



FACTSHEET • FEBRUARY 2023

TB 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
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Key Information

Launch Date	March 2021
Fund Size	£88.7m
B Share Class	107.43p
Dealing Line	+44(0)115 988 8275
IA Sector	Commodities and Natural Resources
No. of Holdings	45
Minimum Investment	£1,000
Min Lump Sum Regular	£50/month
Share Type	Accumulation
Scheme Type	UK UCITS
ISIN	GB00BMD8NV62
Benchmark	EMIX Global Mining Index (GBP)
Charges (no initial)	0.75% Annual Mgt Charge plus research charge of 0.10% (OCF capped at 1%)

Investment Team



Georges Lequime
Fund Manager



Mark Smith
Fund Manager

Ratings & Signatories



10 Largest Holdings

% OF TOTAL ASSETS

Sigma Lithium Corp	5.5%
Atlantic Lithium	4.0%
AngloGold Ashanti	3.9%
Piedmont Lithium	3.4%
Nouveau Monde Graphite	3.3%
K92 Mining	3.2%
Trident Royalties	3.1%
Talon Metals	3.1%
Frontier Lithium	3.0%
Arena Minerals	2.8%

Cumulative Performance

(B CLASS)

	Fund Return (%)*	Benchmark Return (%)**
1month	-3.85	-9.59
3months	1.83	-3.03
6months	4.31	10.92
1year	-5.49	0.51
Since Launch#	7.43	18.28

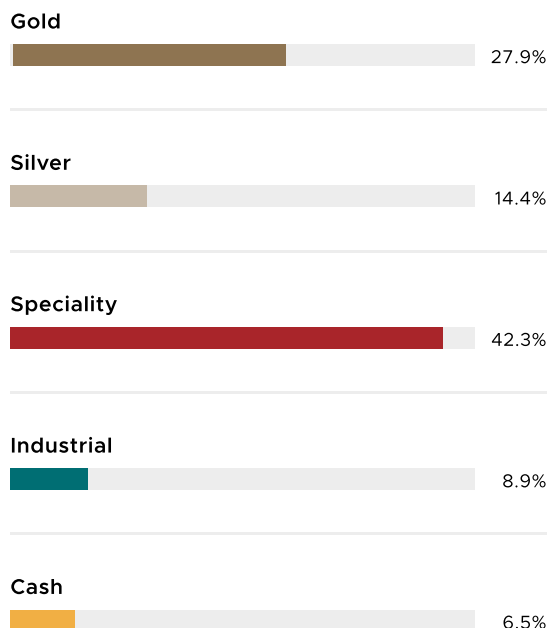
Cumulative performance data as at 28/02/2023

*TB Amati Strategic Metals Fund, Total Return

**EMIX Global Mining Index (GBP), Total Return #15 March 2021

Past performance is not a reliable indicator of future performance.

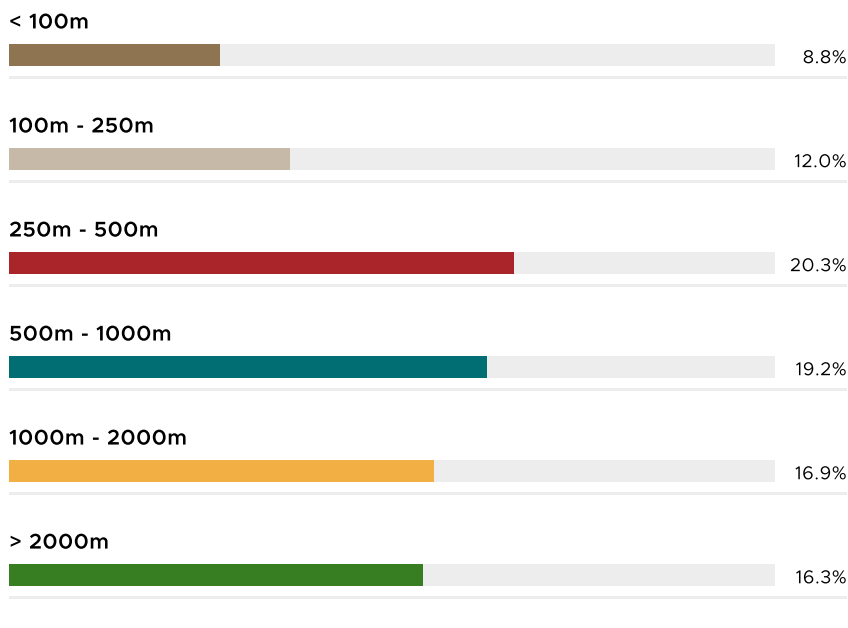
Asset Allocation



0% 5% 10% 15% 20% 25% 30% 35% 40% 45%

Source: Amati Global Investors as at 28/02/2023

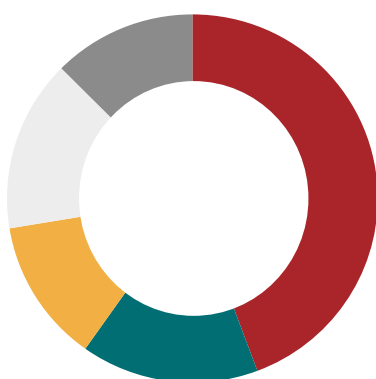
Market Cap (£)



0% 5% 10% 15% 20% 25% 30%

Source: Amati Global Investors as at 28/02/2023

Geographical Distribution by Revenue



- **North America** 44.3%
- **South America** 15.5%
- **Africa** 12.5%
- **Australia** 15.1%
- **Rest of the World** 12.6%

Source: Amati Global Investors as at 28/02/2023

Performance vs Benchmark



Source: Amati Global Investors as at 28/02/2023

*TB Amati Strategic Metals Fund, Total Return.

**EMIX Global 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: T.Bailey Fund Services, Financial Express Analytics and IHS Markit. 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 

February was a busy month for the fund managers of the ASMF. They attended the Mining Indaba in Cape Town and the Bank of Montreal (BMO) Global Metals, Mining and Critical Minerals Conference in Miami. The managers swapped their suits for overalls and visited Orecorp Gold in Tanzania, G Mining Ventures in Brazil and Premium Nickel in Botswana.

The investment mood at the conferences was very buoyant, with record attendance and 1-on-1 meetings. Not surprisingly, critical metals and decarbonization were the top topics of discussion and investment interest. It was great to see old faces again after the COVID lock down and to catch up on industry gossip, but new faces were circulating the conference floor - Auto sector executives. Tesla Inc., Ford Motor Co. and Mercedes-Benz Group AG were among automakers which sent senior staff to mingle with about 1,500 delegates at the BMO Conference. Executives are increasingly anxious about surging prices and tighter supply of metals used in electric vehicle batteries.

The metal supply deficit was well versed and whichever presentation was given, the metal supply forecasts remain in the red. According to Battery Materials Review, investment in raw materials since 2018 has been woeful compared to investment in EVs. Cumulative spend (2018-2022) in raw materials (battery metals) was US\$40bn, compared to US\$124bn in batteries and US\$265bn in EVs.

The OEMs are now looking to directly finance mining companies. General Motors Co. last year struck a prepayment deal for lithium, while Ford Motor Co. offered a loan to help fund a mine project. GM added a \$650 million stake in **Lithium Americas Corp.** to help deliver a mine in Nevada, and has considered buying an interest in Brazilian giant Vale SA's base metals unit. Tesla, which is constructing a metal refinery in Corpus Christi, Texas, has studied a takeover of miner **Sigma Lithium Corp.** The world's No. 2 miner Rio Tinto Group is hunting for lithium deals, but expects to be outbid by car producers. Volkswagen AG has pledged to boost cooperation with Canada's mining sector, formed a joint venture with Belgium-based materials supplier Umicore SA and has a deal with would-be lithium supplier **Vulcan Energy Resources Ltd**, which aims to develop an operation in Germany.

The \$430 billion US Inflation Reduction Act passed in August 2022 requires rising percentages of battery minerals to come from the United States or a Free Trade Agreement (FTA) partner. The EU, South Korea, Japan and other US allies have harshly criticized the IRA's provision requiring EVs to be produced in North America to qualify for consumer EV tax credits. The chat at the conference was that a deal will be announced giving the EU 'free-trade agreement-like status', to coincide with European Commission President Ursula von der Leyen's visit to Washington.

The general conference themes were optimism about commodities, including copper, with miners now willing to allocate more capital to growth. Corporate appetite generally geared to selective, early stage acquisitions and/or promoting existing assets from the portfolio, with a preference for future-facing commodities or higher-quality products. Gold companies are also considering (or developing) copper for exposure to the energy transition thematic. Silver also participates in the energy transition theme. Demand from EVs, solar panels, etc. are adding significant demand to a mine supply that likely cannot grow fast enough. Copper or copper-gold projects could also present attractive opportunities for stream financing. Lithium prices will stabilize at quite high levels, even if some moderation remains, with a view among many industry participants that May could serve as a bottom. Ahead of Chinese EV subsidy declines at the start of 2023, battery purchasing accelerated in Q4, leading to higher inventories (and low Chinese EV sales in Jan.), but that dynamic is deemed as improving.

In terms of the mining economy, inflation may have peaked - consumables, including oil, gas, and diesel are already declining; stickier labour costs are flattening. Miners are working to counteract labour inflation with improved efficiencies, including adoption of technology to automate, and with training programs to attract new workers. Growth and exploration are now increasing in priority as miners become more bullish on macroeconomic drivers and the outlooks for commodities, including copper.

We have not made any major changes to the portfolio, however following the conferences we are adding to a few junior precious metal companies and are working up some investment ideas in the battery metals space.



Written by
Mark Smith

 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 T.Bailey or Amati and is available to download from our website.

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