

Comment December 2024

The correction in precious metal stocks in November and December was unnecessary to this extent. The decline in the two index heavyweights, Newmont and Barrick, is irrational. The gold price has outperformed these two stocks by over 30% year-over-year. This makes little sense, as the profit margins of both companies have increased compared to 2023. Barrick's gross margin has risen by over 30% despite some setbacks, while EBITDA has even grown by around 50%. With a market capitalization below \$30 billion, the estimated price-to-earnings ratio (P/E) for 2025 is under 10.

We temporarily reduced our position in Barrick at the beginning of December due to the departure of key personnel. We are curious whether CEO Mark Bristow will take the necessary measures to address this situation. Regarding Newmont, we believe it was primarily generalist investors who, toward the end of the year, increased their purchases of tech stocks while simultaneously liquidating underperforming positions.

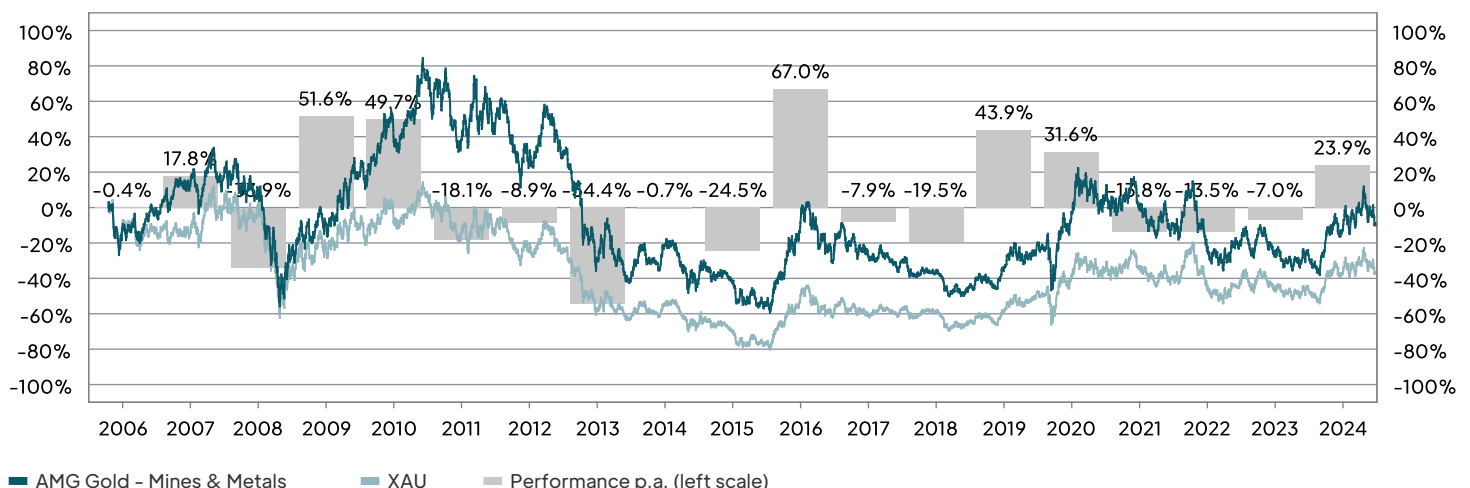
Southern Cross Gold, an Australian exploration company, stood out positively in our portfolio. The company regularly discovers new gold deposits, which we view favorably. Our long-term investment in Gold Road Resources also helped offset a weak 2024 in December. Years ago, Gold Road invested in De Grey, which was acquired by Northern Star Resources in December with a 37% premium. Of De Grey's AUD 2.2 billion market capitalization, over AUD 700 million is attributed to Gold Road's stake. Following the acquisition, Gold Road now has a liquid investment and can consider how best to allocate its cash reserves. A share buyback is certainly one of the options.

From a macroeconomic perspective, 2025 promises to be very eventful. Trump-era tariffs, central bank policies, and global economic growth will have a significant impact on financial markets. Many outcomes remain binary and cannot yet be forecasted. Initially, we expect precious metals to consolidate further, though this does not preclude future price movements. We anticipate a significant upward price surge at a later stage, supported by central banks providing states with extensive quantitative easing (QE) measures.

Top 10 positions

Company	Weight
Agnico Eagle Mines	7.3%
Pan American Silver	6.6%
Kinross Gold	6.6%
Newmont Mining	6.1%
Anglogold Ashanti	5.0%
Wheaton	4.7%
Barrick Gold	4.7%
Gold Fields	3.9%
Equinox Gold	3.7%
B2Gold	3.2%

Performance since launch Tranche A



Key figures as of 31 December 2024

Net Asset Value Tranche A	CHF 108.78
Number of shares	123'953
Total Net Asset Value	CHF 97.3m

Performance Tranche A

Duration	Fund	XAU
1 month	-6.6%	-6.2%
3 months	-7.0%	-7.1%
12 months	23.9%	17.5%
3 years p.a.	-0.1%	1.0%
5 years p.a.	2.5%	3.7%
since inception (18.04.2006) p.a.	-0.5%	-2.4%
Year	Fund	XAU
2024	23.9%	17.5%
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)	-9.3%	-37.0%

Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	32.4%
Sharpe ratio (0.85% Risk free rate)	n/a
Beta (vs. XAU)	1.01

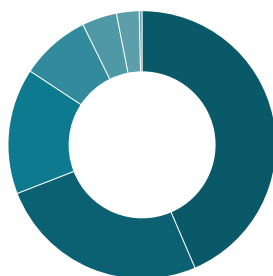
Exposure

Longposition	99.7%
Cash	0.3%

Top-3 / Poor-3 performers in December 2024

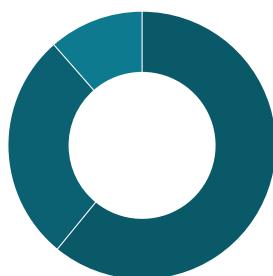
Company	Perf.
Southern Cross Reg.	16.6%
Gold Road Resources	9.9%
Wesdome Gold Mines	5.6%
Calibre Mining	-14.0%
B2Gold	-12.5%
Bellevue Gold Reg.	-12.1%

Breakdown by sectors



Seniors	43.5%	Explorers	4.2%
Intermediates	25.6%	Juniors	2.7%
Silver Stocks	15.2%	Cash	0.3%
Royalties	8.4%		

Breakdown by currencies



USD	61.0%	AUD	11.5%
CAD	27.7%	CHF	-0.2%

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 30.06.2024; TER, before profit sharing)	Tranche A: 1.76% Tranche C: 1.26% Tranche H (FX-hedged): 1.26%

Portfolio management



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