S I A
Strategic Investment Advisors Group

Long Term Investment Fund

Newsletter

of March 2021

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Figure 1: LTIF Classic EUR
vs. MSCI Daily TR Net World Index EUR

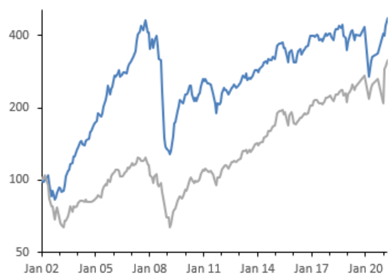

Figure 2: LTIF Natural Resources EUR
vs. S&P Global Nat. Res. Net TR Index EUR

"An oil prospector, moving to his heavenly reward, was met by St. Peter with bad news… You are qualified for residence, but the compound reserved for oilmen is packed...

After thinking for a moment, the prospector asked if he may say a few words to the present occupants, he cupped his hands and yelled "Oil discovered in Hell". Immediately the gate of the compound opened, and all the oilmen marched out to head for the nether regions.

Impressed, St. Peter invited the prospector to move in and make himself comfortable. The prospector paused... "No" he said "I think I will go along with the rest of the boys. There might be some truth to that rumour after all."

B. Graham discussing oil with W. Buffett

Overview of our funds

Table 1: Net Asset Value - Net assets under management of our funds

March 31, 2021	NAV	Δ 3m	Δ 12m	Annualized return (s.i.)	AUM *(in mio)*
LTIF Classic [EUR]	475.18	16.5%	76.6%	8.5%	81
LTIF Natural Resources [EUR]	103.93	19.3%	90.7%	0.2%	38

Source: SIA Group

The Covid-19 pandemic will be under control in a few months

This quarter has seen the strengthening of two trends we previously mentioned in our newsletter: **improvement on the vaccine front** and a **different approach to macroeconomic thinking.**

With regard to the first: since our last newsletter, more than 1 billion doses of different COVID-19 vaccines have been administered. This is a staggering and totally unprecedented achievement. Just 18 months ago, the virus was unknown and now we are already catching glimpses of the end of the pandemic. It will obviously take time, but

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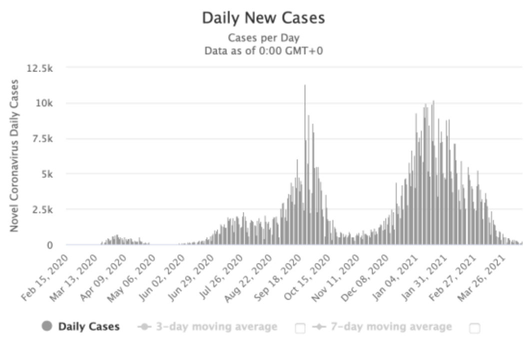
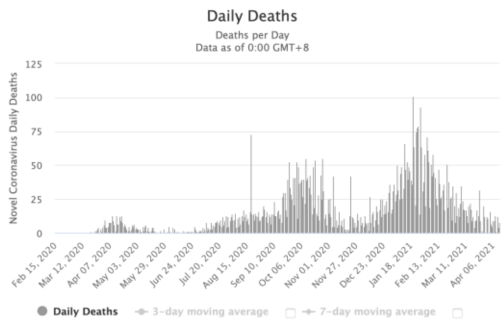
we are counting months at this stage, not the years. **The experience of the few countries where vaccinations have reached a critical mass is that the disease’s spread decreases spectacularly and there is a large drop in serious cases.**

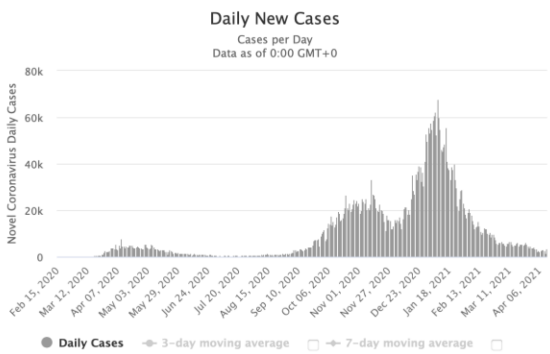
Daily New Cases in Israel



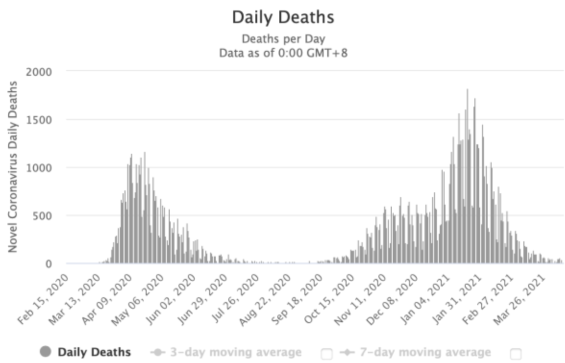
Daily New Deaths in Israel



Daily New Cases in the United Kingdom



Daily New Deaths in the United Kingdom



Source: Worldometers

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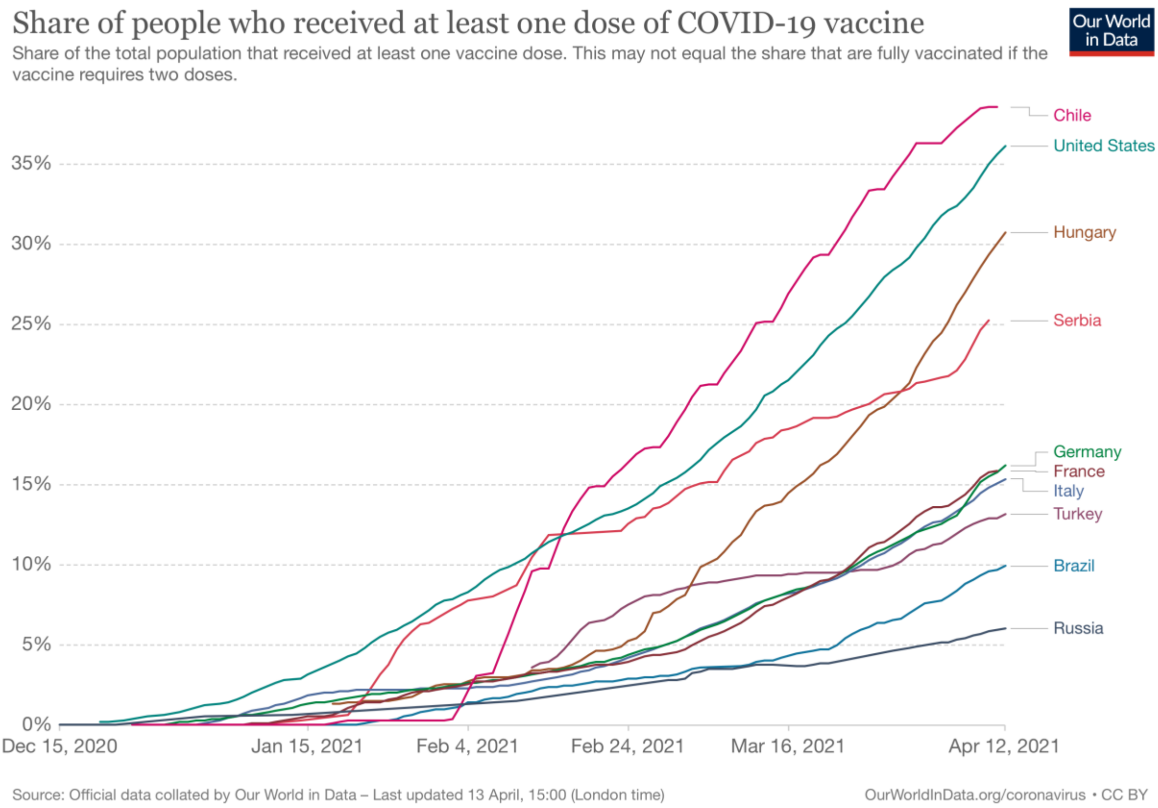
Even countries that started their vaccinations late are gradually solving the supply and logistics problems and progressing fast.



The re-opening of the economy is, of course, going to have a bit of a "*compressed spring*" effect in many areas, from retail to tourism, which will cause some bottlenecks. **These bottlenecks are already apparent in quite a few areas, although some have nothing to do with the pandemic, but rather with many years of underinvestment.** We see this with semiconductors, logistics facilities, some raw materials, and we will soon see this with energy. We are pretty confident that there will be a slight inflationary wave in the next few quarters. Finding flights and hotel rooms at low prices won't be easy once things open up again.

Growth, inflation, and rates are looking north. So do taxes, we fear

But most important for the long-term investor is the other trend we pointed out in our latest communications: the rapid and **dramatic change in the consensus view of an appropriate macroeconomic policy.**

During the last 40 years, we saw a sustained decrease in governments' involvement in the economy, which strong intellectual frameworks supported. This can be seen, for instance, in the drop in the US marginal tax rate — in the country that "led the revolution".

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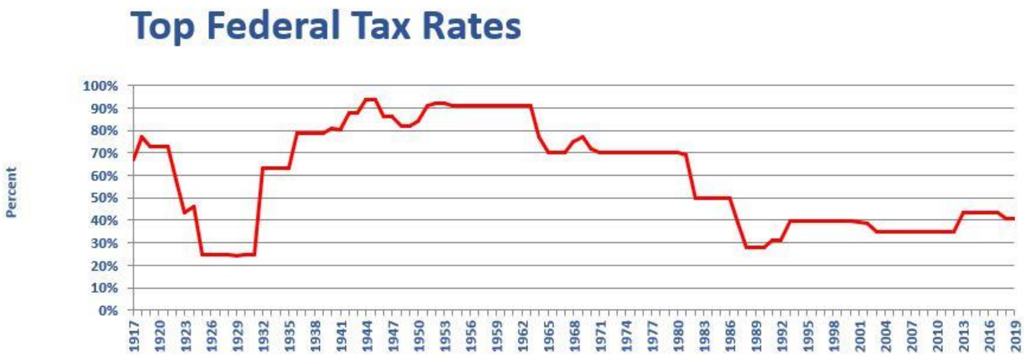

Source: thissiteisbestviewed.com/SIA Group

It seems as if we have reached the end of this road. The remarkable economic growth during the last 40 years has not fully reached the whole population, mainly the wealthier citizens. The "*revolt*" has arrived, whether it is called "gilet jaunes", MAGA, or Brexit.

As in the previous direction change, a change in economic thinking supports it. The pillars of the old "Washington consensus", the IMF, the World Bank, and the WTO, **are now insisting on new priorities, such as public education, public health, and infrastructure investment.**

The US is again leading this revolution. It's not just that the $1.9 trillion recovery package was approved without too much problem, or that a larger one is clearly being prepared, but that such plans have the approval of almost 70% of the population, regardless of their political affiliation. The mood has changed. Government spending on clean energy, basic infrastructure, and even care for the aged is seen as a requirement, mostly regardless of the fiscal implications**. After a long period where many felt that the "era of big government is over" it would seem that this era might be making a comeback. Another gauge of this changing consensus is that full employment is currently regarded as more important than inflation control.**

We are not, however, aiming for this newsletter to be a debate on differing economic philosophies. But we simply think that the abovementioned tendency is taking root, and, if so, will have important implications for investors. What are these?

We should expect a gentle increase in interest rates, a noticeable increment in corporation taxes and in taxes for wealthy individuals, and — contrary to the previously held orthodoxy — an **increase in economic growth spurred by demand from the less wealthy parts of the population**, whose propensity to consume marginal income is much higher than that of wealthier families.

This will probably imply a **stronger emphasis on industrial goods, raw materials, and basic necessities,** but a lesser one on investment trends purely based on asset appreciation supported by dropping interest rates. If we are really going to experience an **"energy transition" while fixing infrastructure deficits, we are going to need lots of raw materials, copper, cement, cables… and energy**. These are not created on Wall Street.

Against this backdrop, we should continue looking for value, and avoid misplacements (bubbles) that all such changes bring. To give but one example: the business plans of 10 electric vehicle companies that went public in the last three months include $10 billion in sales during the next 7 years (for each company), and they are therefore priced accordingly. To give an idea of how unlikely this is: so far, the fastest company to ever grow to $10 billion in sales was Google, and it took them 8 years.

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As always, a careful bottom-up analysis of specific companies when looking for strong businesses at reasonable prices will be a safe way to accumulate capital in the long term.

As of mid-April, the LTIF Classic NAV is at EUR 480 p.s. (+18% ytd) ... back on track

The Classic fund has recovered all the "losses" of the Covid-19 crisis and has continued to grow with +18% so far this year, slightly ahead of global indices such as the MSCI World EUR (+12%) or the MSCI Value (+14%).

We are quite **satisfied that we have complied with the first investment premise (CP, Capital Preservation) during the crisis**, **which, in practice, shows the quality of Classic's investments** in contrast to mediocre businesses, indebtedness, bad management, etc., which might have led companies to fail during the Covid-19 crisis. The fund's mark to market in Q120 was one of the largest discrepancies we have seen between the price and our companies' value and at that point in time, we made important decisions (such as overweighting copper companies) that have had a positive impact on the fund's performance.

The Classic has come through the Covid-19 crisis with very few scratches, and we hope that our investors (like us, heavily invested in the fund) can sleep more soundly in future: there will be more recessions, but the portfolio's quality will ensure that we will survive them reasonably well. More precisely, **the investment team is gradually aligning itself with the reiterated viewpoint of Warren Buffett, that he is looking forward to more recessions, because that is when Berkshire has done its best business.**

Since the launch of the Classic in 2002 (9% p.a.), from 2009 lows (12% p.a.), 10-year (7% p.a.), 5-year (8% p.a.) and 3-year (8% p.a.), the Classic's appreciation has, whichever way you look at it, been converging toward 8-9% p.a., which is close to our target of 10%. **We are therefore close to meeting the second investment premise: DP, decent profitability.**

We could aim for higher returns, of course, but only by taking more risks: buying indebted companies, buying companies undergoing restructuring, targeting lower quality sectors and stocks, not requiring excellence in management teams, etc. But that is not our strategy: **our strategy is to invest in good businesses at an attractive price,** and not to take risks that could lead us to fail to comply with the first investment premise (CP). By definition, risks cannot be controlled.

Over the very long term, the stock market has, on average, yielded a return of 6-7% per year and we believe we can add 3-4 points through stock selection and disciplined analyses and investments, but no more. Over the years, we have learned that an IRR of 20% implies a doubling of capital in 3-4 years, but it also implies taking high risks, which should only be taken at very specific times and conditions.

Classic's current IRR of 13%, Intrinsic Value of EUR 675 per share

Our updated discounted cash flow models suggest that the Classic Fund has an Intrinsic Value of EUR 675 per share, with a medium-term upside potential of 40%, and an IRR on investment of 13%. Our models also anticipated a NAV of around EUR 475 per share for 2021, a level we already reached in Q1.

Looking at it from another angle, at 10% per annum, the Classic Fund (which started in 2002 at EUR 100 per share) should almost double every 7 years. Assuming 21 years of life and 10% p.a., we get a theoretical target of EUR 740 per share by 2023/24 (almost 2x2x2, 8x in 21 years), not too far from our Intrinsic Value estimate of EUR 670 per share. We believe we can reach these levels despite having experienced two of the biggest crises in history; the global financial crisis of 2008/2009 and the global pandemic of 2020/2021.

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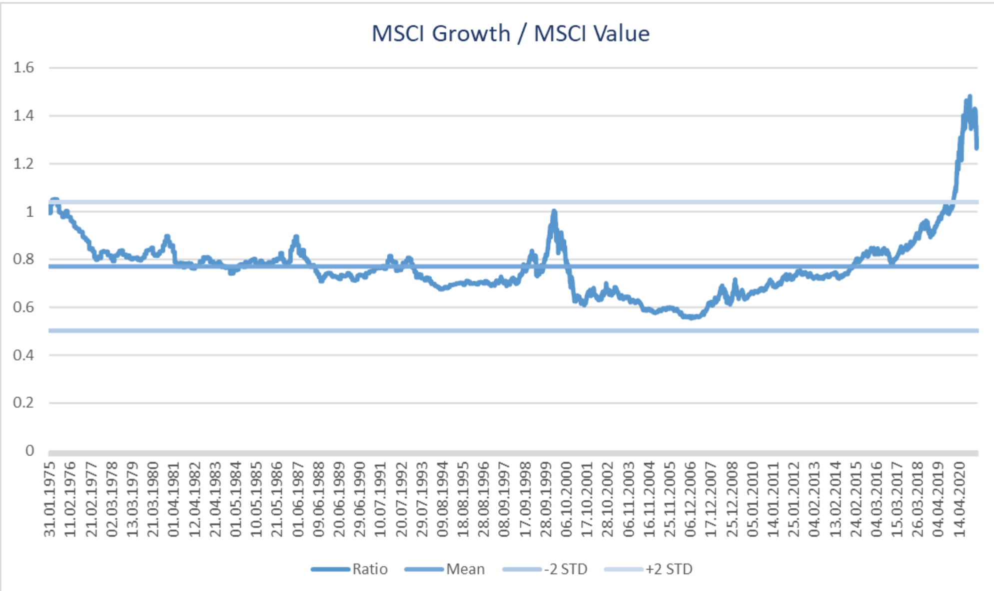
Updated look-through for the Classic Fund

If we go back 4-5 years, we have had, in a broad sense, 4 sectors/themes/drivers with a strong weighting in the fund**. The first is *value*, as our investment philosophy is *strategic value*, followed by energy (oil), commodities (copper) and salmon**. **Two of these have already matured and have had an impact on the fund's performance (salmon and copper), but two others have yet to materialize: value and oil**.

Value is, of course, our main focus for outperformance, although we divide it into two types**: traditional value, which equates to good businesses at a discount, and GARP/quality, which equates to excellent businesses at a reasonable price**. At the end of Q121, we have 2/3 of the Classic Fund in traditional value and 1/3 in GARP/quality. One of the big differences between SIA and other value managers or investors is that we do not buy bad businesses at any price, because they have a number of negative options that put the first investment premise (Capital Preservation) at risk. **From a risk perspective, a different layer, we have now 55% of the Fund in Cat1-2 (low risk) and 45% in categories Cat3-4 (higher risk), highlighting that there is only one name left in Cat4 (Hudbay Minerals a copper miner).**

We understand that we must be extremely disciplined when applying the first two investment premises (CP+DR), without forgetting the other two rules that the Oracle of Omaha (Buffet) frequently mentions: **Rule No. 1 is never lose money. Rule No. 2 is never forget Rule No. 1.**

Back to the Classic Fund's performance drivers: after 5 years of underperformance, **the value strategy has started recovering and should continue to do so in the coming years** (the economic cycle and valuation will dictate the duration). In addition, after a decade of underperformance, **the oil sector is also starting an upcycle** due to the sharp fall in investments, which anticipates a market in deficit from 2022 onwards.



Source: Bloomberg/SIA Group

Increased exposure to commercial aerospace, services (catering and cleaning), and salmon (again!)

Generally speaking, the Classic Fund is well diversified by geographies and sectors (albeit owning around 30-35 stocks only), but from time to time we take advantage of the market drawdowns to invest or further concentrate our investment in certain sectors.

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The Covid-19 crisis has had a negative economic impact on many businesses (e.g., leisure, airlines, tourism, and hotels), and we have not stopped looking for buying opportunities in them. After much work and discussion, **we have increased our exposure to three sectors: aerospace (MTU Aeroengines, Raytheon, and Thales), catering and cleaning (Sodexo, Compass Group, and ISS), and, once again, salmon (Grieg Seafood, Leroy Seafood, and Mowi)**. In each sector we have invested about 10% of the fund.

In these 9 companies the investment analysis focused on a single idea: the Covid-19 crisis has caused demand to suffer, companies to earn less for a couple of years, and shares to fall. In contrast, none of these businesses have undergone any structural change: aerospace will recover once planes are flying normally again (2022 or 2023), salmon demand will return to normal when the HORECA sector (hotels, restaurants, and catering) recovers, with the same occurring in catering and cleaning, although here with higher growth, because we believe that the crisis will boost outsourcing. What does this mean? Simply, that companies, their profits, and valuations will normalize over the next couple years as there is no structural change to justify lower intrinsic valuations.

In short, the Classic Fund currently has 4 main value creation themes: oil (15%), aviation/aerospace (10%), salmon farms (10%), and catering/cleaning services (10%) that account for almost half of the fund. In addition, there are several **heavyweights with positions of around 5%: Grifols, Henkel, Devro, HeidelbergCement, and ING, all strong, cheap businesses with a positive outlook, which make up another 25% of the Classic.** The rest are different/varied companies within the strategic value or quality/GARP baskets.

Finally, **another major change in the Classic is the reduction of copper mining companies' weight from 15% to around 5%** after the strong revaluation of the sector. This is a sector where we are very positive regarding the long term and will use any stock market correction to increase again the positions.

We have also internally discussed the purchase of a few low-cost airlines, but the rapid rise in the shares has prevented us from doing the due diligence we wanted to do.

Brent already at $65 and global demand will surprise on the upside

We have around 15% of Classic invested (maximum limit) in oil (E&Ps). We are quite comfortable about this position, because the market has entered a production deficit following the OPEC+ cuts, the shale collapse, and the marginal well closures caused by the low oil prices due to the Covid-19 crisis.

Thanks to OPEC+, prices have recovered to levels of $65 Brent within 6 months, more or less as expected, and as soon as the Covid-19 crisis enters the vaccine control phase (H221), there will be a sharp increase in demand (we estimate about 5-6 million b/d), followed by a *controlled* return of OPEC+ to meet this demand. The recovery of road traffic in the US is already happening (see chart below), while Europe will improve strongly from the summer onward.

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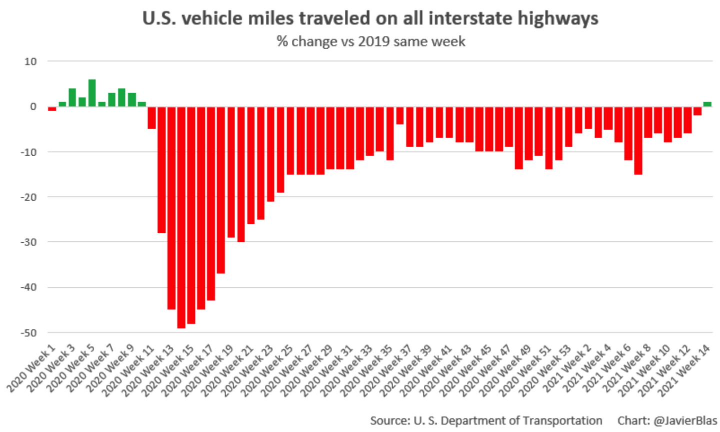

Inventories are close to recent years' average (about 7 billion barrels globally and 3.0 billion barrels in the OECD) and we estimate that there are currently only about 300-400 million barrels of excess inventories to be absorbed in Q2-Q3. There is a very high correlation between the inventories and oil prices, and we anticipated levels of $65 Brent once the glut has been corrected. We are more or less there, although the listed companies do not as yet reflect this price: **according to CSFB, the current prices of oil companies on the stock exchange discount a price of $50 Brent per barrel.**

Looking ahead to the next 2-3 years, the calculations are simple: **a current deficit (Q121) of around 2 million b/d and demand rising by around 6 million b/d until the end of 2022E**, **which is equivalent to a need of 8 million b/d, a volume equivalent to the surplus capacity of OPEC+.** In other words, without going into details and possible short-term issues (Iran, Venezuela, geostrategic stability, etc.), the need for new production, i.e., new wells, is foreseen from 2023 onward.

Shale oil could provide 1-1.5 million b/d in 2-3 years at prices above $60, but it will not be able to compensate for the global decline (some 3-4 million b/d per year) and the growth in demand (1 million b/d per year following the jump in 2021). We will need deepwater oil, oil sands, and other marginal barrels.

The world will need more wells after 10 years of very low investments, but the problem is that these projects require 6-7 years of execution. **This augurs a market in deficit, high prices (we estimate around $75/80 Brent) to incentivize new projects, and new production that will only arrive in the medium term.** We have entered a new upward cycle which, as in all commodities, will be long, possibly more than 5 years, until the energy transition starts to have a significant effect on demand, something we do not estimate until the end of this decade.

However, a strong narrative has developed that oil consumption is about to collapse and share prices don't reflect this future profitability. The reality is that the world will take decades to wean itself of oil. **For at least the next 10 to 20 years there will be more gasoline powered vehicles in the world (cars & trucks) than today, even if electric vehicles develop much faster than expected**. The reason is that growth in automobile ownership is happening in less developed countries, where electric vehicles are simply unaffordable (and, in most cases, not rechargeable).

In a coming newsletter, we will go deeper into the energy transition, but for the moment it seems very clear to us that the impact on oil demand will be marginal until the end of this decade, at least. It is not only about changing the transport mix (the penetration of electric cars, including PHEVs, is currently around 4,2% of new cars sold each year), but also about changing infrastructures (renewables, electricity grids, charging points, etc.), developing battery technology, and changing the global electricity generation mix. In addition, we must take emerging markets, which are still far from developed countries' standards and will not be able to move as fast, into account.

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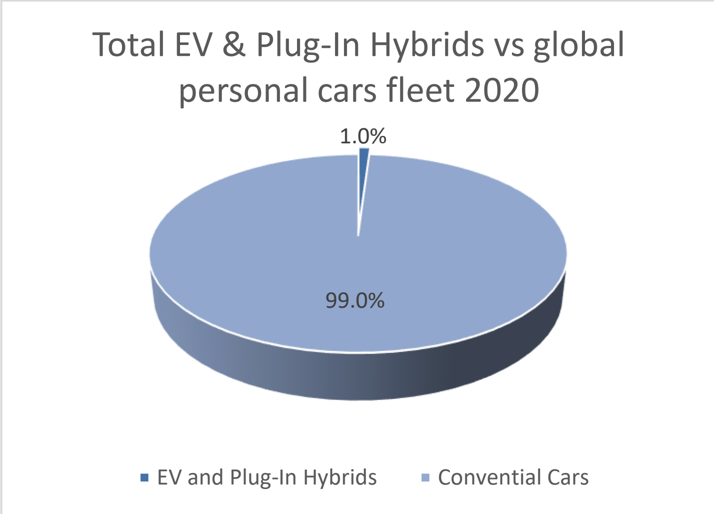

Source: EV-volumes.com/SIA Group

At SIA, we believe in climate change and energy transition, but it will take longer than generally perceived. In the meantime, huge investments will be necessary to keep the world turning.

Investment case of the quarter: Grifols, example of Quality or GARP

We often discuss whether to add new companies to the portfolio, specifically whether a company is better or worse than the ones we already own. **Sometimes, however, the easiest thing to do is to increase the weight of a company we already own,** and a big difference between one portfolio and others, is due to the weighting of its holdings.

At SIA, we tend to "average down" when our shares fall and Grifols is a good example of this. In the face of the stock market recovery since Q220, Grifols has not only failed to recover, but has fallen further. After revising our investment thesis, we have been increasing our stake, which currently stands at 5%.

Grifols is a leading producer of plasma proteins where we estimate that the 3 main players, of which Grifols is one, have a market share of over 70%. It is an excellent business, with sustainable growth of 7-8%, EBITDA margins close to 30% of sales, and good returns (adjusted for acquisitions).

Why has it therefore declined? Poor results in 2020 and 2021 due to the Covid-19 impact on blood collections and procedures, acquisitions and rising financial debt, and several pharmaceutical companies' announcements of competing products.

After an in-depth review, we have concluded that: 1) the drop in results is temporary and Grifols' 2022 results will return to normal; 2) the acquisitions make strategic sense and are strengthening the business's barriers to entry; 3) the debt is high but within limits (4x EBITDA), and 4) various competing products are always being developed, and we do not see any of them posing a relevant risk in the medium term. **This last point is possibly this investment's main real risk.**

We have the preferred shares at a P/E of 13x 2022, when the historical average P/E has been 20x. The ordinary share trades at P/E 21x 2022 compared to its competitor CSL at P/E 40x. **We are comfortable with Grifols, whose DCF gives us an intrinsic value of EUR 24 per share (it trades at EUR 15) and an IRR on investment of 14-15%. This is an almost perfect example of Quality or GARP.**

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The LTIF Natural Resources fund is well positioned for a long up-cycle

The Natural Resources Fund has also recovered all "losses" of Q120 and is now trading above EUR 105 per share. **According to our DCF models, the fund currently has an intrinsic value of EUR 150 per share and the IRR at current prices is 14%.**

Let us remind you that our estimates and DCFs are calculated on convergence (commodity prices at incentive regime, not higher, and mid-cycle earnings/returns) in contrast to the strong volatility (market and industry, both) of the natural resource companies. At the pandemic lows, the fund touched EUR 50 per share, 33% of its intrinsic value. Applying this variance in the inverse direction, this fund could trade at around EUR 250 per share — we shall see.

The reduction in the weight of copper in the fund after the sector's strong revaluation (although it is still very relevant with an adjusted weight of around 20% of the fund), and the increase in oil, (which, while it has risen, has not recovered to the levels preceding the Covid-19 crisis) have been the most relevant aspects of the last few months.

We have **42% of the Natural Resources Fund in oil, 20% in copper, and another 20% in mining (excluding copper),** especially nickel and uranium. Finally, we have **10% in infrastructures** (an increasingly interesting sector in which heavy investments are foreseen in the coming years) and another **10% in agriculture/food**, especially in salmon farms.

Tightness in the supply of raw materials and natural resources: just the beginning

With the global economy/demand foreseeing to the end of Covid-19 (possibly in 2022), issues with the production and supply of commodities and natural resources are becoming evident. Broadly speaking, these tensions are blamed on logistical problems stemming from Covid-19, but this is only the tip of the iceberg: **they will soon become a structural problem due to a decade of grossly insufficient investment in new projects.**

Since the beginning of 2021, we have witnessed price increases for most commodities and other semi-finished products, which at best, is due to delays. There is tightness in metals, alloys, and steels, which has had a greater or lesser impact on most industries.

In the mining industry, it is estimated that 6-7% of production capacity is idle due to various factors (weather, accidents, labor problems, politics, and Covid-19). Tensions are also occurring in container shipping, dry-bulk, and crude oil freight, since orders for new ships are at an all-time low, leading to capacity issues. We are likely to continue seeing transport price increases, which will impact countries/companies that import iron ore, coal, bauxite, potash, cereals, chemicals, as well as all kinds of raw materials. In well-supplied markets, the impact on prices is minor, but in markets with stock shortages, prices are the only possible adjustment.

It is true that many logistical problems were due to the Covid-19 crisis (closures of geographical areas, sectors, companies, etc.), but behind these short-term logistical problems lie structural problems in sectors as important as semiconductors, infrastructures, the chemical industry, electricity generation, transport, etc. Some industries are finding it increasingly difficult to obtain materials and parts they need, resulting in tension in supply chains, delays, price increases, and even rationing (chips for the auto industry for instance). **This is only the beginning, and we believe we have a multi-decade capex cycle ahead of us within the current energy transition.**

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Energy nears capacity at a time of transition to renewables

During the winter of 2021, a multitude of energy supply problems emerged: blackouts in Texas, Japan, Pakistan and many other areas, highlighting the lack of investment in recent years. At the very least, we have seen that a cold storm can cause very significant increases in electricity prices in many geographic areas, even leading to blackouts in countries as advanced as Japan and the USA.

There are also major inefficiencies, such as those experienced in Texas this winter, where winter storms shut down 20% of the generating capacity (wind power), while gas associated with oil production continued to be flared (or, even worse, greenhouse gases were allowed to escape into the atmosphere), due to the lack of gas processing infrastructure.

We have also seen energy problems in a country like Japan, which did not have sufficient gas supplies, in South Africa, where Eskom (the electricity utility) raised its tariffs by 15%, while Gazprom has supplied Europe with record gas volumes.

The energy transition to renewables comes at a time when generation capacity and back-up systems appear to be very tight. The world's electricity generation capacity is still more than 50% dependent on coal, which means very large investments will be needed over several decades to change the current mix.

The nuclear energy revival

Although it has no impact on the immediate end-use of uranium, **the nuclear energy debate's revival continues.** Following gas supply problems, Japan, which has the greatest problem, has been discussing the need to restart its nuclear power plants, while the French regulator ASN recently approved the continued operation of EDF's 900 MW reactors beyond their pre-estimated 40 years.

Japan's J-Power plans to reduce its CO_2 emissions by 40% by 2030 and will resume construction of the Ohma nuclear power plant, mothballed after Fukushima. This will be the only Japanese nuclear power plant that can use MOX fuel, which is made by recycling spent fuel by mixing plutonium with reprocessed uranium.

Poland plans to build six nuclear units by 2043 to reduce its dependence on coal; the first unit will be built in Gdansk and is expected to be operational in 2033. Hungary has also announced a capacity expansion. Its electricity mix comprises 49% nuclear, 23% natural gas, and 15% coal.

Rosatom is building four reactors near Mersin in Turkey. According to the Turkish authorities, the first such facility in Turkey is scheduled to start operating in 2023 and to provide 10% of the country's electricity.

In China, a historic day was celebrated on 30 January: Hualong One in Fuqing, the first fully developed plant in China, was connected to the grid. The 1000 MWe third-generation pressurized water reactor was built within five years and eight more reactors are under construction. Pakistan has already ordered five Hualong-One reactors. Negotiations are also underway with Turkey, Argentina, and South Africa.

The Chinese design has striking similarities with state-of-the-art French, Russian, and US reactors. This is no coincidence, as Rosatom, Areva, and Westinghouse have built more than a dozen modern nuclear power plants in China. Currently, the Chinese are doing it themselves and, unlike the older ones, they are flexible in terms of production. The price is unbeatable. It is estimated to have cost $2.5 billion, a quarter of what it is expected to cost in Europe.

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Since 2011, China has increased its nuclear power production to 35 TWh, or 500%. Even so, it still only accounts for 5% of its electricity production and the country plans to again quadruple its output by 2035.

Despite all the headlines, China increased its coal-fired capacity in 2020 by more than all existing coal-fired capacities in continental Europe. Many developing countries have far higher energy demand growth than OECD countries and are therefore forced to invest in all sources of generation: coal, gas, nuclear, solar, wind, hydrogen, hydro, etc., starting with the one that is closest to hand, which is usually coal.

The salmon sector is also starting a new upcycle

In some sectors of the food industry, we see a similar trend as the one in commodities. As HORECA demand has fallen dramatically, consumption of some food in this channel, such as fish (salmon), oysters, and seafood, has fallen. Faced with the need to clear supply chains, producers were forced to sell at heavily discounted prices, but when demand resumes, there will be a shortage of products, and prices will rise.

We took the opportunity to rebuild our salmon exposure during the past few months, when prices per kg of salmon fell to NOK 35. Prices are now at NOK 55-60/kg and farmers are optimistic about a return to normal in the second half of the year.

The revenge of the miners

We would like to conclude the newsletter by quoting mining industry icon Robert Friedland, who recently stated that the **post-crisis world looks set to become the era of "miners' revenge".** Friedland also regards the copper supply as a matter of national security.

The world has yet to grasp the magnitude of the task of energy transition, and the US power grid "is a joke" compared to China's. Copper is so crucial to the electricity supply that it has become an issue of national security. Copper is so crucial to the electrification of the world economy that finding enough has become a matter of national security. Mining companies will have to be "real heroes" and governments will have to embrace the industry if the world is to make a successful transition to clean energy and transport. The world has yet to grasp the magnitude of the shift away from fossil fuels, as most urban dwellers are unaware of where the materials of everyday life come from. "It's all copper, copper, copper, copper and copper".

At SIA **we strongly believe in the lack of capacity (and therefore the need for investment) in the copper sector and most metals, coupled with the oil industry's need for resources over the next 5-10 years**, and thus we understand that LTIF Natural Resources will benefit from incentive prices in many commodities, being very well positioned for a long upcycle.

In addition, we see a very significant increase in the recycling sector on the not-so-distant horizon, which will have to multiply its capacity to compensate for the lack of natural resources. We really prefer this to ocean mining.

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