

# Exponential Opportunities Equity Metals Fund



## Market Review

Gold futures hit a new all-time high in early December as they reacted to the geopolitical events in the Red Sea. The price rose to as high as \$2,152 at the open on December 4, only to close more than \$100 lower at the end of the day. In the following days, the price even fell below the \$2,000 mark, but was able to recover and closed the month almost unchanged at \$2,071. This battle for the old all-time highs was expected and could continue for a few more weeks. In the long term, however, gold is on the verge of breaking out of a 3.5-year consolidation phase and is therefore only at the beginning of a long-lasting bull market.

Silver was sold off quite heavily in the first two weeks of the month. From an intraday high of \$ 26.34, it fell to \$ 22.79 two weeks later, losing 13.5 %. The price recovered to close the month at \$ 24.09, 6.1 % below the November close.

## Performance Data as of December 31, 2023

Unit Class	NAV	Monthly Performance	QTD Performance	YTD Performance	Since Inception*
Class A USD	40.83	0.96%	0.05%	-16.37%	-59.17%
Class A CHF	36.89	-2.27%	-7.96%	-23.91%	-63.11%
Class B USD	34.46	0.91%	-0.09%	-16.98%	-65.54%
Class B CHF	34.67	-2.31%	-8.04%	-24.44%	-65.33%
Class B EUR	78.98	-0.31%	-4.22%	-21.02%	-21.02%

\* Class A USD & Class A CHF: 31.03.2021 / Class B CHF: 05.05.2021 / Class B USD: 26.05.2021 / Class B EUR: 22.03.2023

## Exponential Opportunities Equity Metals Fund

In December, the fund is up 0.96% for the A-USD class, down -2.27% for the A-CHF class, up 0.91% for the B-USD, while the the B-CHF class is down -2.31% and the B-EUR class is down -0.31%.

In the upcoming months, gold and silver prices are likely to be influenced significantly by the US Federal Reserve and other major central banks. With inflation declining rapidly, 2024 is set to be a turning point in monetary policy. Federal Reserve Chairman Jerome Powell recently indicated an end to the cycle of interest rate hikes and hinted at upcoming rate cuts. By the end of 2024, the Fed Funds Rate is expected to decrease from 5.5% to 4.75%, with futures markets predicting a series of rate cuts starting in March, eventually reaching 3.75% by December.

These anticipated rate cuts are exerting downward pressure on the US dollar, creating a conducive environment for precious metals. Recent rises in gold and silver prices may partly reflect these expected policy changes. While precious metals could face challenges if the US economy remains strong, further economic slowdown and accelerated rate cuts could significantly boost their potential, particularly benefiting mining company stocks.

Based on performance and subscriptions / redemptions, assets under management increased by 5.3% from \$2.71m to \$2.86m in December.

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