

The Rare Earth Elements Fund (CHF)

Metals of the Future – Vitamin of Modern Industry

FACT SHEET as of end of

May 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.

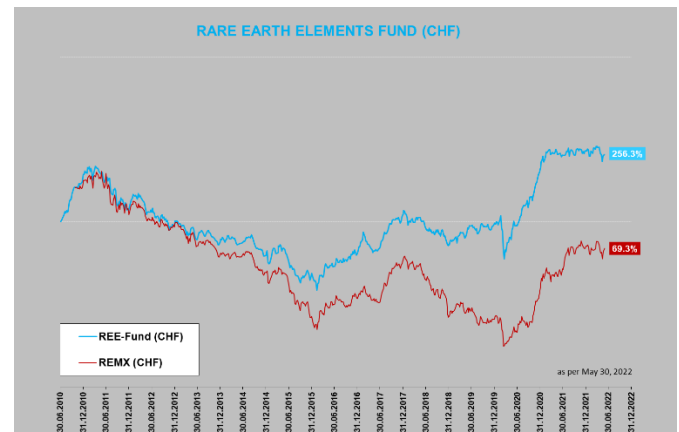
General Fund Information

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	Agefi, Geneva Swiss Fund Data AG www.caceis.ch

Performance Graph

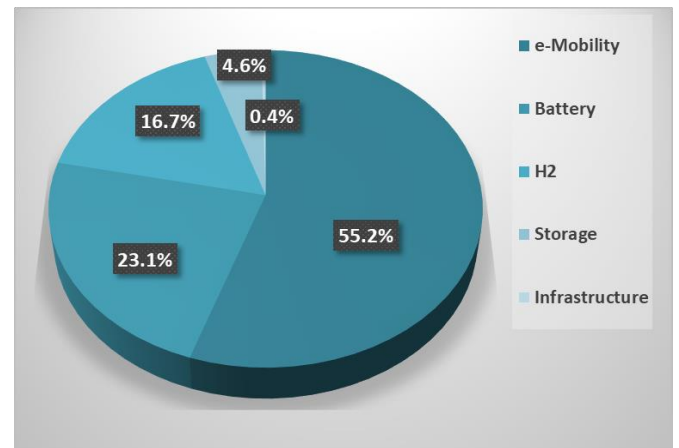


Portfolio Structure

Country Allocation

Australia	36.1%
Canada	25.1%
China/Hongkong	12.6%
Europe	9.8%
Japan	5.4%
Switzerland	0.7%
UK	10.3%

Sub-Sector Themes



10 Top Holdings

Lynas Rare Earth	13.1%
Arafura Resources	11.7%
Sylvania Platinum	7.0%
Ivanhoe Mines	6.7%
Neo Perf Materials	5.9%
China Rare Earth	5.3%
South Manganese	5.0%
Eramet	4.8%
Sojitz	4.6%
Austr Strategic Materials	4.3%

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Manager Report as of end of

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Performance & Risks

NAV as of 30.05.2022	CHF 256.3
Fund since inception	156.30%
Fund (ytd)	-5.39%
MSCI-World in CHF since inception	158.60%
MSCI-World in CHF (ytd)	-7.53%
Units in circulation	240'550
Fund size	CHF 61'658'774

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								-5.39

Forex Exposure (net in %)

AUD	CAD	EUR	GBP	HKD	JPY	NOK	Ref-ccy CHF
45.9	25.1	6.7	0.6	12.6	5.4	3.0	0.7

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Investment Strategy

During the reporting period we did not actively change our equity holding. On the currency front, we are almost fully hedged against the implicit GBP-risk (cross-currency hedge in favor of AUD).

Although the month of May ended slightly lower, we nevertheless got several positive signals on individual stocks as expected in the previous edition of this report. As an example, the bellwether REE-company *Lynas Rare Earth* advanced by 7.6%.

The ending of Covid-related shutdowns in Chinese manufacturing cities as well as EU's new plan to scale green energy transition brought back investor's interest.

We earlier explained that in an equity sell-off almost all sectors and industries get hammered - especially those that previously outperformed (investors tend to sell winning position to cover losses on other investments).

A large correction often acts as transition phase – former outperforming industries may lose their lead or may not. It depends on how quickly they recover. Once the correction phase is nearing its end, the upcoming outperformance leaders are commonly those that rapidly make up their losses and eventually trade into new high territory –2020 serves as a recent example! We think that the industries related to e-mobility, energy storage and renewables belong to that category.

From a geopolitical angle, the Ukraine-Russia crisis brutally unveils EU's energy dependency – a large part of Eurozone's producer prices (up 37.3% for April yoy) are directly related to higher crude oil and gas prices.

Therefore, EU and many of its member states see the only viable solution “to go greener, much faster”. But then again, Europe largely depends on foreign supply of critical raw materials (CRM). This is a situation that is likely to undergo drastic changes too, knowing that many of the CRMs could be mined and sourced inside EU.

As an example, Greenland (Denmark) has huge reserves of REE's (remember former president Trump who wanted to buy Greenland from Denmark). Thus far, the indigenous Inuits opposed to such plans but maybe their refusal just has the character of negotiation. Sweden is another place where green metals could be sourced.

In any case, we continue to watch the scene as positive changes in the stance toward the mining industry would offer great investment opportunities.

With respect to energy storage, hydrogen (H2) plays a key role, especially in combination with renewable energy. Given wind and solar energy's dependency on weather conditions respectively on daylight, spare electricity can be stored in form of H2 (through electrolysis) and converted back into electricity when needed (through fuel cells).

Finally, we observe that more and more research firms are publishing in-depth analysis related to the H2-story.