

# The Rare Earth Elements Fund (CHF)

Metals of the Future – Vitamin of Modern Industry

FACT SHEET as of end of

April 2022

## Fund Description

The Rare Earth Elements Fund (CHF) is a sub-fund of the Rare Earth Elements Fund, which is a niche fund under Swiss law that invests worldwide in companies with activity in mining, refining and manufacturing, recycling and trading of Rare Earth Elements. By respecting a Mine to Market concept, the fund promises to benefit from the whole value chain.

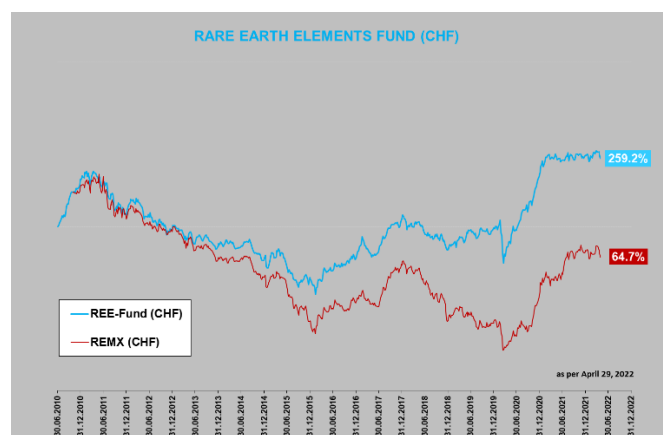
## General Fund Information

<b>Investor Profile</b>	Public
<b>Fund Name</b>	Rare Earth Elements Fund (CHF)
<b>Fund Type</b>	Swiss contractual umbrella fund, classified as "other traditional investment fund"
<b>Domicile</b>	Switzerland
<b>Tax Transparency</b>	In Germany and Austria
<b>Asset Manager</b>	Dolefin SA, CH-Nyon
<b>Custodian</b>	Banque Cantonale Vaudoise, CH-Lausanne
<b>Fund Mgmt Company</b>	CACEIS (Switzerland) SA, CH-Nyon
<b>Auditor</b>	KPMG, CH-Geneva
<b>Inception Date</b>	July 2, 2010
<b>Financial Year</b>	1 January – 31 December
<b>Subscription</b>	Weekly, cut-off Wednesday 17h00
<b>Redemption</b>	Weekly, cut-off Wednesday 17h00+1week
<b>ISIN</b>	CH0111943673

## Additional Information

<b>Nominal per Unit</b>	CHF 100
<b>Management Fees</b>	1.50% p.a.
<b>Hurdle Rate</b>	10% p.a cumulative
<b>Performance Fees</b>	20% of the outperformance realized above the Hurdle Rate with principle of High Watermark
<b>High Watermark</b>	Yes
<b>Administrative Fees</b>	0.45% p.a.
<b>Load-up Fees</b>	Maximum 2%
<b>Redemption Fees</b>	0.50% (goes to the Fund)
<b>TER</b>	2.25% p.a. (expected)
<b>Initial NAV</b>	CHF 100
<b>Dividends</b>	Paid to Investors
<b>Publication of NAV</b>	Agefi, Geneva Swiss Fund Data AG <a href="http://www.caceis.ch">www.caceis.ch</a>

## Performance Graph

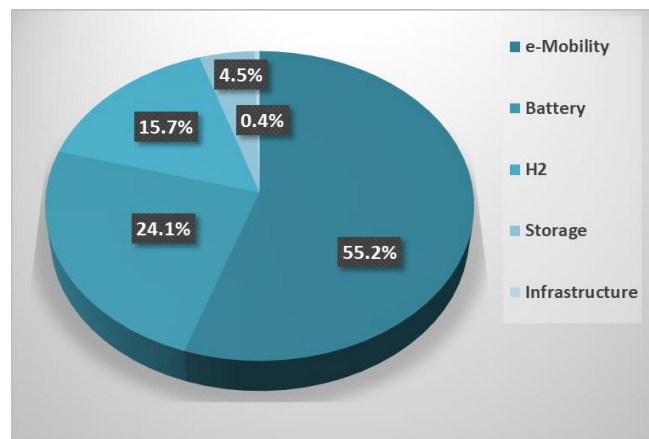


## Portfolio Structure

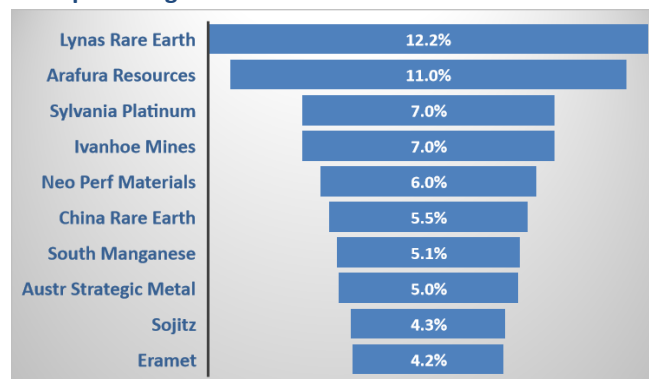
### Country Allocation

<b>Australia</b>	35.9%
<b>Canada</b>	26.3%
<b>China/Hongkong</b>	13.0%
<b>Europe</b>	8.5%
<b>Japan</b>	5.3%
<b>Switzerland</b>	0.7%
<b>UK</b>	10.3%

### Sub-Sector Themes



### 10 Top Holdings



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Manager Report as of end of

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### Performance & Risks

NAV as of 29.04.2022	CHF 259.20
Fund since inception	159.20%
Fund (ytd)	-4.32%
MSCI-World in CHF since inception	169.47%
MSCI-World in CHF (ytd)	-3.64%
Units in circulation	240'418
Fund size	CHF 62'320'765

### Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Total
2010	-	-	-	-	-	-	11.20	3.96	27.16	9.73	3.78	15.59	93.50
2011	2.02	5.42	-1.30	2.63	-5.27	-8.46	0.16	-14.15	-20.29	9.02	-4.47	-9.58	-39.02
2012	19.92	-0.71	3.35	-8.61	-13.11	-0.95	-5.52	-6.58	4.46	-3.22	-8.64	3.22	-18.56
2013	1.66	-2.87	-6.11	-5.72	6.79	-12.93	13.96	-8.20	8.81	-9.00	-4.94	-1.56	-21.23
2014	1.98	6.99	-4.24	-2.15	-4.65	1.36	7.09	0.00	-9.86	-4.85	-0.58	-7.32	-16.38
2015	-11.53	23.21	-6.81	11.04	-4.48	-18.04	-7.69	-8.14	-10.13	7.98	10.65	-3.93	-22.75
2016	-10.02	-2.73	8.18	17.93	-0.55	-0.92	5.76	0.00	3.51	5.09	3.55	0.00	31.08
2017	18.88	6.43	-9.62	-7.09	-2.06	5.85	16.86	8.61	8.82	5.23	-0.10	8.29	73.17
2018	-4.14	-6.30	-0.50	4.13	-3.10	-8.69	-3.83	-0.68	0.11	0.57	-5.80	-11.84	-34.23
2019	6.71	4.11	2.47	0.60	10.53	2.38	-6.03	-2.02	10.10	-1.88	-4.68	8.47	33.29
2020	-1.54	-4.70	-27.82	22.31	14.76	4.76	13.21	14.31	3.27	4.02	26.65	23.15	115.93
2021	10.19	13.78	-1.40	1.89	-2.80	-1.32	5.75	2.20	-7.80	9.33	-5.64	3.83	28.94
<b>2022</b>	-7.94	4.85	10.13	-10.00									-4.32

### Forex Exposure (net and in %)

AUD	CAD	EUR	GBP	HKD	JPY	NOK	Ref-ccy CHF
46.3	26.3	5.8	0.5	13.0	5.3	2.7	0.1

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### Investment Strategy

During the reporting period we added to the following positions: *NEL ASA*, *Northern Minerals* and *Boab Metals*; on the sell-side we trimmed *Lynas Rare Earth*.

Currency-wise, we maintain an overweighting in AUD versus GBP.

Uncertainties related to the Ukraine crisis and lockdowns in China have been the dominant causes for volatility and overall lower equity prices during April. Further, inflation pressures around the world and consequent fears about tighter monetary policies added to bad performances in financial assets (equities and fixed income) that obviously dragged down many of our positions, too. Therefore, lots of headwinds and mounting negative investors' sentiment that reached meanwhile an extreme level.

However, we try to keep the longer-term perspective in mind, as shorter-term developments eventually disappear and are difficult to handle, anyway.

Our driving theme, often called *energy transition* (renewable energy and e-mobility), was already in place pre-Ukraine crisis and has since gotten even more attention and attraction. As an example, EU sanctions against Russia on oil and gas deliveries go hand-in-hand with larger and faster efforts for solar and wind energy on our continent and abroad. The "Hydrogen Revolution 2.0"(\*), too, has been adopted by many leading European countries and respective industries.

Looking beyond the current turbulences but also comparing them to past crisis, the outlook for companies (mining, processing and manufacturing) active in critical raw materials that are indispensable to succeed this industrial (and societal) reorientation remains very solid: quarterly sales and earnings releases from companies out of this domain were very encouraging, including the management discussions on their outlook too (example Lynas Rare Earth as discussed in previous weekly mailing).

Along the investment universe of the REE-Fund, our weightings still favor *sub*-themes like permanent magnets (e-motors and rotor in windfarms), battery materials and hydrogen (electrolysis, fuel cells, H<sub>2</sub>-storage).

Sooner or later, the discussed temporary issues will wane.

By then, investors' confidence will improve, and funds currently parked in the money market will rapidly get allocated again to new growth and return opportunities – perhaps in a similar way as the post-Covid era towards Summer 2020 when equities took off strongly?

As such, investors sharing our view should consider using the current weakness by adding to their positions or starting to put a foot into this secular growth story of energy transition and their industries that make it happen.

(\*) referenced to Jeremy Rifkin's book "The Hydrogen Revolution"