

Comment October 2024

The gold rally continued in October, with the price of gold reaching a new all-time high in U.S. dollars. Silver performed even better: although still far from its all-time high, it reached at least an annual high. We are very pleased with the performance of the AMG Gold - Mining & Metals Fund. In October, we increased our positions in silver producers within the portfolio. This decision was not easy, as the profitability of silver producers significantly lags that of gold producers. However, we also recognize the profit potential of these companies should the price of silver rise significantly.

There was a takeover in the silver segment in October: Coeur Mining is acquiring Silvercrest Metals through a share exchange. Silvercrest was one of the few highly profitable silver producers, and we have held the company in our portfolio for over two years. From Coeur's perspective, this transaction is strategically sound. However, we sold the position a few days after the announcement, capitalizing on price strength, as we do not wish to hold Coeur at its current level.

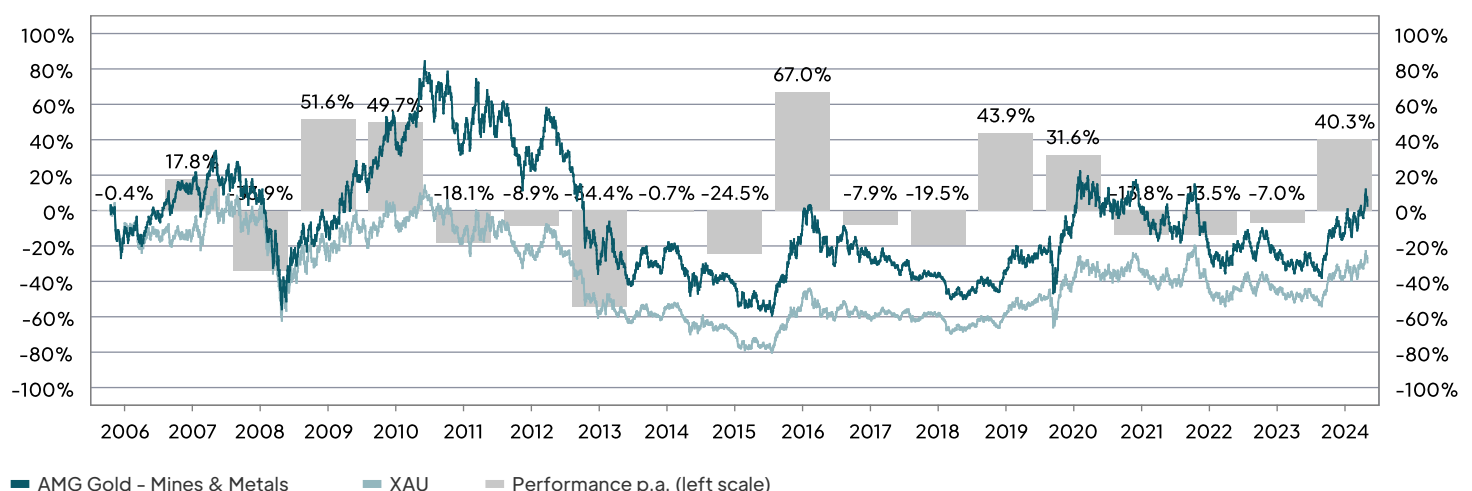
Newmont's quarterly figures weighed on the sector, falling short of expectations. Higher costs and lower production are an unfavorable combination, leading to a 14% drop in the share price on the day of publication. The announcement of a \$2 billion share buyback did little to reassure investors, and we are disappointed with this result. Otherwise, the current reporting season has generally brought more positive news. For most mines, costs are stabilizing or decreasing (due to higher "grades"), reflected in strong production figures.

Many investors are wondering what the future holds for this sector. Through the new BRICS+ "mBridge" payment platform, some countries must purchase additional gold as collateral. However, we do not yet know the initial volume of payments on this platform or how much additional gold will need to be acquired. A price correction in gold seems likely - either now, as a consolidation (another plateau), or after a further rise above the \$3,000 mark. We are also keenly observing the impact of the U.S. elections on financial markets. Most gold mines remain attractively valued at current gold prices, despite strong price gains.

Top 10 positions

Agnico Eagle Mines	6.9%
Barrick Gold	6.9%
Newmont Mining	6.5%
Anglogold Ashanti	6.0%
Pan American Silver	5.8%
Kinross Gold	4.6%
Wheaton	4.5%
Gold Fields	4.4%
B2Gold	3.6%
Northern Star Resources	3.5%

Performance since launch Tranche A



Key figures as of 31 October 2024

Net Asset Value Tranche A	CHF 123.18
Number of shares	127'663
Total Net Asset Value	CHF 113.2m

Performance Tranche A

Duration	Fund	XAU
1 month	5.4%	4.1%
3 months	8.2%	4.0%
12 months	48.5%	37.7%
3 years p.a.	3.7%	5.6%
5 years p.a.	6.5%	8.1%
since inception (18.04.2006) p.a.	0.1%	-1.9%
Year	Fund	XAU
2024	40.3%	31.8%
2023	-7.0%	-5.4%
2022	-13.5%	-7.3%
2021	-13.8%	-5.3%
2020	31.6%	23.1%
since inception (18.04.2006)	2.7%	-29.3%

Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	34.9%
Sharpe ratio (0.77% Risk free rate)	0.05
Beta (vs. XAU)	1.05

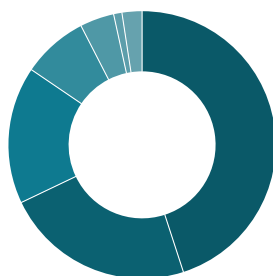
Exposure

Longposition	97.6%
Cash	2.4%

Top-3 / Poor-3 performers in October 2024

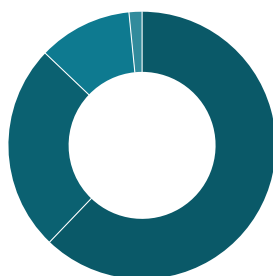
Company	Perf.
Bellevue Gold Reg.	23.1%
First Majestic Silver	23.0%
Mag Silver Corp	21.7%
Newmont Mining	-15.0%
New Found Gold	-10.1%
Equinox Gold	-9.0%

Breakdown by sectors



Seniors	45.0%	Explorers	4.1%
Intermediates	22.9%	Juniors	1.0%
Silver Stocks	16.6%	Cash	2.4%
Royalties	8.0%		

Breakdown by currencies



USD	62.1%	AUD	11.3%
CAD	25.0%	CHF	1.6%

Investment philosophy

The equity fund invests mainly in gold mining companies, with a selection of silver mining companies supplementing the fund composition. The equity fund is actively managed along the market cycles in gold and silver. The basis for this is the own fundamental and technical analysis. The top-down approach results in a concentrated portfolio of qualitatively convincing mining companies.

Fund facts

Domicile of fund	Switzerland
Legal form	Contractual investment fund
Investment universe	Precious metal shares global
Investment manager	Serafin Asset Management Ltd, Zug
Management company	LLB Swiss Investment Ltd, Zurich
Custodian bank	Bank J. Safra Sarasin Ltd, Basel
Launch date	18.04.2006
Recommended investment horizon	5 years
Reference currency	CHF
ISIN / Bloomberg-Ticker (respective share class)	A: CH0024686773 / AMGGMMF SW C: CH0197484386 / AMGGMMC SW H (FX-hedged): CH0420487941 / AMGGMMH SW
Distributions	distributing (Dividend & Capital Gain)
Subscription and redemption	daily (cut-off 13.00 CET)
Performance Fee	8% over 5% Hurdle, with High Water Mark
High Water Mark and Hurdle	CHF 226.74
Tax transparency	CH, AT
Tax status Germany	Equity fund pursuant to InvStG with partial exemption
Registered for public distribution	CH, DE

Fee structure

Subscription and redemption fee	none
Management fee p.a.	Tranche A: 1.50% Tranche C: 1.00% Tranche H (FX-hedged): 1.00%
Total expense ratio p.a. (per 31.12.2023; TER, before profit sharing)	Tranche A: 1.74% Tranche C: 1.24% Tranche H (FX-hedged): 1.24%

Portfolio management



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