Monthly Review October 2024 — torck capital management

Exponential Opportunities Energy Revolution Fund

Market Review

After a solid start to the month as expected, the uranium spot price came under pressure again, losing 2.5% month-over-month to close at $79.65, now dangerously close to the lows of the past two months.

Copper also couldn't hold onto the gains from the previous month, dropping 4.7% to $4.34. The next few weeks will reveal whether we are in a longer, more complex correction or if this month was just a minor pullback within a new upward trend.

Lithium continued its poor price performance, losing an additional 9% compared to the previous month..

Nickel dripped slightly, losing 3.5% to close at $1,355.

Performance Data as of October 31, 2024

Unit Class	NAV	Monthly Performance	QTD Performance	YTD Performance	Since Inception*
Class A USD	104.82	-3.60%	-3.60%	-8.01%	4.82%
Class A CHF	97.18	-1.19%	-1.19%	-5.50%	-2.82%
Class B CHF	92.57	-1.27%	-1.27%	-6.28%	-7.43%
Class B EUR	103.17	-0.99%	-0.99%	-8.86%	3.17%

* Class A USD & Class A CHF: 30.09.2021 / Class A EUR: 20.10.2021 / Class B CHF: 22.12.2021 / Class B EUR: 22.03.2023 / Class A EUR has been discontinued on March 29, 2023.

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For October, the fund is down -3.6% for the A-USD class, -1.19% for the A-CHF class, -1.27% for the B-CHF class and -0.99% for the B-EUR class.

There has been no significant change in the portfolio allocation in October. The largest exposure remains in uranium (63.5%), followed by copper and nickel (7.7% each).

The prices of battery metals such as lithium, graphite, and nickel have experienced significant corrections over the past one to two years. For example, lithium has fallen by 70% since the beginning of the year, while nickel is down around 40%.
These price declines are due to several factors:
- *Supply surplus*: Production capacities were significantly expanded in anticipation of strong growth in electric mobility, leading to oversupply.
- *Demand slowdown*: Demand for electric vehicles has slowed, partly due to reduced subsidies in Europe and China.

Despite these developments, there are signs that the market may have overreacted:
- *Long-term demand forecasts*: The International Energy Agency (IEA) continues to predict strong growth in demand for battery metals, especially due to the expected increase in electric mobility and stationary energy storage.
- *Investment adjustments*: Some projects have been postponed or canceled due to low prices, which could tighten supply in the future.

In summary, this suggests that the current price declines may be exaggerated, and the long-term fundamentals for battery metals remain positive.

Based on performance and subscriptions / redemptions, assets under management decreased by -4.2% from $4.7m to $4.5m during October.