



## DJE - GOLD & RESSOURCEN

### EXPLOITS OPPORTUNITIES OF PRECIOUS METAL AND COMMODITY MARKETS



STEFAN BREINTNER

Distribution Share Class

1 | 4

#### Fund management: DJE Kapital AG

Fund manager	Stefan Breintner
Responsible since	30/06/2008

#### Fund Facts

ISIN:	LU0159550077
WKN:	164323
Bloomberg:	DJEGOLP LX
Reuters:	LU0159550077.LUF

Asset Class:	Themed Equity Funds Global Precious Metals/Basic Resources
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Minimum equity	51%
Partial exemption of income <sup>5</sup>	30%

Investment Company <sup>3</sup> :	DJE Investment S.A.
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Fund manager:	DJE Kapital AG
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Type of Share:	payout <sup>3</sup>
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Financial Year:	01/01 - 31/12
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Launch Date:	27/01/2003
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Fund Currency:	EUR
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Fund Size (12/11/2019):	89.73 million EUR
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TER p.a. (30/06/2019) <sup>3</sup> :	1.95 %
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#### Reference Index of the fund<sup>3</sup>

- 60% Philadelphia Stock Exchange Gold and Silver Index, 20% Reuters/ Jefferies CRB Index, 20% MSCI World Materials Sector Index (EUR)<sup>1</sup>

#### Ratings & Awards<sup>4</sup> (12/11/2019)

Morningstar Rating Overall<sup>2</sup>: ★ ★ ★ ★

#### €uro Fund Award 2018

2nd place, category Equities Goldmines over 1 and 5 years

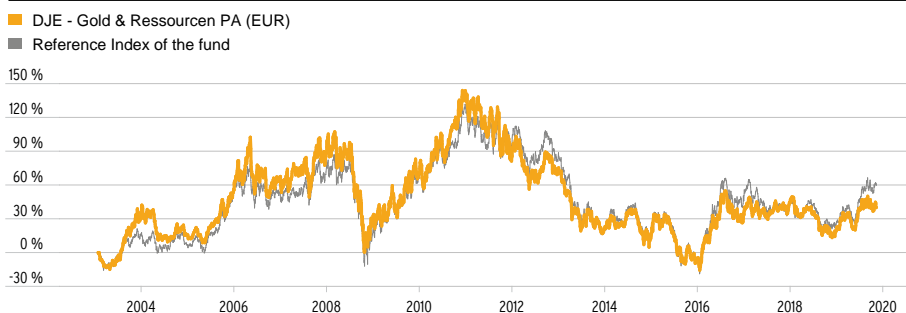
3rd place, category Equities Goldmines over 10 years

## DJE - GOLD & RESSOURCEN PA (EUR)

### INVESTMENT STRATEGY

The fund's investment focus is on companies involved in the gold mining sector. The equity portion is actively managed. The proportion of pure gold mining stocks must be at least 30% of assets under management. In addition, companies operating in the sector of other primary resources - such as base metals, oil and gas and agricultural commodity producers - are an important part of the fund. The fund thus provides investors with the opportunity to participate in the long-term uptrend of both the gold price and the broad commodity market. The combination of stocks from the gold, base metals, energy and agricultural sector creates a diversification effect and reduces investor risk compared to direct investment.

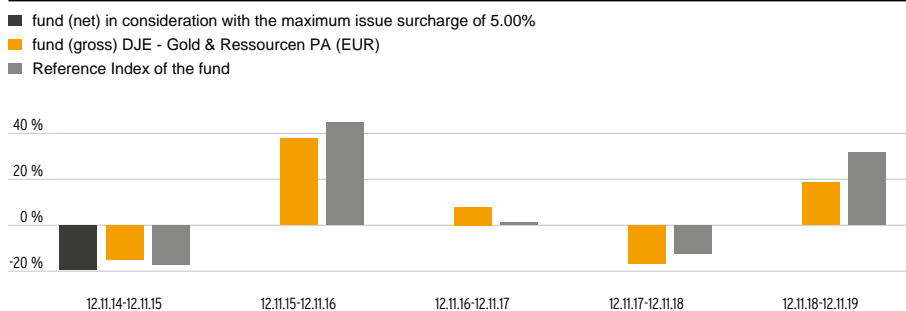
### PERFORMANCE IN PERCENT VS. REFERENCE INDEX SINCE INCEPTION (27/01/2003)



Data: Bloomberg, own illustration.

As at: 12/11/2019

### PERFORMANCE IN PERCENT VS. REFERENCE INDEX LAST 5 YEARS (12/11/2014)



Data: Bloomberg, own illustration. Calculated according to the BVI Bundesverband Investment und Asset Management e.V.) method, i.e. not taking into account the front end load.

As at: 12/11/2019

### PERFORMANCE VS. REFERENCE INDEX IN PERCENT

	1 Mo	YTD	1 Yr	3 Yrs	5 Yrs	SI
Fund	-1.81%	17.46%	18.56%	6.33%	24.26%	40.28%
Reference Index	4.33%	29.72%	31.76%	16.82%	40.15%	61.32%

As at: 12/11/2019

The presented charts and tables concerning performance are based on our own calculations according to the gross performance (BVI) method<sup>3</sup> and illustrate past development. Future results may vary both positively and negatively. The BVI method takes into account all costs incurred at the fund level (e.g. management fees), the net performance and the issue fee. Additional individual costs may be incurred at the customer level (e.g. custodian fees, commission and other charges). Model calculation (net): an investor wishes to purchase shares for Euro 1,000. With a maximum issue surcharge of 5.00%, he has to spend a one-off amount of Euro 50.00 when making the purchase. In addition, there may be custodian costs that reduce performance. The custodian costs are decided by your bank's price list and service charges. Information regarding past development is not a reliable indicator of future performance.

1 | 2 see also on page 4

3 | see also on (www.dje.de/DE\_en/fonds/fondswissen/glossar)

4 | sources on homepage (www.dje.de/DE\_en/unternehmen/ueberuns)

5 | The fiscal treatment depends on the personal circumstances of the respective client and can be subject of change in the future.



## DJE - GOLD & RESSOURCEN

### EXPLOITS OPPORTUNITIES OF PRECIOUS METAL AND COMMODITY MARKETS



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#### Asset Allocation in percent of fund volume (31/10/2019)<sup>3</sup>

Stocks	99.37 %
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Cash	0.63 %
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The asset allocation may differ marginally from 100% due to the addition of rounded figures.

#### Top Countries in percent of fund volume (31/10/2019)

Canada	27.92 %
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United States	12.77 %
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Australia	12.58 %
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United Kingdom	9.77 %
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Germany	7.93 %
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#### Fund prices per 12/11/2019

Bid:	139.22 EUR
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Offer:	146.18 EUR
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#### Fees<sup>3</sup>

Initial Charge:	5.00%
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Management Fee p.a.:	1.32%
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Custodian Fee p.a.:	0.10%
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Advisory Fee p.a.:	0.35%
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Performance fee: up to 10% of the increase in Fund assets in excess of 6% (Hurdle Rate), High Water Mark over preceding 5 years.

#### Risk class (SRRI 1-7)<sup>3</sup>

← low risk lower rewards      high risk higher rewards →

1	2	3	4	5	6	7
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<sup>3</sup> | see also on (www.dje.de/DE\_en/fonds/fondswissen/glossar)

## DJE - GOLD & RESSOURCEN PA (EUR)

#### TOP TEN SECTORS IN PERCENT OF FUND VOLUME (31/10/2019)

BASIC RESOURCES	74.22 %
CHEMICALS	12.57 %
OIL & GAS	8.96 %
CONSTRUCTION & MATERIALS	3.62 %

#### TOP HOLDINGS IN PERCENT OF FUND VOLUME (31/10/2019)

NEWMONT GOLDCORP CORP	6.13 %
AGNICO-EAGLE MINES LTD	4.57 %
KIRKLAND LAKE GOLD LTD	3.71 %
LAFARGEHOLCIM LTD-REG	3.62 %
ANGLO AMERICAN PLC	3.43 %
WHEATON PRECIOUS METALS CORP	3.33 %
KINROSS GOLD CORP	3.31 %
RIO TINTO PLC	3.24 %
NEWCREST MINING LTD	3.22 %
YAMANA GOLD INC	3.19 %

#### RISK MEASURES<sup>3</sup>

Standard Deviation (2 years)	18.32%	Sharpe Ratio (2 years)	0.15
Tracking Error (2 years)	11.73%	Correlation (2 years)	0.60
Value at Risk (99% / 20 days)	-11.73%	Beta (2 years)	0.91
Maximum Drawdown (1 year)	-11.54%	Treynor Ratio (2 years)	2.97

As at: 12/11/2019

#### MONTHLY COMMENTARY

In September, the DJE - Gold & Resources declined by -3.07%. Its benchmark index (60% Philadelphia Stock Exchange Gold and Silver Index, 20% Reuters/Jeffries CRB Index, 20% MSCI World Materials Sector Index (EUR)) lost -3.07%. The better performance of the fund compared to the benchmark index is mainly due to the above-average performance of some highly-weighted individual positions. Gold mining stocks performed negatively overall in September. The XAU gold mining index fell by -10.61% in US dollar terms and -9.92% in euro terms due to the appreciation of the US dollar against the euro in September. Gold mining stocks thus performed worse than the gold price itself. Gold lost -3.15% in US dollar terms and fell to 1,472.49 USD/ounce. Calculated in euros, the loss was lower at -2.40% to 1,350.97 EUR/ounce due to the appreciation of the US dollar. After its strong gains in previous months, the gold price corrected strongly in the reporting period, by almost 4% from USD 1,529 to USD 1,472. Rising bond yields and hopes of a settlement in the US-Chinese trade dispute weighed on gold in September. As long as real interest rates continue to fall or remain at current levels, the gold price should be able to continue its upward trend. Gold demand was strong again, especially in the final days of the month under review, which was reflected in high ETF inflows. At 15.5 tons, the gold ETFs recorded by Bloomberg recorded the largest daily inflow in three months. The uncertainty of investors, the investment crisis and a depreciation of the most important currencies supported by the central banks continue to speak for the alternative currency gold. The highest performance contributions in September came mainly from positions outside the gold mining segment, including the highly weighted positions in the US chemicals group Albemarle Corporation and the British mining group Anglo American. In the gold mining segment, the highest contribution to performance came from the investment in the Australian Oceana Gold Corporation. On the other hand, positions at the South African gold producers AngloGold Ashanti and Gold Fields and the Canadian gold mining company Agnico Eagle Mines had a negative impact. At around 63%, the weighting of gold mining shares at the end of September was below the level of the previous month (68%). The focus continues to be on solidly financed producers that generate positive free cash flows even at lower gold prices and also have a certain growth perspective. Broader commodity and chemical stocks generally outperformed gold mining stocks in September, with the MSCI World Materials index up 3.71% and the CRB Commodity Index up 2.90%, both in euro terms. At the end of the month, values denominated in US dollars were partly hedged.



STEFAN BREINTNER

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**Target group****The fund is suitable for investors**

- + with a longer-term investment horizon
- + who seek to focus their equity investments on gold producers and commodity stocks
- + who wish to minimise risk in comparison to direct investment in individual stocks in the gold and commodities sectors

**The fund is not suitable for investors**

- with a short-term investment horizon
- who seek safe returns
- who are not prepared to accept increased volatility and temporary losses

**DJE - GOLD & RESSOURCEN PA (EUR)****INVESTMENT APPROACH**

The gold mining industry reduced its costs and growth investments due to the obvious gold price reduction in 2013. Therefore most of the gold companies ought to be able to generate a free cash flow in the future, once the gold price exceeds 1,250 USD/oz. The improved profitability will affect the equity price in the middle term positively. Compared to the gold price the valuation of gold producers' shares is relatively low currently. The chances for the broad commodity market have to be seen mainly in the progressing urbanization of China and the emerging markets, followed by an increasing commodity demand. The fund focusses on companies, which produce commodities, characterized by a favorable supply and demand relation. Actually nickel, platinum and palladium belong to this group. A low supply and a stable demand will result in high prices for the middle and long term, which will give a positive impulse for the profit development of the producers. The DJE - Gold & Ressourcen applies very strict investment criteria: The fund is only invested in companies operating in politically stable areas with a fundamentally attractive valuation. Particularly falling real interest rates will influence the gold price development sustainably, see diagram below.

**US REAL INTEREST RATE VS. GOLD PRICE (USD)**

Data: Bloomberg

As at: 30/08/2019

**OPPORTUNITIES AND RISKS****Opportunities**

- + In the long term, high upside potential for stocks of the gold and commodity sector
- + Exchange rate gains in global investments are possible
- + Increasing demand for physical gold due to declining confidence in established currencies and high demand from the emerging market jewelry sector; this should lead to higher gold prices and thus to higher prices for gold mining stocks

**Risks**

- Shares in the commodity and precious metals sector are generally more volatile than the overall market
- Currency risks resulting from a high proportion of foreign investments
- In addition to market price risks (equity and currency risks), there are country and credit risks

3 | see also on KIID <https://www.dje.de/de-en/documents/LU0159550077/KIID/inline>



## DJE - GOLD & RESSOURCEN EXPLOITS OPPORTUNITIES OF PRECIOUS METAL AND COMMODITY MARKETS



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### DJE Kapital AG

DJE Kapital AG has more than 45 years of experience in wealth and asset management and is today one of the leading bank-independent financial service providers in German-speaking Europe. Our investment strategy, both in equities and bonds, is based on the FMM method developed in-house: a systematic analysis which takes three views on securities and the financial markets: fundamental, monetary and market-technical. DJE follows sustainability criteria when selecting securities and is a signatory to the United Nations Principles for Responsible Investment.

Signatory of:



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## DJE - GOLD & RESSOURCEN PA (EUR)

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