



FACTSHEET • NOVEMBER 2023

# WS Amati Strategic Metals Fund

## Fund Objective

The Fund aims to provide capital growth over the long term (periods of 5 years or more). The Fund invests in mining companies listed in developed markets worldwide. For further information on our objectives and policy, please view the Key Investor Information Document (KIID) [here](#).

## Contact Details

Investment Manager	ACD of the Fund
Amati Global Investors Ltd 8 Coates Crescent Edinburgh EH3 7AL	Waystone Fund Services (UK) Limited 64 St James's Street Nottingham NG1 6FJ
T: +44 (0) 131 503 9115	T: +44 (0) 115 988 8275
F: +44 (0) 131 503 9110	E: <a href="mailto:clientservices@waystonefs.co.uk">clientservices@waystonefs.co.uk</a>
E: <a href="mailto:info@amatiglobal.com">info@amatiglobal.com</a>	W: <a href="#">Waystone Fund Services</a>
W: <a href="http://www.amatiglobal.com">www.amatiglobal.com</a>	

## Key Information

Launch Date	March 2021
Fund Size	£65.5m
B Share Class	83.43p
Dealing Line	+44(0)115 988 8275
IA Sector	Commodities and Natural Resources
No. of Holdings	40
Minimum Investment	£1,000
Min Lump Sum Regular	£50/month
Share Type	Accumulation
Scheme Type	UK UCITS
ISIN	GB00BMD8NV62
Benchmark	MSCI World Metals and Mining Index (GBP)
Charges (no initial)	0.75% Annual Mgt Charge plus research charge of up to 0.10% (OCF capped at 1%)

### Investment Team



Georges Lequime  
Fund Manager



Mark Smith  
Fund Manager

## Ratings, Awards & Signatories



## 10 Largest Holdings

% OF TOTAL ASSETS

Atlantic Lithium	5.6%
Pan American Silver Corp	5.1%
K92 Mining	4.9%
Eldorado Gold Corp	4.8%
Fresnillo Plc	4.6%
Sigma Lithium	4.2%
Fortuna Silver Mines	4.1%
MAG Silver Corp	3.9%
Reunion Gold Corporation	3.6%
G2 Goldfields Inc	3.5%

## Cumulative Performance

(B CLASS)

	Fund Return (%)*	Benchmark Return (%)**
1 month	4.17	4.13
3 months	-8.05	2.18
6 months	-13.45	6.92
1 year	-20.92	-5.01
Since Launch#	-16.57	23.07

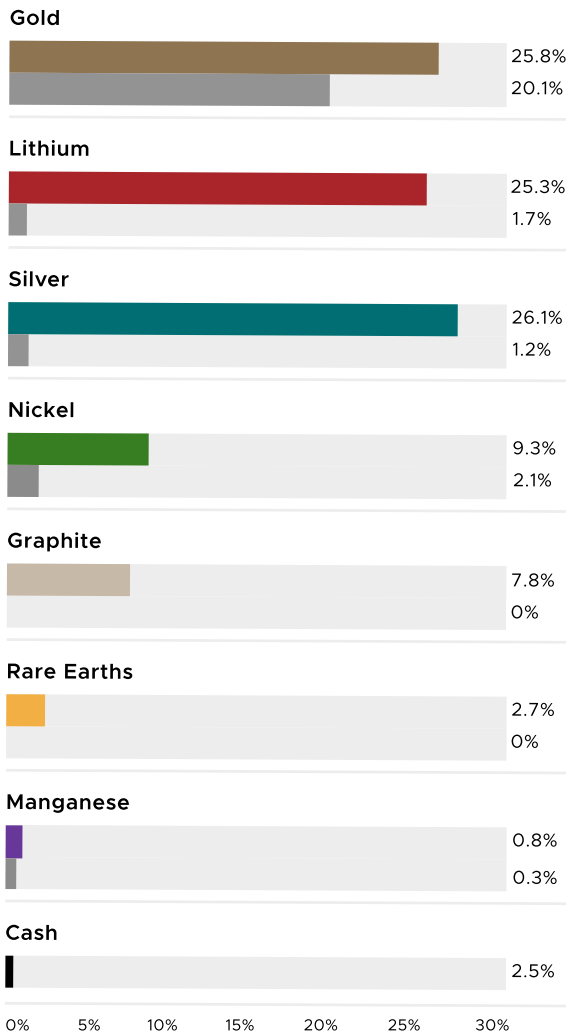
Cumulative performance data as at 30/11/2023

\*WS Amati Strategic Metals Fund, Total Return

\*\*MSCI World Metals and Mining Index (GBP), Total Return  
#15 March 2021

Past performance is not a reliable indicator of future performance.

## Asset Allocation vs Benchmark



Source: Amati Global Investors as at 30/11/2023

Benchmark weightings (in dark grey) only shown for asset classes in which the Fund has an allocation.

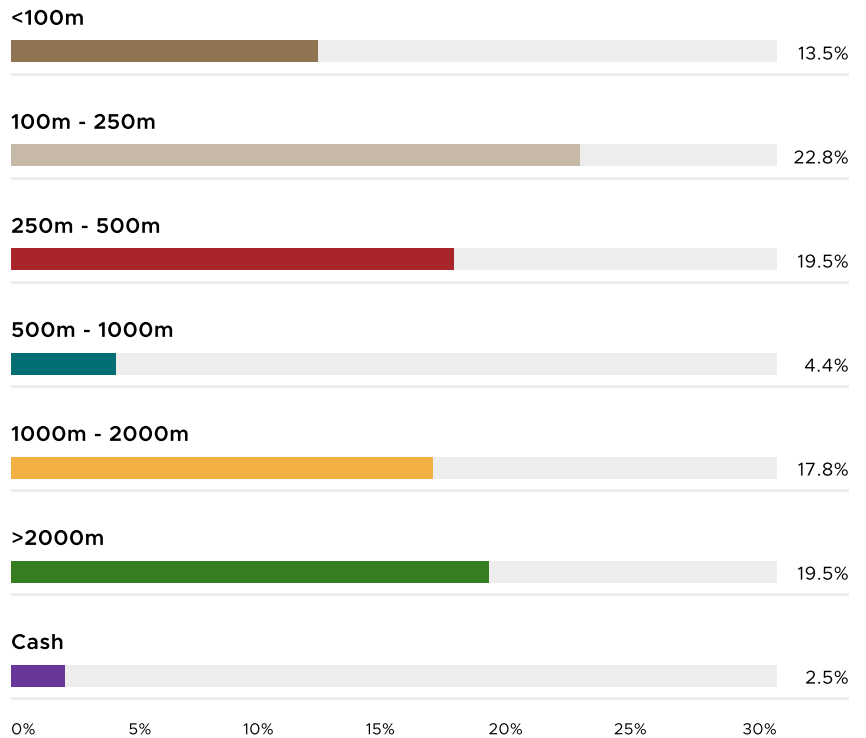
## Geographical Distribution by Revenue



North America	40.5%
South America	21.0%
Africa	11.8%
Australia	14.0%
Rest of the World	12.7%

Source: Amati Global Investors as at 30/11/2023

## Market Cap (\$)



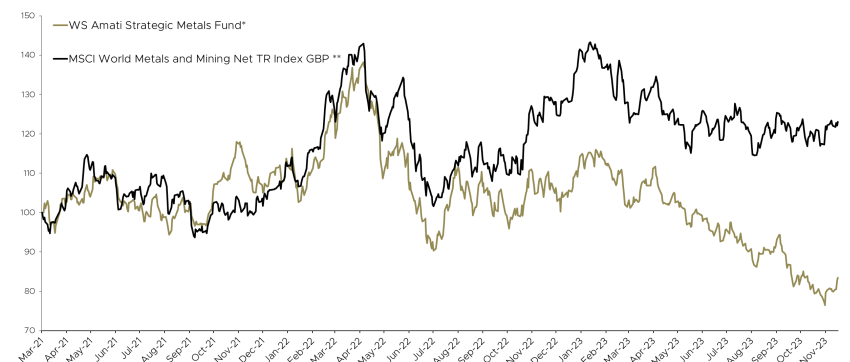
Source: Amati Global Investors as at 31/10/2023

## Fund vs Benchmark Market Cap

	WS Amati Strategic Metals Fund	MSCI World Metals and Mining Index
Number of Constituents	40	37
Market Cap (USD Millions)		
Median	249	15,820
Average	753	28,068
WAMC	1,189	66,305

Source: Amati Global Investors as at 31/10/2023

## Performance vs Benchmark



Source: Amati Global Investors as at 30/11/2023


\*WS Amati Strategic Metals Fund, Total Return.

\*\*MSCI World Metals and Mining Index (GBP), Total Return. The stocks comprising the index are aligned with the Fund's objectives, and on that basis the index is considered an appropriate performance comparator for the Fund. Please note that the Fund is not constrained by or managed to the index.

Sources: Waystone Fund Services, Financial Express Analytics and MSCI. Information in this factsheet is at the last valuation point of the month, except where indicated.

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 Investment Report

Please [click here](#) for audio 

November saw most metal prices higher on the back of growing confidence that the interest rate cycle has peaked. Following a decision at the start of the month by the US Federal Reserve to leave interest rates unchanged for the second straight month, bond yields and the dollar fell through the month, sending the gold price well over \$2,000/oz.

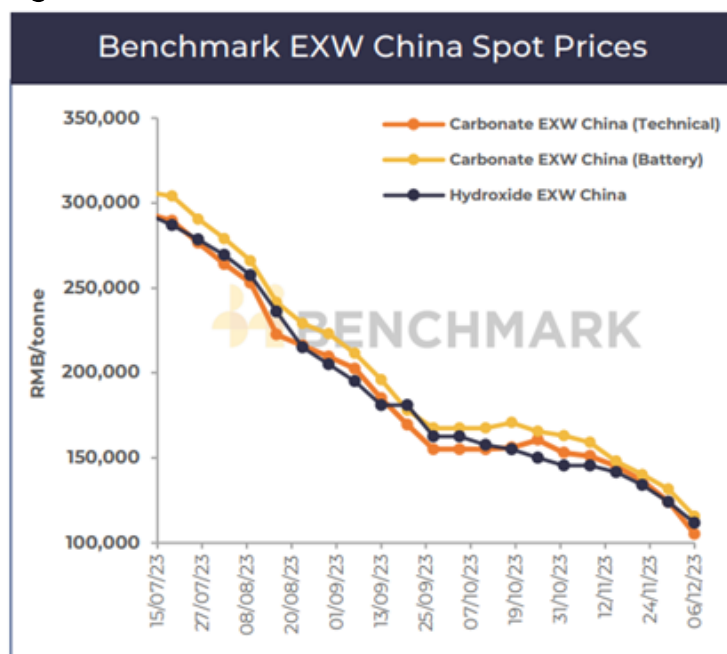
Chinese economic activity continues to surprise on the downside, although sentiment is starting to improve. Destocking of lithium continued through the month and we witnessed a marked fall in lithium carbonate and hydroxide prices in November, which kept lithium equity prices under pressure over the month. It is our view (and shared by market participants across the board) that prices have now fallen to unsustainably low levels. Project financing is becoming increasingly difficult, which will no doubt lead to a slower-than-needed supply ramp up.

Concerns in the metals market are increasingly shifting to the weak industrial production in Europe and a downshift in economic performance in the US. Paradoxically, this is reaffirming the belief that the interest rate cycle has indeed peaked.

European industrial production is now down 4% y/y and manufacturing PMIs are severely underperforming those in other regions. The German government is struggling to find ways to throw its support behind the economy, and, apparently, orders for metals are being deferred as far out as Q2 2024. Europe looks set for industrial recession to continue into 2024. Meanwhile, the Leading Economic Index in the US declined for the 20th consecutive month in November, and has now fallen 7.6% over the past year. Over the past sixty years, a fall of this magnitude has always been associated with a recession.

It is estimated that global industrial production growth will average +0.9% for 2023. This compares to +2.6% for 2022, +7.7% for 2021 and an average this century of +2.2%. Little wonder that this has been a sluggish year for mining equities. It clearly reflects a global economy adjusting to higher interest rates, where a wider destocking process has taken place.

Figure 1



Source: Benchmark Mineral Intelligence

The uranium spot price continued its upward march on the month as it advanced by nearly +9.1% to reach a quote of \$81.00/lb to end the month of November. This represents the latest fifteen-year, post-Fukushima high. The month of November was particularly strong on the inventory front with the Sprott Uranium Trust aggressively buying in a very tight spot uranium market, and adding +600,000 lbs to its inventory during the month. It has now increased its total number of purchased lbs to +3.6M lbs on a YTD basis. Since inception, total purchases amounted to nearly ~45M lbs.

Given the weak global economic activity in 2023, the copper price has held up far better than anyone could have expected in 2023 thanks to the shutdown of the large Cobre Panama mine in Panama coupled with new copper production ramp up issues (as well as problems at existing large copper mines). With inventory levels remaining low, the copper market should remain tight through 2024 as well – assuming Cobre Panama remains closed.

What was most remarkable in November, especially with regards to precious metals, is that investor appetite showed no improvement despite higher metal prices. Physical gold and silver in the form of ETFs were down over the month and very few large speculative short positions were covered. Clearly there is still too much uncertainty with regards to monetary policy for investors to come back into the metals market with any conviction.

## Looking forward into 2024

For commodities, apparent demand is crucial. With much of the developed world raising rates over the past eighteen months, working capital funding has been stretched and consumers have naturally tended to hold less material, and passively destock. Now, as we head towards the end of the developed world rate hike cycle, we should at the very least see an end to this destocking, boosting apparent demand in the developed world and potentially creating greater competition for metal units in H1 2024. Potentially this could transition into a restock cycle if faster than expected rate cuts emerge, however this typically does not emerge until we see greater demand confidence flowing through value chains and order books improving. Chinese economic growth has been sluggish in 2023 and the market is waiting for signs of government stimulus to propel Chinese industrial activity, thereby demand for metals.

The end to the rate hike cycle is usually met by a recovery in precious metals prices, followed by a recovery in industrial metal prices some six to twelve months later (as the benefits of any rate cuts start to impact global economic activity). Lithium is a relatively new sector, which has witnessed much price volatility over the past five years. It seems unsustainably low right now and is expected to recover before industrial metal prices recover.

During these volatile markets and low trading volumes, we are not changing the portfolio much. We hold solid investments which are well capitalized, developing quality mining projects, which are gaining increased investor interest relative to other sectors in the market.



Written by  
Georges Lequime



## Risk Warnings

**Past performance is not a reliable guide to future performance.** The value of investments and the income from them may go down as well as up and you may not get back the amount originally invested. Tax rates, as well as the treatment of OEICs, could change at any time. The investments associated with this fund are concentrated in natural resources companies, which means that the fund is subject to greater risk and volatility than other funds with investments across a range of industry sectors. The fund invests in companies that have operations in developing markets and which therefore may be subject to higher volatility due to political, economic and currency instability. Shares in some of the underlying companies in the fund may be difficult to sell at a desired time and price. A dilution levy may be applied to the share price when the fund is expanding or contracting. Should you buy or sell in these circumstances it may have an adverse impact on the return from your investment.

This factsheet does not provide you with all the facts you need to make an informed decision about investing in the fund. Before investing you should read the Prospectus, the Key Investor Document (KIID) and Supplementary Information Document (SID). The Prospectus sets out the main risks associated with the fund, the KIID shows you how costs and charges might effect your investment, and the SID details your cancellation rights. If you are in any doubt as to how to proceed you should consult an authorised financial intermediary. Fund documentation can be requested from Waystone Fund Services (UK) Limited or Amati and is available to download from our website.

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