12.24	10.28	-6.86	-9.60	-0.59	7.27	21.74	12.75	14.34	7.68	*83.83*
2011	-10.12	9.41	-2.34	0.40	-9.17	-7.73	0.85	-1.12	-19.66	13.27	-1.96	-7.59	*-33.56*
2012	14.97	0.70	-11.75	-7.01	-16.77	0.09	2.53	4.61	9.85	-3.09	-9.78	-2.06	*-20.16*
2013	-2.04	-8.29	1.52	-20.57	-6.38	-19.64	8.19	5.68	-14.28	-1.74	-11.65	-5.22	*-56.05*
2014	10.95	6.64	-7.57	-2.57	-4.87	17.45	-0.49	-1.59	-18.69	-14.25	1.24	-6.04	*-22.68*
2015	-7.52	6.45	-4.26	-5.13	-1.23	-8.46	-17.30	-3.67	-6.09	9.52	-7.60	-5.17	*-41.96*
2016	-8.50	26.33	15.64	35.38	-1.25	16.77	16.43	-3.96	4.50	-7.3	-4.67	-2.94	*109.14*
2017	18.83	-8.25	-2.73	-7.26	-9.89	-0.91	6.01	8.87	-4.31	0.92	-4.40	8.27	*1.30*
2018	-5.79	-8.04	-0.27	4.01	-2.27	-5.62	-2.72	-5.94	-0.52	1.02	-3.89	0.25	**-26.57**
2019	11.69	13.30	-5.04	-7.53	-0.35	12.78	8.28	6.69	1.87	-0.14	-3.78	17.66	**66.13**
2020	-1.27	-2.90	-30.13	28.99	18.73	10.48	20.12	8.54	-1.10	-5.53	13.17	21.85	**90.39**
2021	-4.68	11.86	-5.89	4.88	4.00	-6.89	-7.10	-7.89	-12.84	19.66	-16.33	2.64	**-21.89**
2022	-3.72	6.30	7.52	-10.46	-10.77								**-12.07**

(*) The fund includes performance figures that reproduce those of the Cayman structure launched on May 1, 2008, incorporating the CHF sub-fund since inception with an investment policy similar to its previous structure and managed by the same asset manager.

Sub-Sector Returns 2022 (*)

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ytd
Gold	-7.3	6.2	4.5	-16.8	**-5.2**								-18.8
Silver	**-28.9**	**19.1**	3.9	**-17.3**	**-33.7**								-51.8
PGM	**4.8**	7.7	**0.5**	**-7.69**	-4.6								-0.1
CRM	-0.4	**-4.1**	**8.3**	-15.0	-7.1								-18.3
BM	-5.9	0.1	7.4	-13.7	-11.4								-22.7
Average	*-7.5*	*5.8*	4.9	*-14.1*	*-12.4*								***-22.8***

(*) For indication only: Performance based on fund's holdings, equally weighted, not FX-adjusted. The aim of these statistics is to show the performance attribution of the metals sub-sectors during the reporting month.

Forex Exposure (net rounded)

in %	AUD	CAD	GBP	ZAR	CHF
	49.9	37.8	5.3	6.8	0.2

Metals Exploration Fund (class CHF)

Hidden Values in the Ground

FACT SHEET as of end of May 2022

Investment Strategy

Outlook

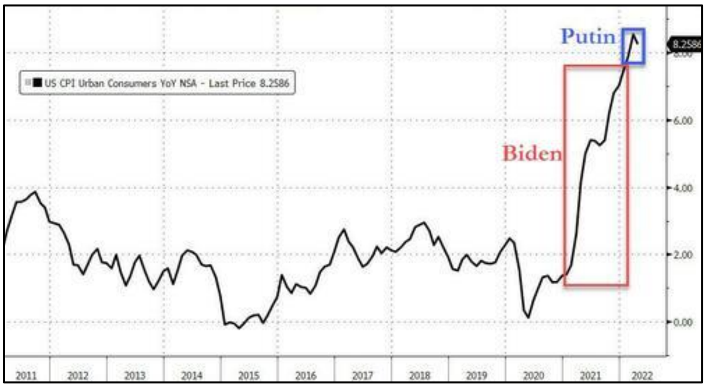
The Inflation "blame-game"

In President Biden's appearance on Friday, 3rd of June, he made a couple of statements that merit to be discussed (link here):

"I've been very clear – fighting inflation is my top economic priority – my inflation plan is to give the Federal Reserve the space they need to operate" (minute 37)

Price stability is the foremost task of a central bank, and not that of a government! Implicitly President Biden confirms by his statement that the Fed has not been independent thus far; did the Fed had to play by the rules of its administration?

Biden then goes on and puts the inflation blame on President Putin although we all know that consumer prices strongly advanced well ahead of Russian invasion in Ukraine. (As a sidenote here Russian President's reaction on Biden's allegation: *Putin says US decision to print money led to increase in global food prices*- link here)



www.zerohedge.com

Then we saw an interview with Former Fed Governor Kevin Warsh who stated:

"All if this problem, principally around this inflation squeeze, they were fixable at considerably less costs, 6, 9, 12 months ago. All rule of thumb, to get the inflation rate to fall, you better bring the policy rate to the inflation rate. Inflation 12 month ago was 3.5%. We could have conceivable raising rate than to 3.5%.

***Now inflation is at 8.5%, probably going higher, could you imagine how markets would react if the Fed fund rates get even half to that level?** So, that shows we have a problem* (link here).

We could go on with other similar statements, but our point herein is basically to stress that the *inflation genie is finally out of the bottle*, and nobody wants to take the responsibility. We emphasized throughout the past years that relentless money printing will sooner or later translate into inflation. Investors and the financial industry applauded for all the monetary and fiscal stimulus' as their paper wealth effect in asset prices seemed as granted and guaranteed. How that all does end?

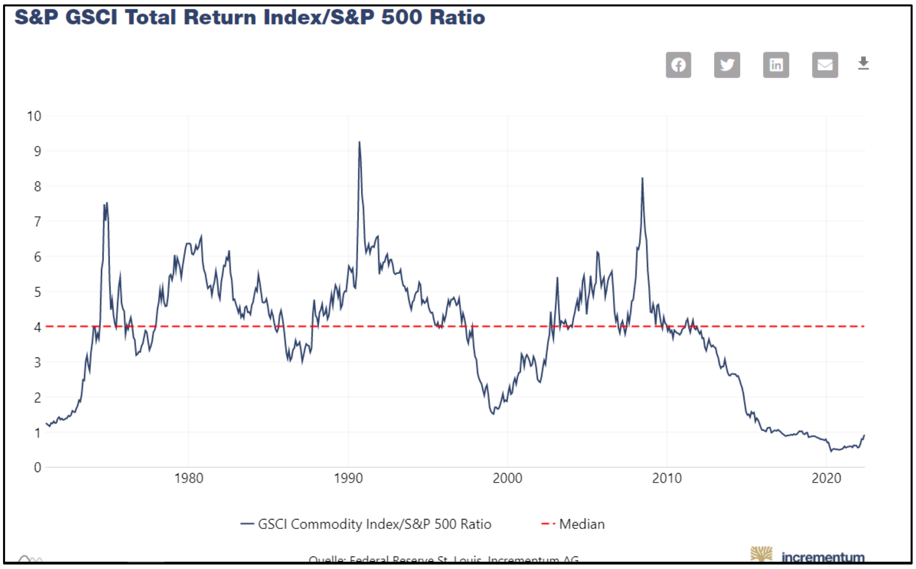
Metals Exploration Fund (class CHF)

Hidden Values in the Ground

FACT SHEET as of end of May 2022

The 1970's inflationary period that resembles in some form to our current state of affair may serve as a template: Although real GDP boomed from 1970-80, US equity returns were basically flat in nominal and down by some 80% in inflation-adjusted terms. As prices go up, so do interest rates and the present value of future cash-flow of equities shrinks; as sentiment turns negative, price-earnings ratios start to drop, etc., etc.

Generally, commodities and related companies withstood the downward pressure of stock valuation:



We have doubts whether this time will be only as negative as the 1970s. Back then, the US was a creditor country (positive Net International Investment Position – NIIP) and higher borrowing costs were income for the US. Today, the NIIP stands at minus USD 18.1 trillion (a record 80% of GDP) – therefore, interest costs on these cumulated current account deficits must be paid to foreigners (i.e., a reason to eventually devalue the USD?).

Also, Kevin Walsh doubts that should Fed fund rates get lifted to only 50% of the current running inflation (8.7%), meaning to 4.35%, that would already break the neck of financial and the housing market!

The inflation blame-game is a symptom of despair. It looks to us that central banks and governments are finally catching up with reality and they became very, very nervous. In our view, two options are left:

Are they erring towards combating inflation and risking that asset prices will collapse on much higher interest rates what would bring the financial system into its knees like between 1929-32 (Great Depression), or rather "lifting" nominal values of assets versus debt, while losing the control on inflation?

Inflation like deflation is nothing more than a wealth-transfers: from the creditor to the debtor and vice-versa. We continue to watch and see but we will not get blinded by tough talk unaccompanied by action.

In any case, the tipping point for either outcome will finally be given by market participants, as always. As more and more investors will realize that both scenarios are dire, they will adjust portfolios accordingly.

The endgame got even closer and in either scenario precious metals and their mining stocks should shine.

"In a secular bull trend, the only risk investors are facing is to exit too early!"