

# The Rare Earth Elements Fund (CHF)

Metals of the Future – Vitamin of Modern Industry

FACT SHEET as of end of

July 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.

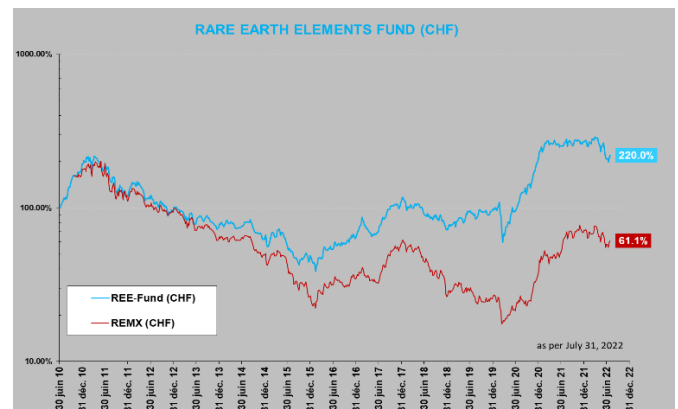
## General Fund Information

Investor Profile	Public
Fund Name	Rare Earth Elements Fund (CHF)
Fund Type	Swiss contractual umbrella fund, classified as "other traditional investment fund"
Domicile	Switzerland
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	July 2, 2010
Financial Year	1 January – 31 December
Subscription	Weekly, cut-off Wednesday 17h00
Redemption	Weekly, cut-off Wednesday 17h00+1week
ISIN	CH0111943673

## Additional Information

Nominal per Unit	CHF 100
Management Fees	1.50% p.a.
Hurdle Rate	10% p.a, cumulative
Performance Fees	20% of the outperformance realized above the Hurdle Rate with principle of High Watermark
High Watermark	Yes
Administrative Fees	0.45% 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	Paid to Investors
Publication of NAV	Agafi, Geneva Swiss Fund Data AG <a href="http://www.caceis.ch">www.caceis.ch</a>

## Performance Graph

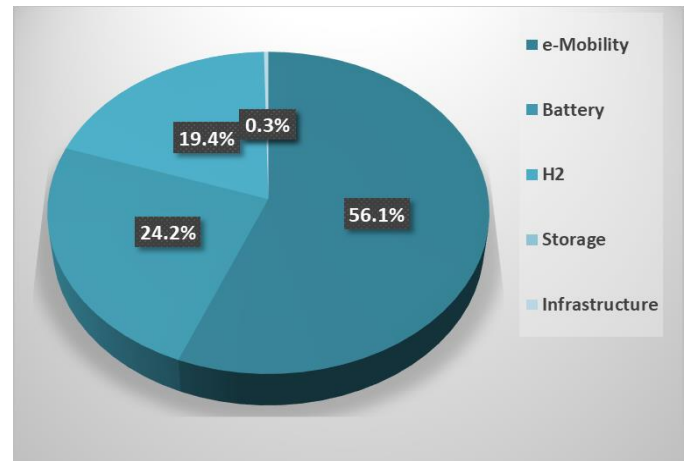


## Portfolio Structure

### Country Allocation

Australia	32.7%
Canada	25.1%
China/Hongkong	14.9%
Europe	10.0%
Japan	6.0%
Switzerland	0.0%
UK	11.3%

### Sub-Sector Themes



## 10 Top Holdings

Arafura Resources	11.2%
Lynas Rare Earth	11.0%
Sylvania Platinum	7.7%
Neo Perf Materials	7.3%
South Manganese	6.7%
Ivanhoe Mines	5.7%
China Rare Earth	5.3%
Sojitz	4.9%
Nel ASA	4.0%
Eramet	3.8%

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## Performance & Risks

NAV as of 31.07.2022	CHF 220.00
Fund since inception	120.00%
Fund (ytd)	-18.79%
MSCI-World in CHF since inception	152.81%
MSCI-World in CHF (ytd)	-9.60%
Units in circulation	239'142
Fund size	CHF 52'605'441

## 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
2022	-7.94	4.85	10.13	-10.00	-1.12	-18.45	5.26						-18.79

## Forex Exposure (net in %)

AUD	CAD	EUR	GBP	HKD	JPY	NOK	Ref-ccy CHF
44.9	24.6	5.9	0.1	14.7	5.9	4.0	-0.1

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## Investment Strategy

The harsh correction that started in April has likely run its course and should be due for at least a strong rebound. As explained on several occasions, during sharp drawdown previous market leaders get under pressure too, as investors need to raise cash to compensate for losses elsewhere. History also tells that once a correction comes towards its end, the leaders are the ones that normally recover rapidly, eventually trading into new high territories.

Therefore, and “weak hands” being washed out, the market conditions for a new bull-leg are present.

Business results of industries related to the energy and mobility transition are supporting our constructive market view, too. Many companies surprised with positive quarterly results what stands in contrast to the financial market turmoil during first half of this year. Especially high and rising backlog orders support higher stock prices going forward.

Geopolitical tensions seem to have eased somewhat but many uncertainties are unlikely to vanish. In Europe, energy dependency remains the key topic and politicians move into a higher gear with respect to renewable energy (*Bloomberg: “EU Countries Call for 1,000 Gigawatts of Solar Energy by 2030”*).

Business leaders are expected to adjust accordingly going forward through a build-up in strategic inventories in critical raw materials (CRM) – they simply cannot afford another supply-chain disruption that force them to shut down their fabrication plants!

Finally, very hawkish talks from western central bankers due to the sharp increases in inflation rates seem to have been provoking necessary adjustments in various overheated asset prices. Meanwhile, economic data already point to a coming recession (i.e., USA) what should render any further interest rate hikes by central banks more delicate...

To sum it up:

We could easily imagine new market leaders to behave the opposite way for the remainder of this year compared to the first half of 2022.

Critical raw materials and their role in industries of e-mobility, energy transformation and storage should be part of such a trend. Also, producer companies of CRMs may even outperform the other participants along the value chain, also supported by corporate activities within this industry (partnerships, business expansions and take-overs).

Investors seeking exposure to themes with high long-term growth potential may just be offered another great opportunity to add to their positions.