

**INVESTMENT GOAL : TO ACHIEVE CAPITAL GROWTH THROUGH A FOCUSED PORTFOLIO OF NATURAL RESOURCE STOCKS**

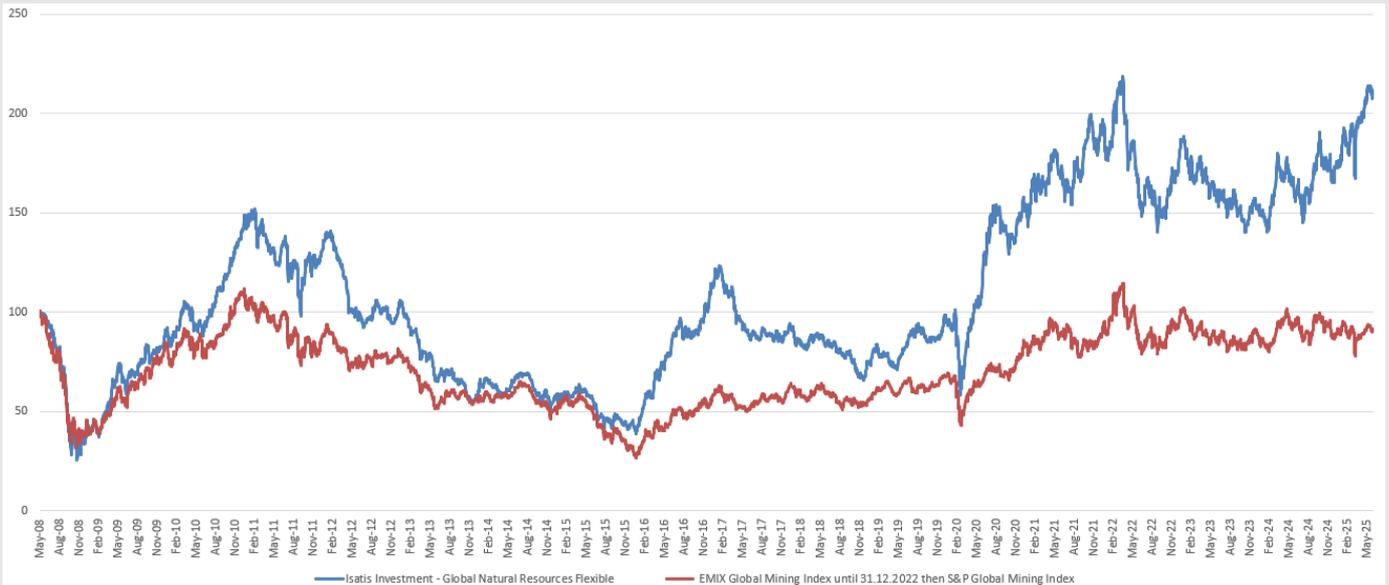
**RETURNS**

	Value	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	Since inception *
NAV	€ 210,8	26,5%	8,4%	-9,8%	-10,9%	26,1%	56,8%	36,8%	-21,1%	-17,6%	144,1%	-20,7%	110,8%
Index**	€ 475,5	4,9%	-4,7%	-1,0%	4,8%	11,8%	15,5%	25,6%	-10,5%	12,8%	64,3%	-36,1%	-15,8%

\* "Since 19.05.2008"

\*\* "EMIX Global Mining Diversified Index in EURO until 31/12/2022; S&P Global Mining Index since 01/01/2023 as IMBA decided to cease publication of all EMIX branded indices in 2023"

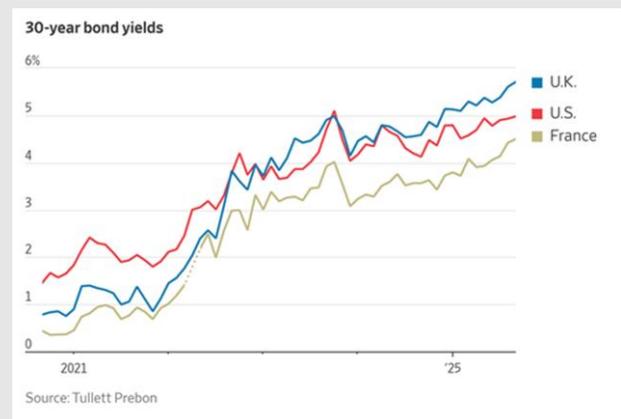
**COMPARISON BENCHMARK PER 30.06.2025**



**MANAGERS COMMENT Q2 2025**

Gold prices recently restarted their upswing pushing through the 3500 USD per ounce mark. Impressive action it is. Trump's recent actions on trying to pressure the FED in lowering rates surely helped the gold market. And then there is the ongoing major fundamental supporting the gold market : the story of unsustainable debt and deficit levels of several western governments where the only "solution" governments and central banks know off is to create inflation and

kick the can down the road. The bond market is on the watch....



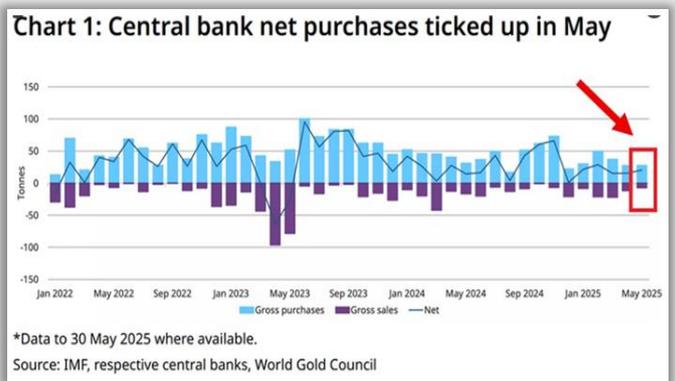
Ray Dalio had the following to say about the topic : “Many years of big deficits and unsustainable debt growth has brought the US economy to the brink of a debt crisis.”

Dalio says a politically-weakened central bank will undermine confidence in the Fed defending the value of money and will also make holding dollar-denominated debt assets less attractive. De-dollarization trends, questions over Fed’s independence, sustainability of US fiscal position, and central bank buying will further increase demand for Gold.

In an interview a few months ago, Marc Faber made some comments on gold that were also right on the mark. Faber sees current U.S. policies, particularly under the Trump administration, as a catalyst for gold’s ascent. “He’s a gift of heaven for gold. A completely ignorant interventionist who is a money spender,” Faber says of Trump, pointing to multi-trillion-dollar deficits and policies like the “one big beautiful bill” as evidence of fiscal recklessness. He argues that Trump’s push for a weaker dollar to boost exports further bolsters gold’s appeal. “It is, of course, for a foreigner or for a central bank, not very encouraging to have the president of a country that has the world’s reserve currency, the US dollar, telling the world he wants to have a weaker dollar; then it’s an encouragement to buy gold,” he explains.

New data show that central banks added 20 tonnes of gold to their reserves in May, the highest number in 3 months and the 24th consecutive net monthly purchase. Over the last year, central banks bought an average of 27 tons of gold per month.

Kazakhstan led the buying in May, followed by Turkey, Poland and Singapore. Furthermore, according to a recent survey by the World Gold Council of 73 central banks, 95% of them expect their gold reserves to increase over the next 12 months.



Over these last months, there have been significant developments in the market for rare earth metals. In response to Trump’s import tariffs, China imposed export restrictions on 7 rare earth metals in April 2025. Given that China controls 68% of global mining production and 88% of rare earth metal processing, the consequences were not long in coming.

Production disruptions at car manufacturers such as Suzuki and Ford and at defence companies piled up, given the indispensability of these metals. Trump, who listens to his supporters, had to bow to pressure and struck a deal with China to resume exports of rare earth metals. This time, the West really woke up, as evidenced by what happened next.



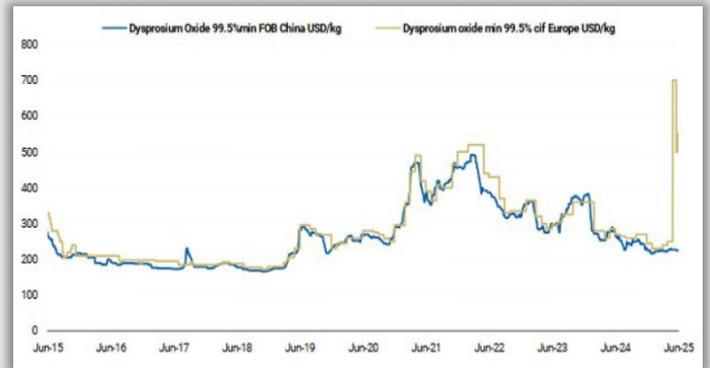
On 9 July 2025, it was announced that the US Department of Defence was investing 550 million USD in MP Materials, the only American producer of rare earth metals. This investment consists of a 15% stake (400 million USD), making the Department of Defence the largest shareholder in MP Materials. In addition, there is a loan of 150 million USD to develop a 'mine-to-magnet' supply chain.

The US Department of Defence guarantees a minimum price of 110 USD per kilo of NdPr\* (compared to the current world price of around 89 USD per kilo of NdPr) and the purchase of all magnets for a period of 10 years. The current price of NdPr (see graph below) is too low not only for non-Chinese producers, but also for a significant proportion of Chinese producers. Several of them have production costs closer to 80-90 USD per kg of NdPr.



The Ministry of Defence's entry into the share capital of a private company is unprecedented and highlights the strategic importance of rare earth metals. Incidentally, the United States is the world's largest consumer of defence magnets. Since the Chinese export restrictions of April 2025, the prices of some rare earth metals outside China have tripled to quintupled (see the following graph showing the divergence

between the price of dysprosium outside of China and the price in China).



On 15 July 2025, Apple announced a 500 million Materials for the supply of rare earth magnets and the development of production and recycling facilities in the US. We would be very surprised if no further strategic investments or partnerships were announced in the next 12 months. MP Materials clearly is the 'go-to' stock for US investors.

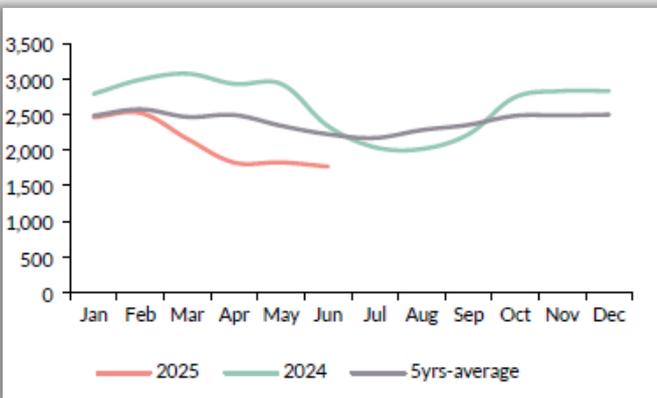
Lynas Rare Earths, the largest non-Chinese producer in the world, counts Gina Rinehart, Australia's richest person, as an important shareholder, and seems like a good investment to play the rare earths theme. We hold Lynas Rare Earths in the fund.

In our fund, we hold 3 potash producers as we believe the fundamentals of potash to be strong for the coming years, which seems to be confirmed by recent events. First, there was the annual price negotiation that China is conducting with Russia's Uralkali, which is the world's third-largest potash producer with a 13% market share.

Normally, China always obtains a discount of 10 USD per tonne of potash from the price India receives in its annual negotiation. This makes sense, as China consumes some 18 million tonnes of potassium, which accounts for 25% of world

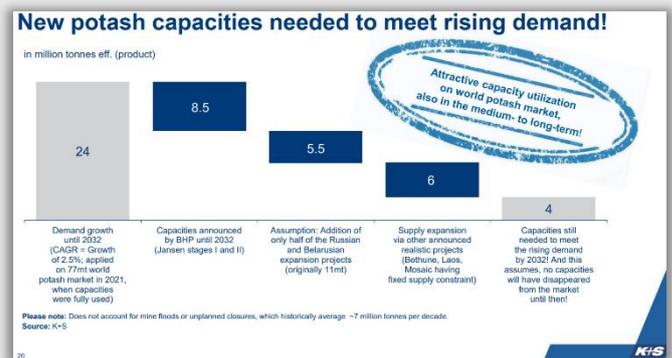
\*NdPr stands for Neodymium-Praseodymium, two rare earth metals that are essential for powerful magnets in electric motors, wind turbines and defence technology.

consumption, while India takes only 3,6 million tonnes. This time, however, China negotiated a discount of only 3 USD per tonne of potash in June 2025, indicating a supply squeeze in the market (China got a price of 343 USD per tonne of potash compared to 346 USD for India). This tightness is occurring at a time when global potassium stocks among key consumers are low. For instance, China normally maintains a strategic stockpile of 3 million tonnes, but has failed to do so in recent years, as the following chart shows. Currently, stocks are even below 2 million tonnes. Zooming in on the bigger picture, global



consumption is expected to grow by some 24 million tonnes a year between now and 2032 (see the following summary table). The summary table generously assumes that supply can meet demand, mainly due to the start-up of BHP's Jansen potash mine. Two weeks ago, however, BHP announced a significant setback at Jansen, revealing a delay in its timeline and a projected cost overrun of up to 1,7 billion USD. The initial phase of the Jansen project is now projected to cost BHP between 7-7,4 billion USD, an increase from the original 5,7 billion USD estimate. This escalation is attributed to elevated costs, alterations in design and scope, and insufficient productivity.

BHP also pushed back its initial production timeline. Originally aiming for late 2026, the first stage of production is now anticipated by mid-2027. Furthermore, the company is considering a two-year delay for the second stage of output, potentially moving the target to fiscal 2031. Incidentally, BHP recently informed that the Jansen mine needs a price of 420 USD per tonne of potash over the cycle to be profitable. Furthermore, in the following summary table, there is a generous assumption in the expected production growth of new potash projects in Russia and Belarus. From an eventual production potential of 11 million tonnes by 2032, 5,5 million tonnes are counted as coming online. However, no capital investment has been made to date, as Western engineers and Western capital equipment are crucial for building a new potash mine. The West has been boycotting Belarus since 2020 because of the authoritarian government under President Aleksandr Lukashenko, so no new projects have started since then. We see a similar situation in Russia since the start of the Ukraine war. The 5,5 million tonnes that is attributed to new projects in Russia and Belarus is therefore generous as a result. Potash fundamentals appear to be strong for the coming years.



Uranium prices seem to have regained some momentum thereby setting a higher low above 70 USD per pound. When the 80 USD level would be crossed, the way lies open to get to the 100 USD mark and beyond...levels that were attained at the beginning of 2024.

At the end of August, Cameco Corporation, one of the world's largest uranium producers, announced a significant revision to its 2025 production guidance for the McArthur River/Key Lake operation in Saskatchewan. The company now anticipates producing 14–15 million pounds of uranium (U<sub>3</sub>O<sub>8</sub>), down from the prior target of 18 million pounds — a roughly 22% reduction. What makes this update especially important is the reason cited for the shortfall: skilled labour shortages. Unlike equipment failures, regulatory delays, or market-driven production cuts, a shortage of qualified personnel represents a structural, long-term constraint on supply. For uranium investors, this is not just a Cameco issue — it is a signal of broader, systemic challenges facing the global uranium market.



Lithium carbonate prices recently fell to CNY 77,500 per tonne, dropping from the one-year high of CNY 87,100 on August 19th as market reconsidered the magnitude of supply cuts out of China.

Prices had surged over 40% since the start of July after the world's top battery producer, CATL, suspended activity in its Jianxiawo mine after failing to extend a key mining permit. The mine is responsible for around 5% of global supply. In addition to removal of the mine's supply, the move supported the possibility that the Chinese government would further its overhaul to cut capacity in oversupplied sectors and combat producer deflation. Still, carbonate inventories in China rose by more than 30% to 150k tonnes as of May, as competition for market share drove firms to ignore low output prices. Further, uncertainty on whether Beijing will stick to aggressive capacity cuts for lithium following potential initial moves also pared the third-quarter's rally.



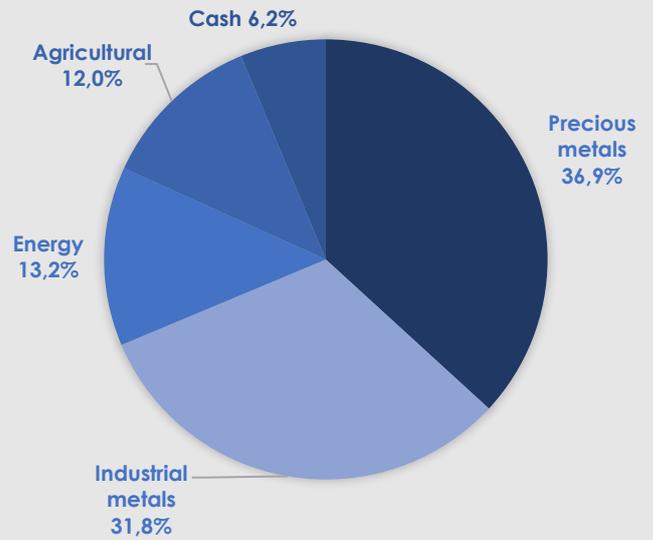
We recently added in the beaten down segment of Lithium developers.

Cash is currently at 8.5%.

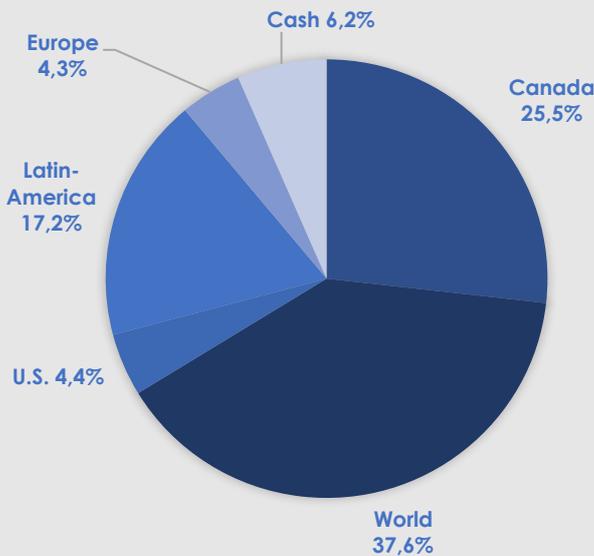
**Top 10 equity ranking**

1	Lumina Gold	8.5%
2	Fireweed Metals	6.8%
3	Western Copper and Gold	6.0%
4	Iamgold	4.1%
5	Arras Minerals	4.0%
6	ArcelorMittal	3.6%
7	Seabridge Gold	3.4%
8	Yellow Cake	3.3%
9	Silvercorp	3.3%
10	GoldMining	3.3%

**Sector allocation**



**Geographical breakdown**



**Management Company**

Funds Avenue S.A. - <https://fundsavenue.com/>

**Investment Manager**

European Capital Partners S.A. - <https://europeancapitalpartners.lu/>

**Capital structure**

Numbers of units in circulation	87.507,877
NAV per unit	€ 210,75
Total Assets	€ 18.442.353,3

**Fund codes**

ISIN Code	LU0353031460
Telekurs Code	TK3857577

**Fixed fee**

Entry Rights	0-3%
Exit Rights	0%
Management fee	1,5% p.a.

**Performance fee**

YTD Return at	
0%-20%	10%
>20%	20%

High Water Mark at €191,1