

Exponential Opportunities Equity Metals Fund



Market Review

Gold failed once again at the \$1835 level at the beginning of the month. What initially looked like a small consolidation after the surge from the August lows developed into another downtrend, leading to a negative monthly performance of 3.3%. Gold is now in the middle of a wide range between \$1675 and \$1835 with no clear directional picture.

A similar picture emerges for silver, which lost 8% in September and even broke the horizontal support line at \$22.

The moves are pretty stretched. With sentiment indicators on very low levels, only reached during the March 2020 panic sell-off, many investors seem to have thrown in the towel. Outflows from silver ETFs also have been on highest levels ever. While further price declines can never be ruled out, this feels like capitulation. With the macroeconomic situation still in place, these price levels look far more attractive to buyers than sellers.

Performance Data as of September 30th, 2021

Unit Class	NAV	Monthly Performance	QTD Performance	YTD Performance	Since Inception*
Class A USD	82.49	-11.88%	-24.98%	-17.51%	-17.51%
Class A CHF	82.56	-10.26%	-24.29%	-17.44%	-17.44%
Class B USD	71.03	-11.95%	-25.17%	-28.97%	-28.97%
Class B CHF	79.51	-10.33%	-24.49%	-20.49%	-20.49%

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

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Another bad month for our portfolio. Mainly due to the weak underlying metals (see market review on the left), the portfolio components lost significant value. The fund is down -11.88% for the A-USD class and -10.26% for the A-CHF class while the B-USD class is down -11.95% and the B-CHF class -10.33% for September.

Our positive market assessment a month ago was based on 3 factors: Still strongly negative real yields supporting precious metals, positive seasonality for gold and silver in September & October, and an expected increase in corporate news, driven primarily by drill results. In recent weeks, taper talk has pushed yields and the USD higher, weighing on the metals complex. But far worse, especially for our drill companies, has been the backlog in the labs. While the usual round-trip from sending drill cores to receiving final results has taken 2 to 4 weeks in the past, recently it has been up to 3 months. This not only delays the news-flow, but also hinders drill teams in defining their new drill targets, as they do not receive new information.

Based on the negative performance, assets under management decreased by 12.1% from \$7.26m to \$6.38m during the month of August.

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