

LTIF

Long Term Investment Fund

SIA Quarterly Update

December 2023

Top 10 Concentration of the S&P 500




Index
10 years
sideways?

?

Source: arv

History shows that, 1-2 out of 10 will remain

The 10 Largest Companies in the World by Market Cap. (ex. Saudi Aramco)

1980: Peak Oil		1990: Japan will take over world		2000: TMT bubble		2010: China will take over world		2022: Only Tech can deliver growth	
	IBM		NTT		Microsoft		Exxon Mobil		Apple
	AT&T		Bank of Tokyo-Mitsubishi		General Electric		PetroChina		Microsoft
	Exxon		Industrial Bank of Japan		NTT DoCoMo		Apple Inc.		Alphabet
	Standard Oil		Sumitomo Mitsui Banking		Cisco Systems		BHP Billiton		Amazon
	Schlumberger		Toyota Motors		Wal-Mart		Microsoft		Tesla
	Shell		Fuji Bank		Intel		ICBC		Facebook
	Mobil		Dai ilchi Kangyo Bank		NTT		Petrobras		Nvidia
	Atlantic Richfield		IBM		Exxon Mobil		China Construction Bank		TSMC
	General Electric		UFJ Bank		Lucent Technologies		Royal Dutch Shell		Berkshire Hathaway
	Eastman Kodak		Exxon		Deutsche Telekom		Nestlé		Tencent Holdings

Japan -> MSCI World
Index Weight 40+% !!

Japan -> MSCI World
Index Weight 6% !!

Source: arv / GavekalResearch

Presentation Plan

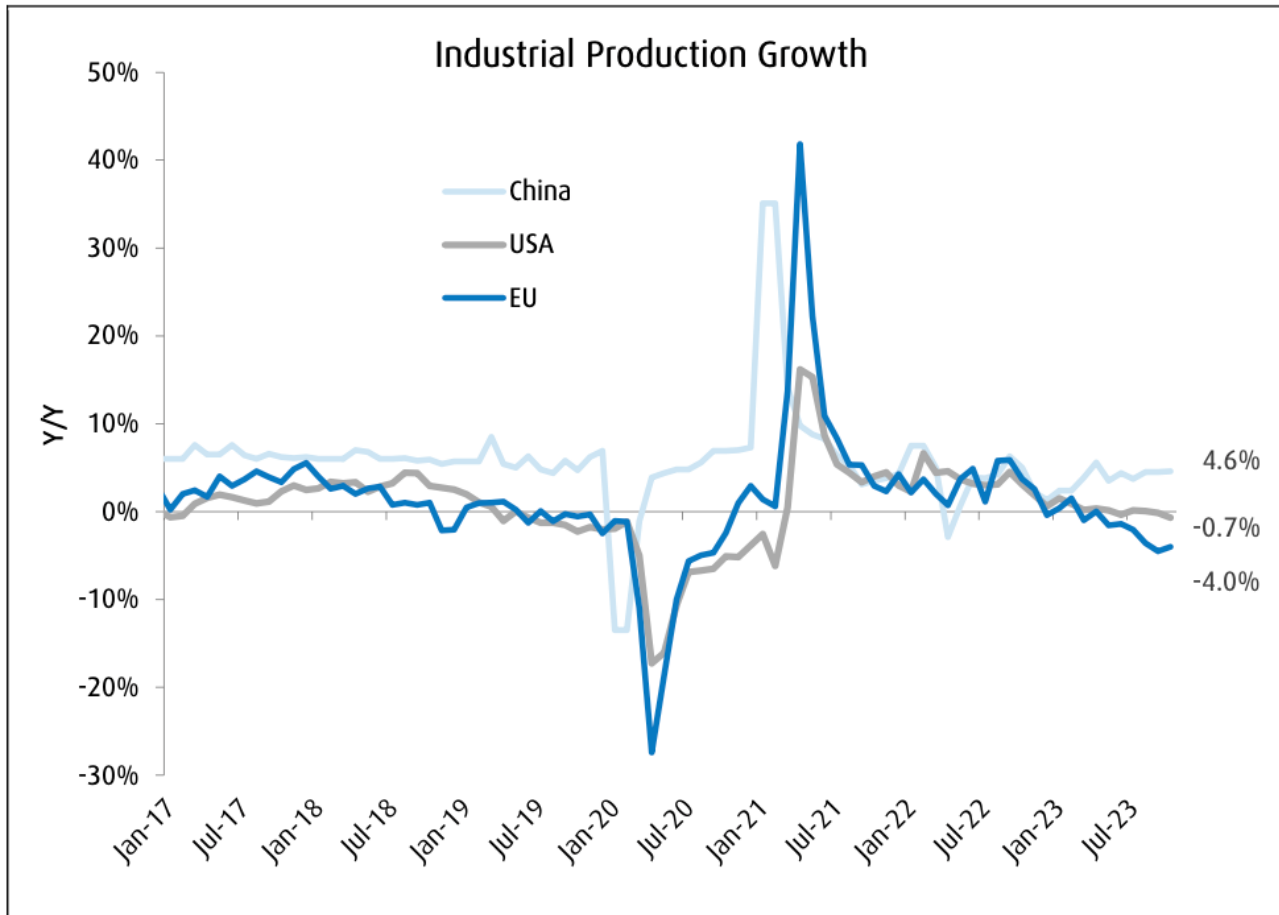
- **Recession? “*The future is inherently unpredictable*”**
- Out of the Box *by Jose Carlos Jarillo*
- The LTIF Classic: +5% ytd. Bit below target
- Quarterly investment case: Pandora CMD
- The LTIF NR: +3% ytd. Recession fears
- Natural Resources Thoughts *by Urs Marti*
- Final Remarks

A very mild economic slowdown... for the time being

- 2023 is a “surprising” year: **we expected an economic slowdown/recession in the US/Europe and improvement in China. Neither materialized**
- **We keep our base case: a global economic slowdown** (could end in recession or not). We continue to manage our assets with caution (cash & Cat1-2)
- **If there is a recession and Mr. Market panics, we will re-balance the portfolios, reinvesting excess cash and overweighting risk-categories 3-4.** The bigger the correction, the more money we will make
- **Our portfolios are built to overcome any potential economic slowdown and more importantly take advantage of it**

Buffett advises investors to embrace uncertainty rather than fear it... successful investors should be prepared to navigate through uncertainties

IP: still negative US/Europe

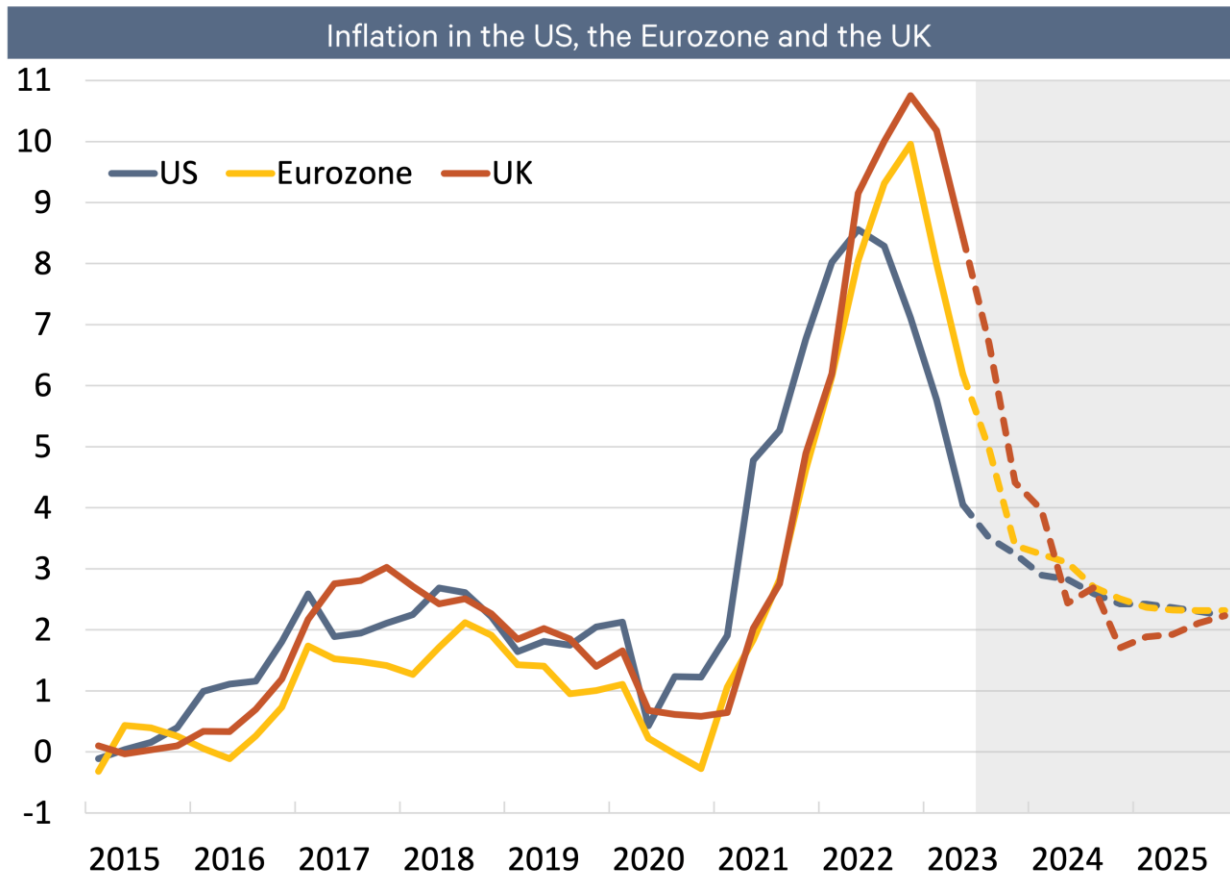


Source: BMO Capital Markets, Haver, Bloomberg. EU industrial production is a BMOCM estimate.

- IP still down in US and Europe, the latter is weaker
- Usual cycle is 8 quarters, 1-2 to go in Europe, bit more in the US
- China around +5% but still showing a weak recovery

**We believe we will see the trough around Q224,
later than we thought**

Inflation: back to normal

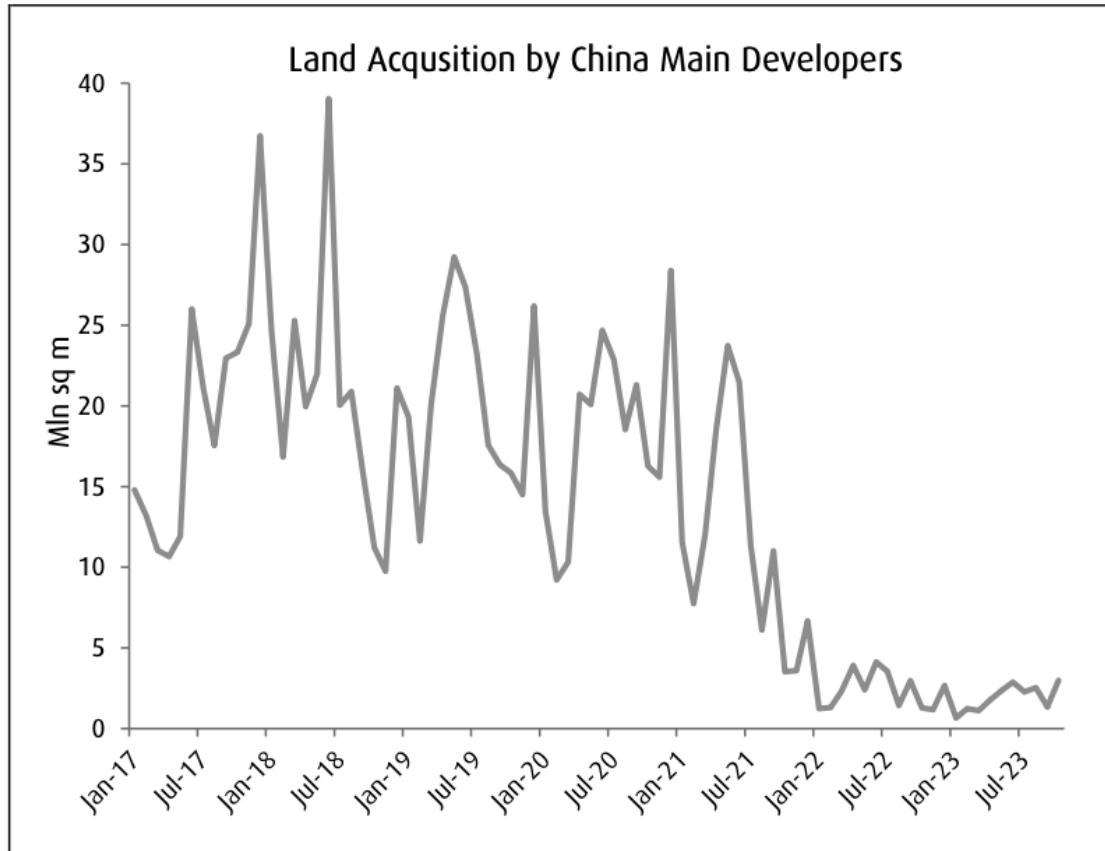


Quarterly averages, yoy change in %. Sources: BLS, ONS Eurostat, Berenberg

- Despite many predictions, inflation is almost back to normal
- 2.5% in Europe
- There is a lag between interest rates and the real economy: we will see lower inflation
- We see structural issues in labour, food and energy

Inflation will normalize at higher levels, around 2.5%-3%

China: a very slow recovery



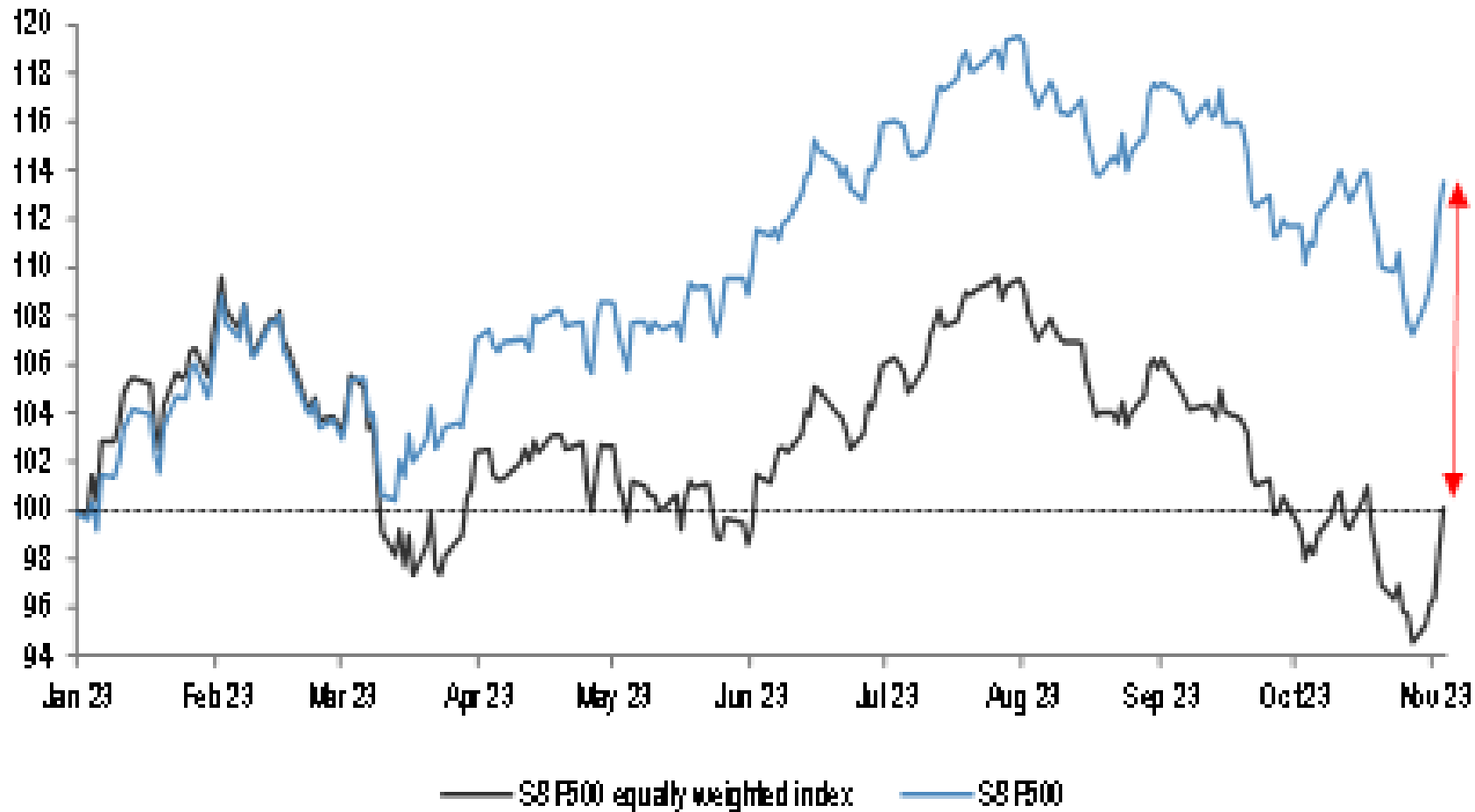
Source: China Real Estate Information Website, CEIC, BMO Capital Markets

- The Chinese economic recovery is taking longer
- The property sector remains under pressure, somewhat dragging consumption
- The Government is gradually implementing policies to support growth

China is slowly accelerating. 5% GDP growth expected for 2024

Half of the SPX 1500 in negative territory in 2023

2023 performance S&P500 Equally Weighted – S&P500



- 2023 not as good as the US Indexes. There is real pain out there
- SPX PER ex-BIG7 is 16x. PER BIG7 is 30x+
- We do not see a tech collapse as in 2000. But PER30x is only justifiable on 10%+ growth assumptions

Where are we in valuation?

Index	MXWO VALUE	MXWO GWTH	MXWO INDUSTRIALS	MXWO STAPLES	MXWO HEALTH	MXWO MATERIALS	MXWO ENERGY	MXWO IT	MXWO FINAN.	MXWO INSUR.
Price	3.169	4.406	333	260	334	320	245	576	138	156
PER	12,3	24,5	17,6	17,4	17,0	15,0	9,8	26,4	11,5	11,5
Long Term PER	17,3	23,6	20,0	21,0	22,0	20,0	16,0	24,3	14,0	15,0
P/Book	1,7	5,4	3,0	3,6	3,7	1,8	1,6	7,6	1,4	1,7
Long Term P/B	1,7	3,5	2,6	3,9	3,8	2,0	2,0	3,6	1,5	1,4
IntrinsicValue	4.590	4.628	361	301	399	359	475	469	200	249
Upside	45%	5%	8%	16%	19%	12%	94%	-19%	45%	59%

Source: Bloomberg, SIA Funds

Conclusion. The end of the post-GFC cycle

- **3 out of 5 leading indicators still negative:** PMIs, earnings and liquidity. Rates/inflation stabilized (peaked). China has turned positive (slow)
- The **slowdown is not over:** couple of quarters to bottom, still
- We do not really care: **our investments will withstand any scenario.** However, we keep a somewhat prudent positioning
- **We are ready to invest should Mr. Market panics**

Softlanding for the time being. Patience

Presentation Plan

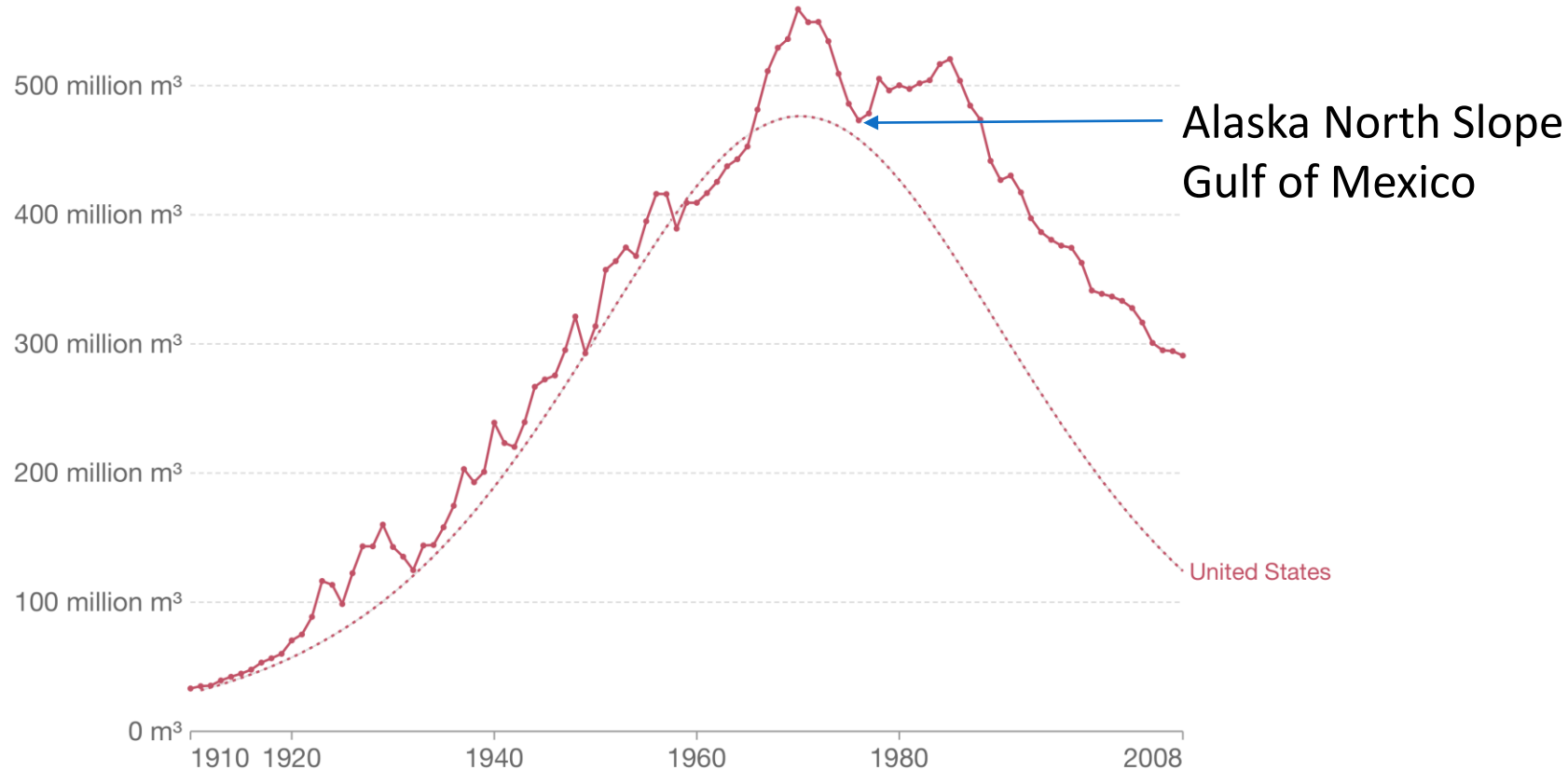
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What is “peak oil”?

Hubbert's peak prediction vs. actual oil production in the United States

Hubbert's hypothesis of peak oil production in the United States, alongside actual oil production trends in the United States, both measured in cubic meters per year.

Our World
in Data



Source: Cavallo (2004) & EIA

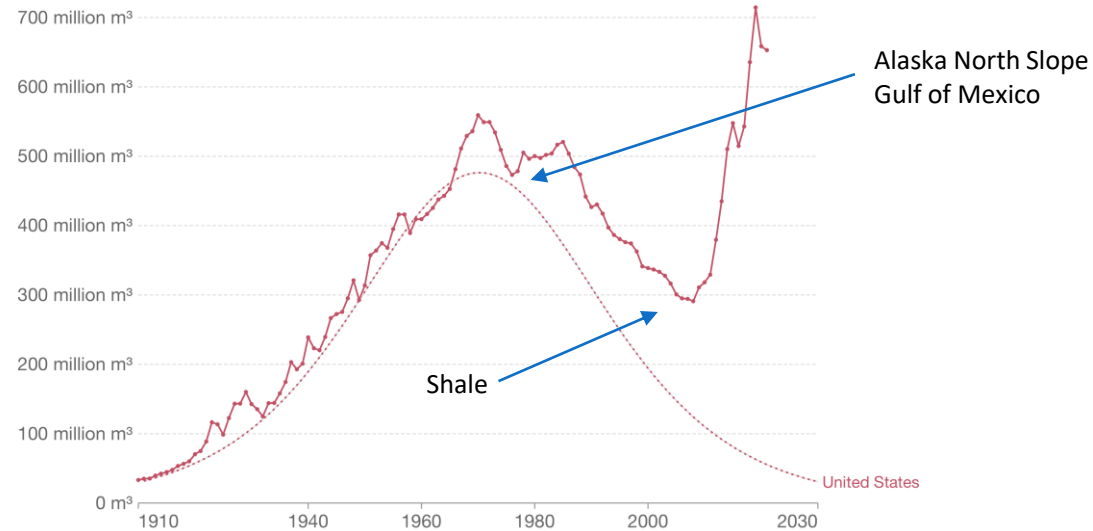
OurWorldInData.org/energy • CC BY

What's happened...

Hubbert's peak prediction vs. actual oil production in the United States

Hubbert's hypothesis of peak oil production in the United States, alongside actual oil production trends in the United States, both measured in cubic meters per year.

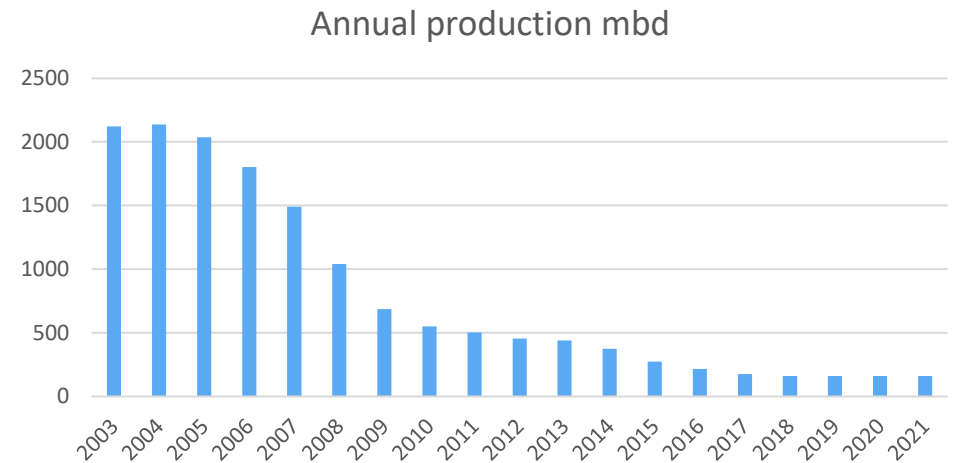
Our World
in Data



Source: Cavallo (2004) & EIA

OurWorldInData.org/energy • CC BY

In 2000, Cantarell was the world's second largest oil field



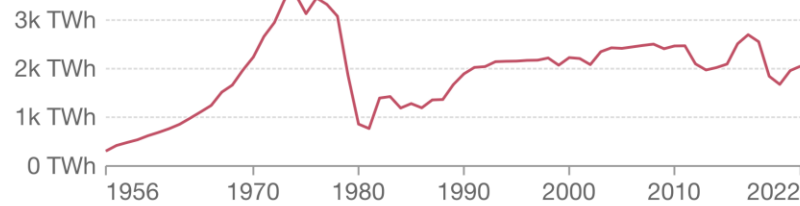
Source: Pemex

Mexico is not the only declining producer...

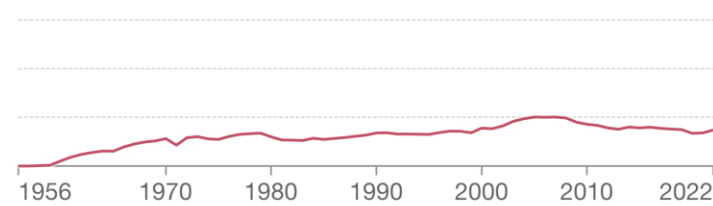
Oil production

Our World
in Data

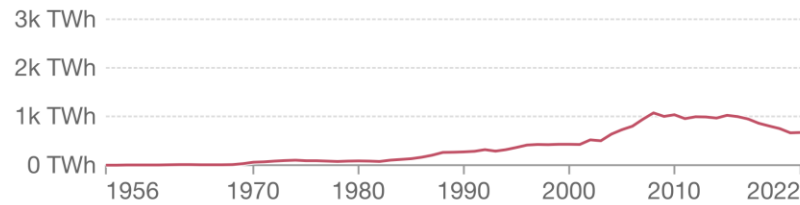
Iran



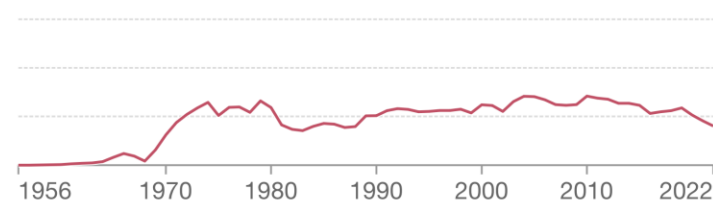
Algeria



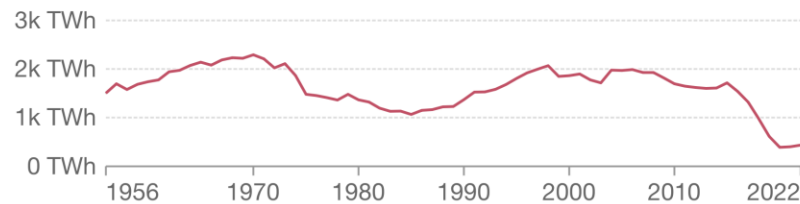
Angola



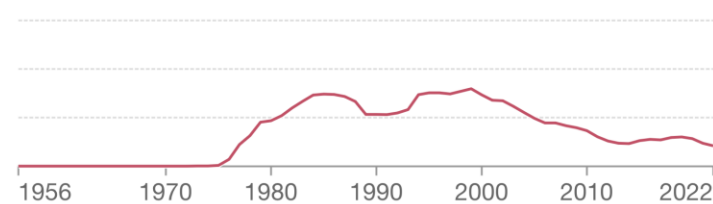
Nigeria



Venezuela



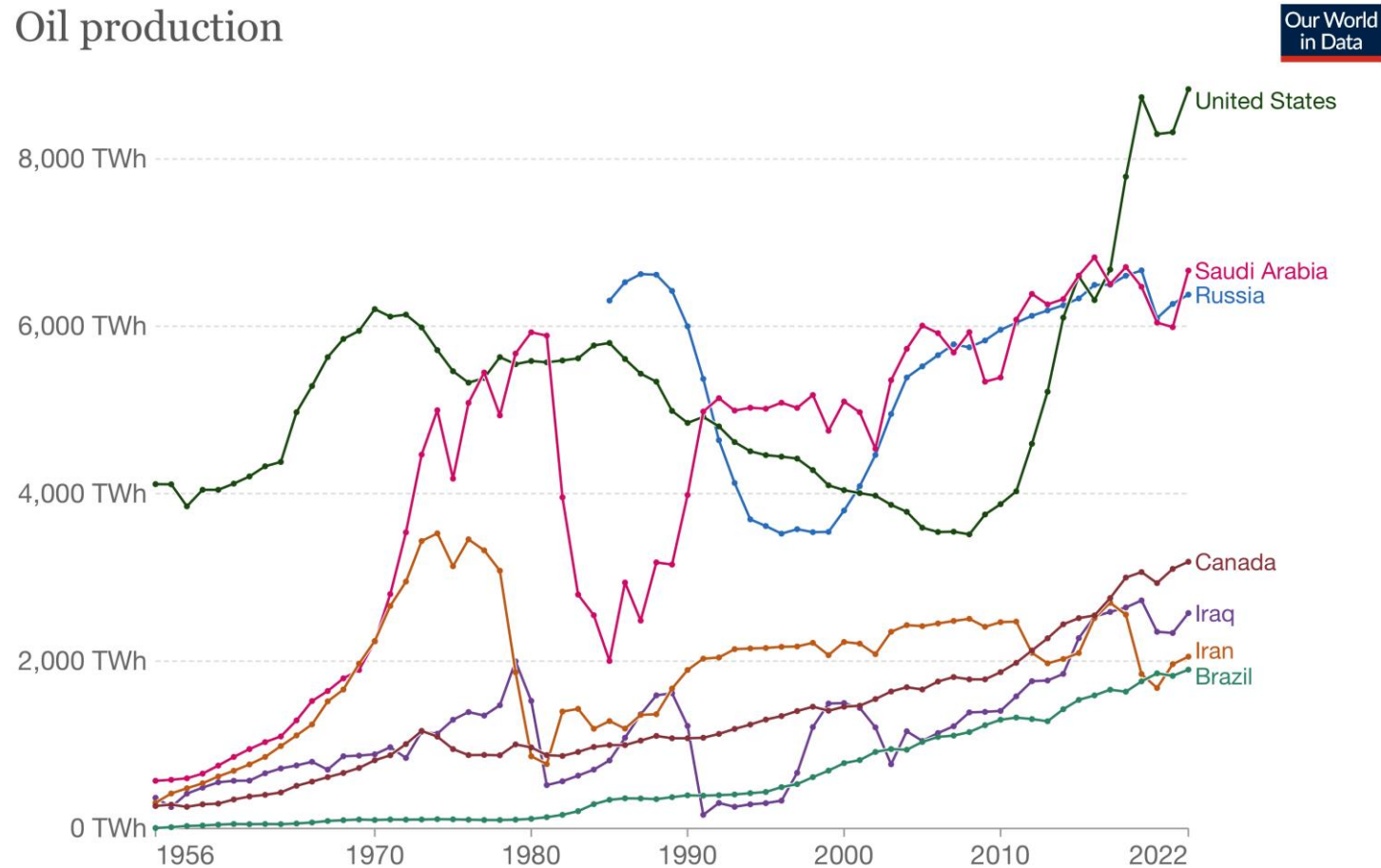
United Kingdom



Source: Energy Institute Statistical Review of World Energy (2023); The Shift Data Portal
OurWorldInData.org/fossil-fuels/ • CC BY

Only a few countries now really support world supply

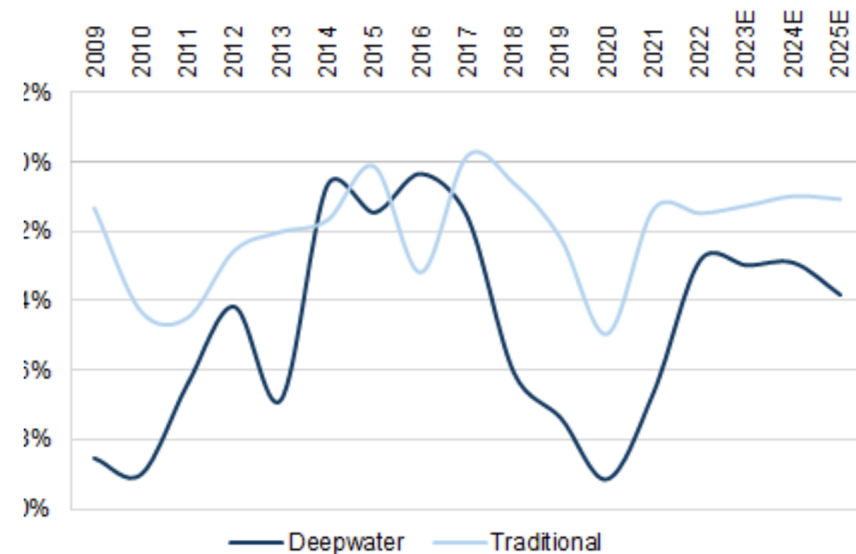
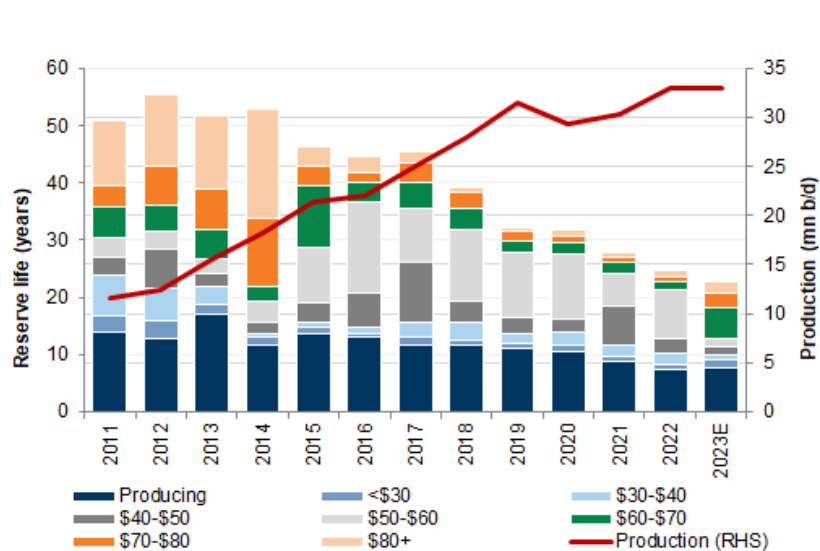
Oil production



Source: Energy Institute Statistical Review of World Energy (2023); The Shift Data Portal
OurWorldInData.org/fossil-fuels/ • CC BY

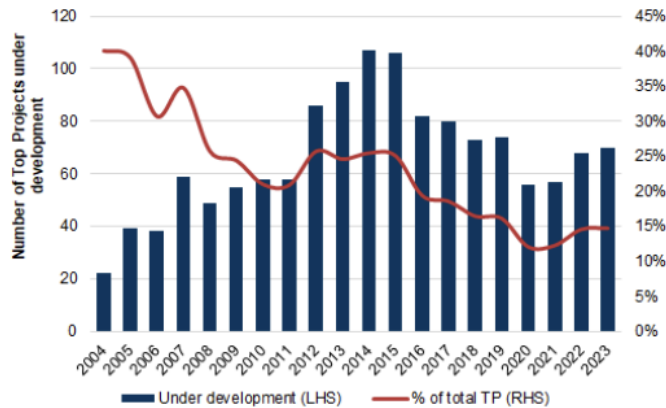
Is supply ready for this demand?

Available oil, short-term = current production + spare capacity
+ project pipeline – depletion

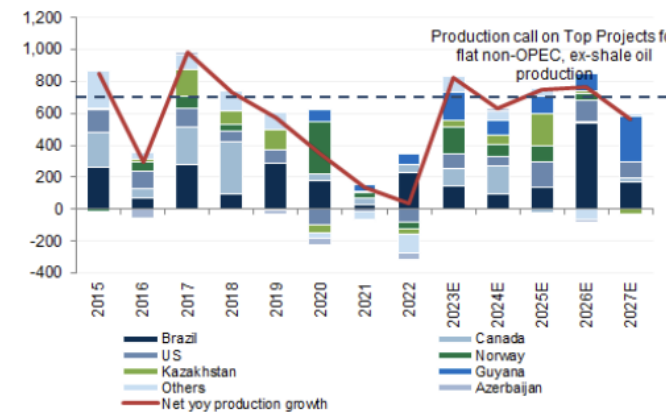


The pipeline is not great, and there haven't been many discoveries

Top Projects number of projects under development



YoY oil production growth (kbl/d) from non-OPEC and ex-Russia, ex-shale, shown excluding and including impact of production shut-ins



- Latest big discoveries (20 years): pre-salt in Brazil (50-100bn, unrisked, in-place)
Guyana (11 bn)
- Annual consumption: 36 bn
- Is the amount of oil unlimited?

Obviously, the amount of available oil depends on three things

- Its existence (geological realities)
 - Technology (pre-salt, shale)
 - Price
-
- Geopolitical considerations tend to be short-lived, although they create enormous volatility

Conclusions

- Forecasting is difficult... especially about the future
- But some trends are clear: continued demand, insufficient supply
- But... this is very inelastic: a very small excess capacity crashes the price, a very small deficit makes it explode
- In addition, there is a lot of short-term volatility
- This justifies a high cost of capital: free cash flow > 10% for senior companies with little debt, at current oil prices
- But this is precisely the essence of the opportunity, if things turn out as we expect
- The opposite has happened with renewable wind and solar:
 - Capital costs
 - Collateral costs
 - Very low energy costs: EREI very low (even below one for some solar installations, more than 80 for nuclear, around 50 for oil and gas)

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LTIF Classic: Ready for any scenario

- **The Classic had a rough Oct/Nov and is now +5% ytd. Vs +7% in June and +10% at 2023 peak. Bit below target (EUR 625 p.s.)**
- **3 negative news:** Raytheon & MTU issues with the GTF, poor bio conditions and lower salmon prices, and First Quantum's problems in Panama. We keep buying, enhancing the IV-IRR. **When the fund underperforms is when we generate the most value.**
- **Best sectors ytd.:** Technology, Cement & Financials. **Top stocks:** Pandora, Buzzi Unicem & Heidelberg Materials
- **Worst sectors ytd.:** Salmon, Aerospace and Mining. **Worst stocks:** Raytheon, Leroy Seafood, Bakkafrøst and ISS.

When the Classic underperforms is when we make most money. Really?

Quality & Value

Top 10 Holdings LTIF Classic

Grifols SA	7,3%
ISS A/S	5,3%
Pandora A/S	4,4%
Sodexo SA	4,1%
Unilever Plc.	3,7%
Medtronic Plc.	3,7%
Leroy Seafood ASA	3,5%
VISA Inc.	3,5%
Reckitt Beckinser Plc.	3,4%
Salmar ASA	3,3%
TOTAL	42,2%

The 4 G's:

- **Good Business** (franchise, returns)
 - **Good Management** (shareholder value)
 - **Good Balance Sheets** (low leverage)
 - **Good Price/Return** (discount)
-
- **Grifols. Moving in the right direction**
 - **ISS. Management buying shares**
 - **Pandora. Great CMD**
 - **Sodexo. Great Outlook. Pluxee spin off**
 - **Unilever. New CEO. Execution**

Concentration & diversification

LTIF Classic (€ 595 p.s.). IRR@14.8%. IV@ € 920 p.s.

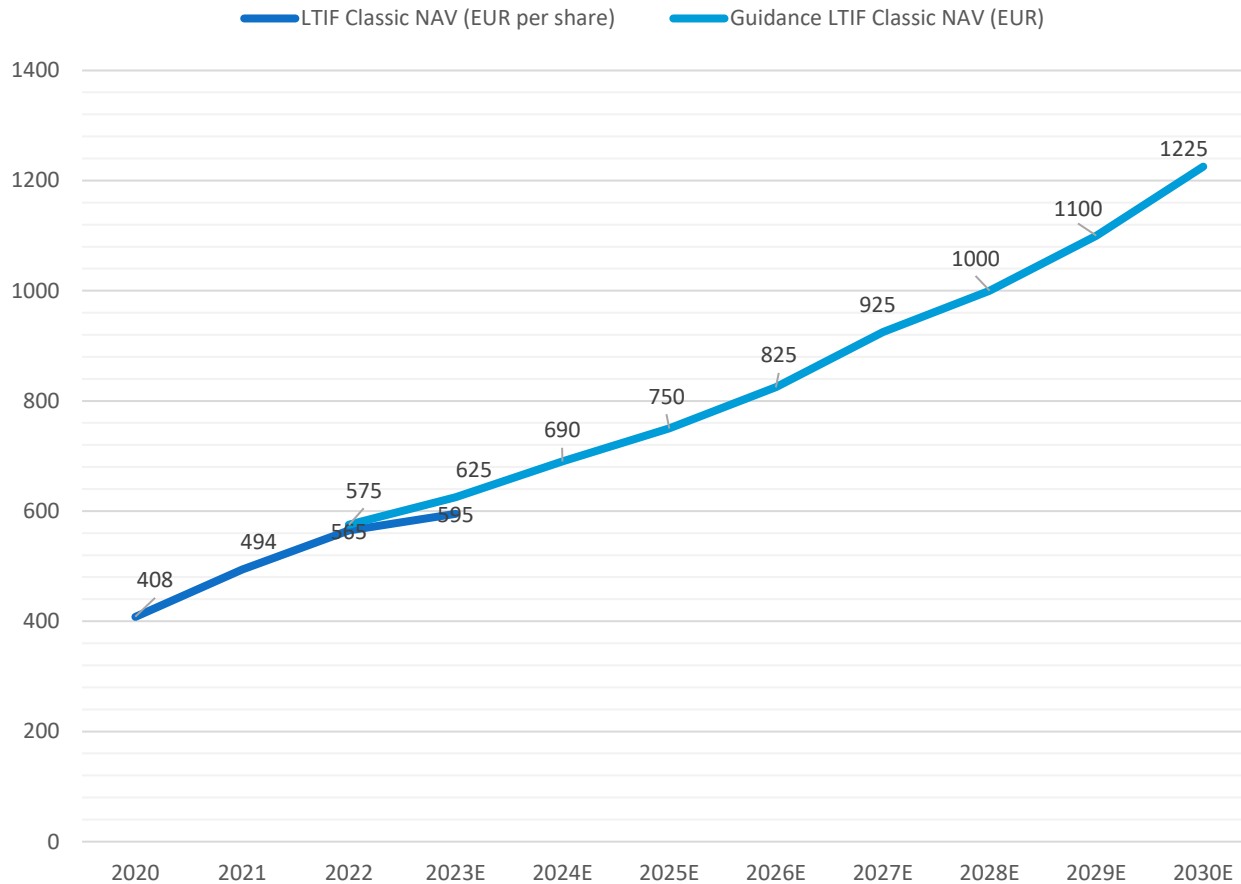
- **The fund's updated IRR @14.8%, and the I.V. @€920 p.s.** Looking cheapish relative to its 21 years history
- **For the Classic to trade at its low** (IRR of 17% as in March-20), **the NAV would have to fall to €425 p.s., 30% below the current level**
- **At that level we would do three things: re-invest our cash; rebalance** by selling risk cat 1-2 to buy risk cat 3-4; and we would also **buy some new names** from our watch list. We did this in 2020 and the fund multiplied 2.5x in 3 years
- **A soft indicator:** over the years we have come to know several investors who always withdraw money at the bottom of the market, helping us to identify the low point. **They did not withdraw yet**

**EUR 1000 per share in 2028 would be equivalent to 10% annual return.
The magic of compounding and long term, again**

The Classic: a bit below the run rate in 2023

LTIF Classic NAV_{(10%)2020-2030E}

Classic NAV versus guidance



- The Guided NAV_{(10%)2020-30E} assumes a 10% return p.a. until 2030.
- EUR 1000 in 2028 easy to remember
- We are slightly below the run rate but in a tough year
- The more corrections and falls the market has, the better we will do.

Quality at a discount

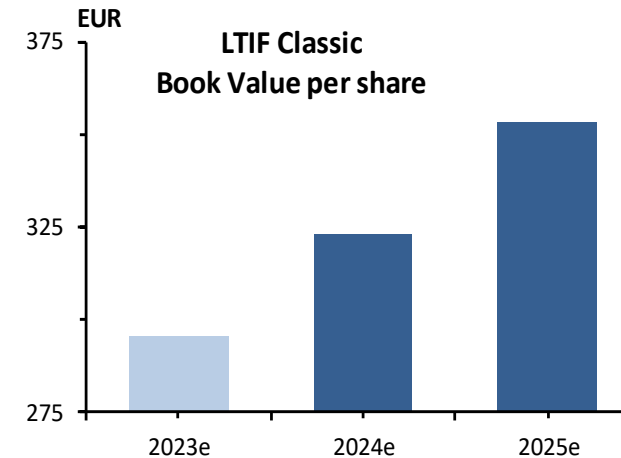
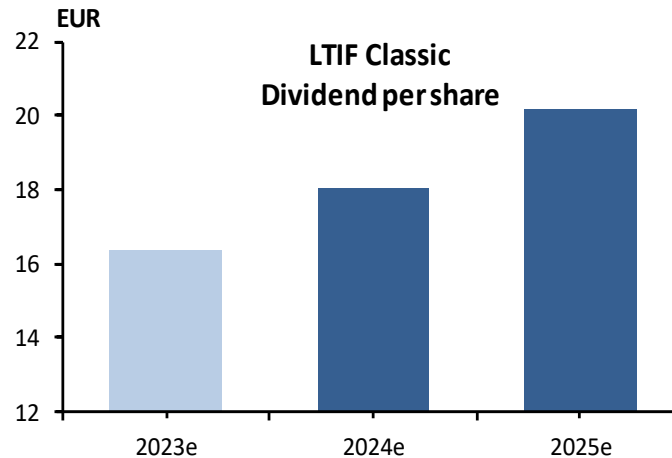
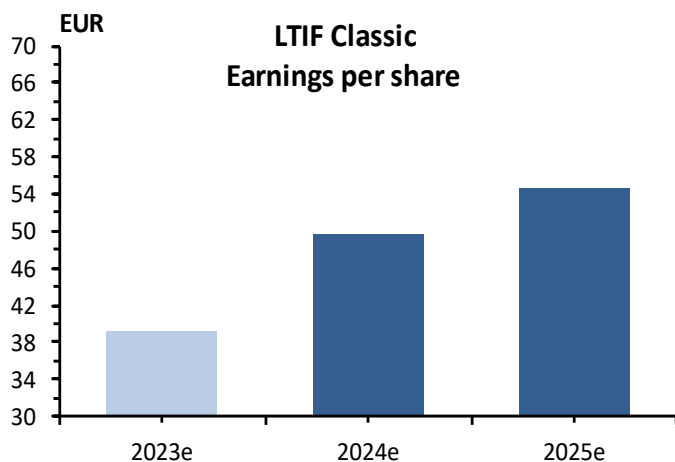
Date	NAV	%
31.12.2020	407.9	
31.12.2021	494.3	21.2%
31.12.2022	565.3	14.4%

Reporting LTIF Classic as of 31.10.2023 (aggregated data in EUR)

Year	EPS	%	P/E	EPS yield	MSCI World P/E	MSCI World EPS yield
2023e	39.1		14.6	6.8%	17.0	5.9%
2024e	49.7	27%	11.5	8.7%	15.4	6.5%
2025e	54.7	10%	10.5	9.5%	14.3	7.0%

Year	DPS	%	Div. Yield	MSCI World Div. Yield
2023e	16.4		2.9%	2.1%
2024e	18.1	10%	3.2%	2.4%
2025e	20.2	12%	3.5%	2.9%

Year	BPS	%	P/B	MSCI World P/B
2023e	295.4		1.9	2.9
2024e	323.1	9%	1.8	2.5
2025e	353.1	9%	1.6	2.4



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Pandora: new targets 2023-26. What!!??

- **CMD Oct-23:** OG of 8% per year 2023-26 (including 3pp of openings) and an operating margin on sales of 26-27%.
- **EPS growth of 15-20% in the next three years** and a 20% free cash flow yield over this period (7% per year between the dividend and the share buyback). **Much higher than our DCF**, with growth of 3% and sustainable OM of 25%
- Valuing Pandora on new targets: **easy DKK 1300-1500 p.s., compared to the current price of DKK 900 per share.**

	2023	2024	2025
PER	14,7	12,8	11,1
EV/EBIT	12,2	11,2	10,3
ROE	73%	82%	83%
FCF Yield (*)	7,1%	7,5%	7,9%

Pandora is an outstanding business

- **Top class management** team, led by a top-class CEO, Alexander Lacik
- **Strong brand** with large investments behind it
- **Network of stores in constant renovation** with trained employees looking for a unique experience
- **Focus on the company's core Moments collection**, which continues to perform well, **and on bracelets and charms**, which are the group's main product
- **New collections that reinforce the group's diversification**, including the new *Diamonds by Pandora* collection, lab-grown diamonds
- A very clear **digitalization strategy**, with 20% of sales through digital channels
- **New IT system, including new ERP**, which is already noticeable
- A healthy **balance sheet**, with no funnies in inventories, distribution channels, franchises, etc.

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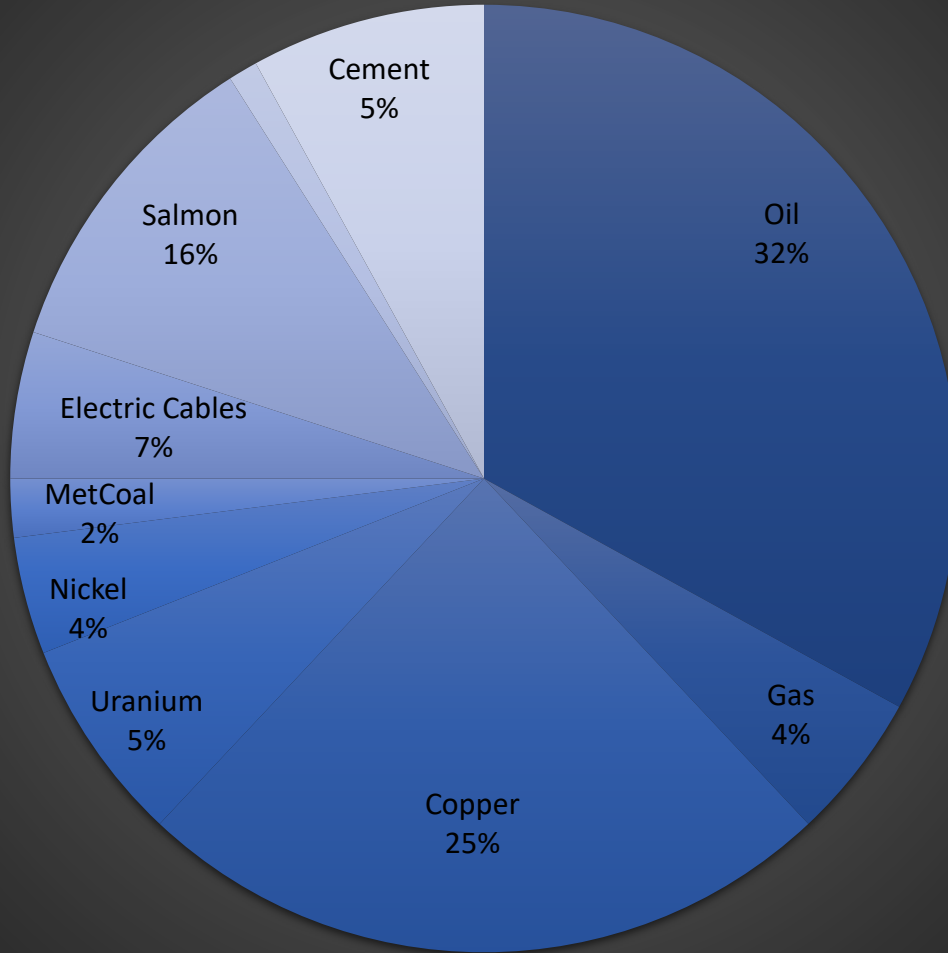
The Natural Resources Fund: a tough Oct/Nov

- The LTIF NR fund was +13% by the end of Sep. but lost most gains in October and November on a weak performance across the commodities space. **The Fund is now up +3% ytd at EUR 142 p.s.**
- **The best sector ytd. has been *Infrastructures* (up 11%),** led by the Cement exposure, **followed by *Mining*,** up +2% thanks to our exposure to Uranium. Energy and Agrifood are both down -3% ytd. on lower oil, gas, and salmon prices compared to 2022.
- CNQ, Petrobras, Kazatomprom, Southern Copper, Cameco, Salmar, Heidelberg Materials, and Buzzi Unicem **are all up more than 20%.**
- On the negative side, **with falls of more than 20%:** Harbour Energy, Panoramic, First Quantum, Leroy Seafood, Grieg Seafood, and Bakkafrost. Their performances exclude dividends

**Mr. Market remains concerned about the recession and China.
We keep patiently buying at good prices**

The LTIF NR trip to outperformance

LTIF Natural Resources Breakdown



- **Good business: TIER1** reserves & assets
- **Good management**
- **Good Balance Sheet**
- **Good price (cheap)**
- **Scarce** commodities
- **“Safer”** geographies
- **In/near production**
- **No start ups**
- **No majors**
- **Energy**
- **Metals**
- **Infrastructures**
- **Agrifood**

The NR Fund (€142 p.s.): IV of € 225. IRR: 15.7%

- The fund's NAV stands at €225 p.s., with an IRR of 15.7%, using mid-cycle estimates. Cheap vs. history
- Current valuation shows that the commodities sector continues to trade at **depressed levels** due to the fear of a global recession and the Chinese economy's slow recovery
- Our call is based on the supply side of the equation: **the supply of commodities such as oil, copper, uranium, salmon, cement, among others, will not be able to meet demand in the coming years.**

The NR Fund has a long term up-cycle ahead. We expect average double-digit return per year (> EUR 300 p.s. in 5/6 years)

The NR Fund is looking cheap

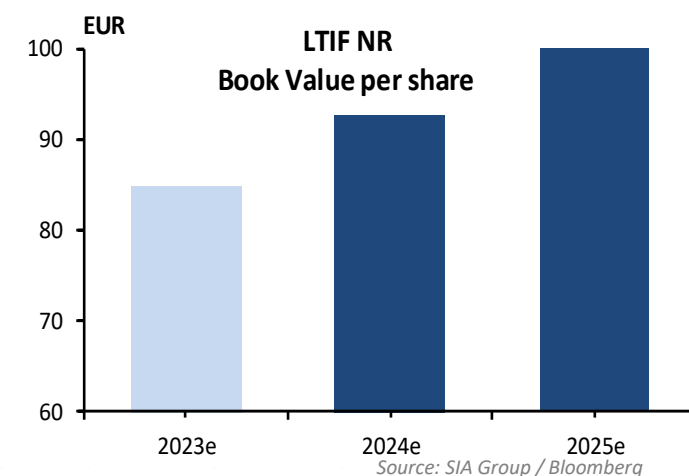
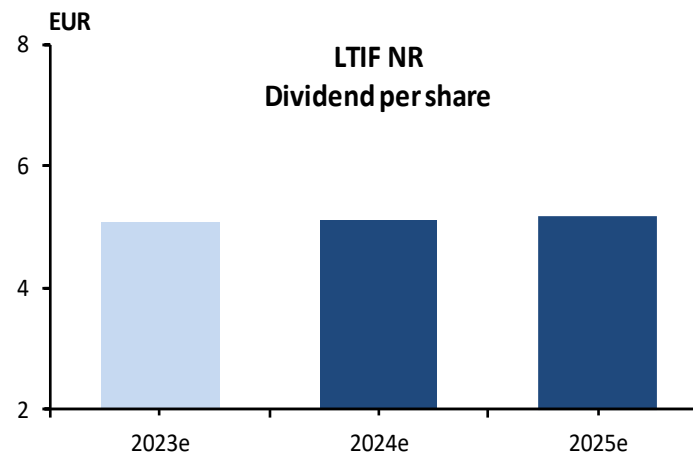
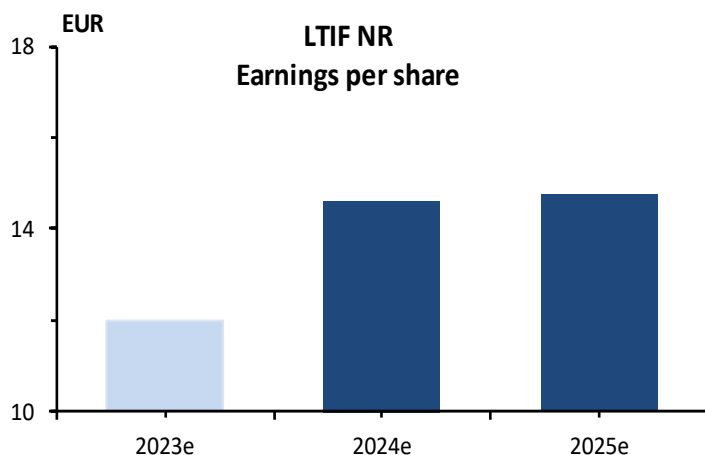
Date	NAV	%
31.12.2020	87.1	
31.12.2021	122.5	40.7%
31.12.2022	138.4	12.9%

Reporting LTIF NR as of 30.06.2023 (aggregated data in EUR)

Year	EPS	%	P/E	EPS yield	S&P NR P/E	S&P NR EPS yield
2023e	12.0		11.7	8.5%	11.1	9.0%
2024e	14.6	22%	9.6	10.4%	11.0	9.1%
2025e	14.7	1%	9.5	10.5%	11.0	9.1%

Year	DPS	%	Div. Yield	S&P NR Div. Yield
2023e	5.0		3.6%	4.0%
2024e	5.1	1%	3.6%	4.0%
2025e	5.2	1%	3.7%	3.9%

Year	BPS	%	P/B	S&P NR P/B
2023e	84.9		1.7	1.5
2024e	92.8	9%	1.5	1.5
2025e	100.6	8%	1.4	1.4



Oil Market: we need another shale play

	2022	2023E	2024E	2025E
Demand m b/d	100,0	102,0	103,5	104,5
Growth m b/d		+2,0	+1,5	+1,0
Growth %		2,0%	1,5%	1,0%
Supply m b/d	99,5	102,0	103,4	104,8
Growth m b/d		+2,5	+1,4	+1,4
Growth %		2,5%	1,3%	1,4%
Balance	-0,5	0,0	-0,2	0,3

- Shale brought 10 m b/d in the last 10 years
- We will need some 7-8 m more until 2030
- There is no another shale
- Capex must rise to incentivize supply
- Issues: Fear of Peak Demand (FoPD) and ESG

What would have happened to oil prices if the US would have not developed shale oil? We will experience it soon

Oil Market: balanced 2024/2025 if all goes OK

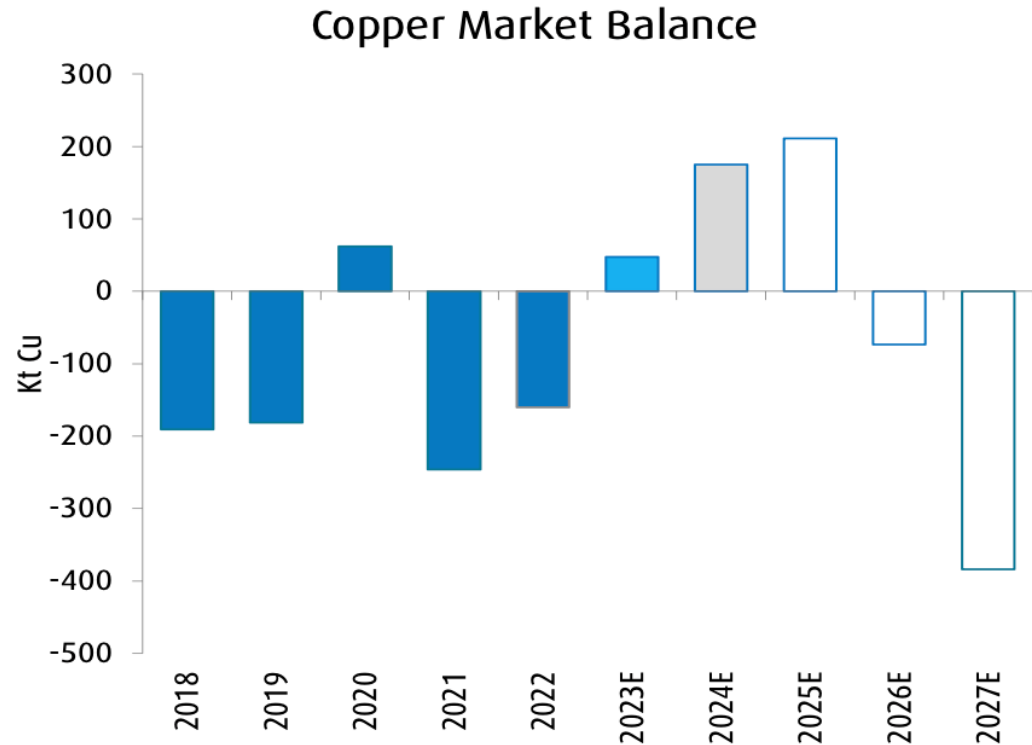
Relevant Net Contributors (Supply) for 2004 and 2025

b/d		2024E	2025E	
US		300.000	300.000	
Canada		150.000	150.000	
Brazil		200.000	200.000	
Venezuela		100.000	150.000	
Iran		150.000	150.000	
Russia		100.000	100.000	
S. Arabia		200.000	200.000	
Other OPEC		150.000	150.000	
TOTAL		1.350.000	1.400.000	

- The crude oil market has been balanced in 2023
- Reasons: SPR releases. US, Iran, Venezuela, Russia
- OPEC+ has cut production to balance the market. Will need to raise volumes
- The US needs to refill its reserves 0.5m b/d for 1 year

At Brent 75/80\$ our oil companies will do very well

Copper: structural deficit by 2025/26



Source: ICSG, BMO Capital Markets

- Enough projects to meet demand until 2025
- Not enough from 2025
- Demand is going to grow by 1mn tons per year due to the electrification (hist. 0.5mn)
- Huge constraints to new mines: Nationalism, Taxes, ESG

**The copper market looks balanced for a couple of years.
After 2025 a huge supply gap arises**

LTIF NR. Conclusion: a long-term super-cycle

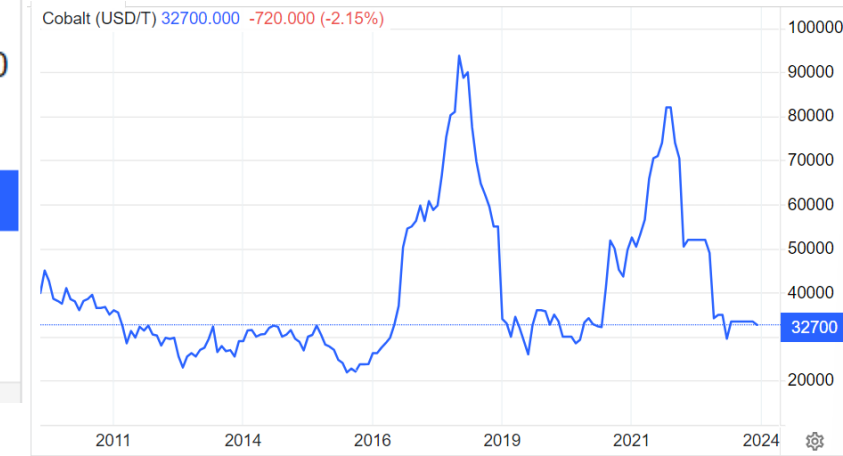
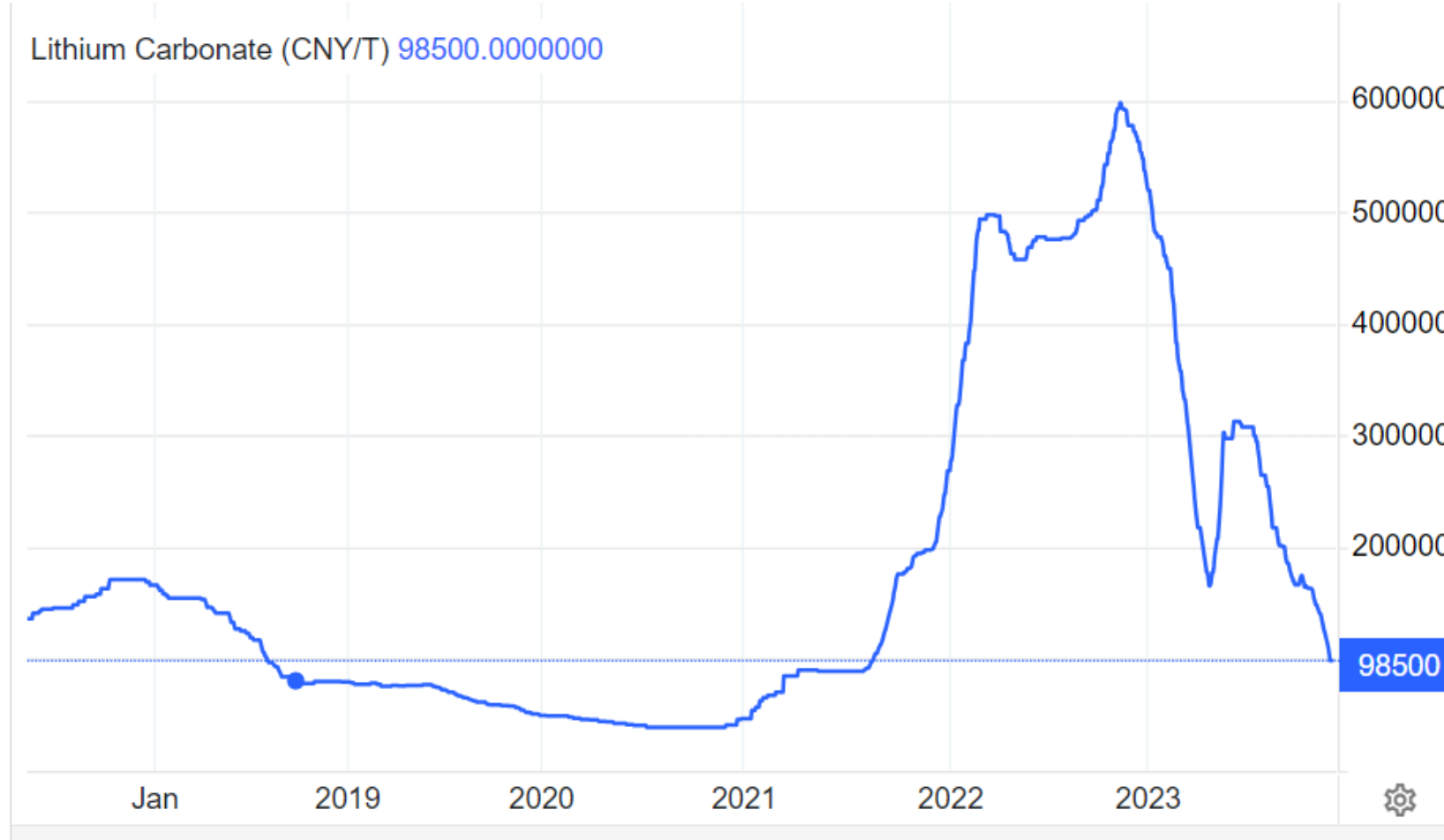
- **Short term, commodities keep fighting against the recession fear. Lots of volatility**
- **Longer term, nothing has changed: we see a super cycle**
 - Oil: stable/growing demand with depressed capex. High prices
 - Green Metals demand fueled by the electrification of the global economy and future supply looks very much constrained
- **Valuation is below mid-cycle.** We will first see a broad re-rating and then many years of outperformance on higher prices/free cash flow
- The **commodities cycle is inherently a long cycle** (due to the number of years needed to bring new supply) and **this cycle will be much longer due to the energy transition and the heavy constraints to bring new supply**

The NR Fund outlook looks sound

Presentation Plan

- Recession? *“The future is inherently unpredictable”*
- Out of the Box *by Jose Carlos Jarillo*
- The LTIF Classic: +5% ytd. Bit below target
- Quarterly investment case: Pandora CMD
- The LTIF NR: +3% ytd. Recession fears
- **Natural Resources Thoughts *by Urs Marti***
- Final Remarks

Hey, everybody and his dog will drive a Tesla



Repeat: Never listen to demand stories!



Stanley Wittingham ([Wiki](#)) co-invented the lithium-ion battery in the 70s and Exxon was the financial sponsor. After a few years, they decided to cut the program as the batteries would catch fire (one of the many reasons). In 2019 together with other scientists Wittingham won the Nobel price for developing the Lithium-Ion battery ([Wiki](#)). It took 50 years to develop an idea that XOM sponsored but never monetized.

Fast forward to today, and XOM is announcing that they are planning to become a leading producer of Lithium and begin production in 2027. While it is not a material opportunity for XOM, Lithium stocks (ALB and LTHM) are getting hit today.

Good project=80% loss, but you are the lucky



US chemicals giant Albemarle has abandoned its proposed takeover of Lontown Resources in the face of a series of raids on the miner's share register by Australia's richest person, Gina Rinehart.

The mining magnate has spent nearly \$1 billion building a blocking stake in the lithium miner over the past month, with her company Hancock Prospecting picking up a strategic 19.9 per cent holding in Lontown.



Mrs Rinehart ends 2016 owning more than 1.5 per cent of Australia's total land area and is also a leading beef owner following the successful purchase of the country's largest pastoral portfolio, S. Kidman & Co

Best mines make less money but will survive

ALB US \$ Market T126.00 / 127.75K 10x1

Prev 125.32

Vol 763

ALB US Equity96) Actions97) Export98) SettingsFinancial Analysis

39) ADJAlbemarle Corp ASC 842PeriodicityAnnualsCur FRC (USD)

1) Key Stats2) I/S3) B/S4) C/F5) Ratios6) Segments7) Addl8) ESG9) Custom

11) BBG Adj Highlights12) BBG GAAP Highlights13) Company Model14) Earnings15) Enterprise Value16) EV Ex Operating Leases17) Multiples18) Per Share19) Stock Value

In Millions of USD

12 Months Ending

2024 Y Est

2023 Y Est

Current/LTM

2022 Y

2021 Y

2020 Y

2019 Y~

12/31/2024

12/31/2023

09/30/2023

12/31/2022

12/31/2021

12/31/2020

12/31/2019

Market Capitalization

- Cash & Equivalents

+ Preferred & Other

+ Total Debt

Enterprise Value

Revenue, Adj

Growth %, YoY

Gross Profit, Adj

Margin %

EBITDA, Adj

Margin %

Net Income, Adj

Margin %

EPS, Adj

Growth %, YoY

Cash from Operations

Capital Expenditures

Free Cash Flow

14,706.7

25,409.1

27,354.6

15,761.3

7,745.2

1,601.7

1,499.1

439.3

746.7

613.1

264.6

208.2

180.3

200.4

161.3

3,817.6

3,769.1

3,284.5

4,129.6

3,741.2

17,187.2

27,887.2

30,380.2

19,344.6

11,034.6

8,982.0

9,715.3

9,882.0

7,320.1

3,328.0

3,128.9

3,589.4

-7.5

32.7

76.7

120.0

6.4

-12.8

6.4

2,495.8

2,531.6

2,891.3

3,077.3

1,008.5

996.2

1,259.5

27.8

26.1

29.3

42.0

30.3

31.8

35.1

2,498.3

3,307.3

2,556.7

2,857.1

1,555.7

815.8

1,055.5

27.8

34.0

25.9

39.0

46.7

26.1

29.4

1,749.7

2,667.0

3,287.3

2,639.1

470.2

426.4

627.7

19.5

27.5

33.3

36.1

14.1

13.6

17.5

15.22

22.73

27.89

22.41

4.03

3.99

5.91

-33.0

1.4

96.2

455.5

1.0

-32.4

7.7

2,375.8

1,907.8

344.3

798.9

719.4

-2,105.6

-1,958.3

-1,910.9

-1,261.6

-953.7

-850.5

-851.8

449.0

-339.1

464.9

646.2

-609.4

-51.6

-132.4

<<<>>>

Earnings: 02/15/24

EVTS »

Download Models

MODL »

Hey, now let's build nukes tomorrow instead





CCO CN Equity 96) Actions ▾ 97) Export ▾ 98) Settings  Financial Analysis

11) BBG Adj Highlights	12) BBG GAAP Highlights	13) Company Model	14) Earnings	15) Enterprise Value	16) EV Ex Operating Leases	17) Multiples	18) Per Share	19) Stock Value
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[<<](#)
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[>>](#)
[Earnings: 02/08/24](#)
[EVTS »](#)
[Download Models](#)
[MODL »](#)

Kazatom, MacArthur, Langer Heinrich: 36 Mlb!!

Kazatomprom plans 2025 uranium production increase

29 September 2023



The board of the Kazakh uranium producer has approved a strategy to increase production volumes in 2025, returning to a 100% level relative to its subsoil use agreements for the first time since 2018 and adding up to 6,000 tU to anticipated global primary supply.

- Q1 CY2024 production target
- Cornerstone offtakes secured
- Peak production of 6Mlb of U_3O_8
- LHM to be 4% of annual global uranium production

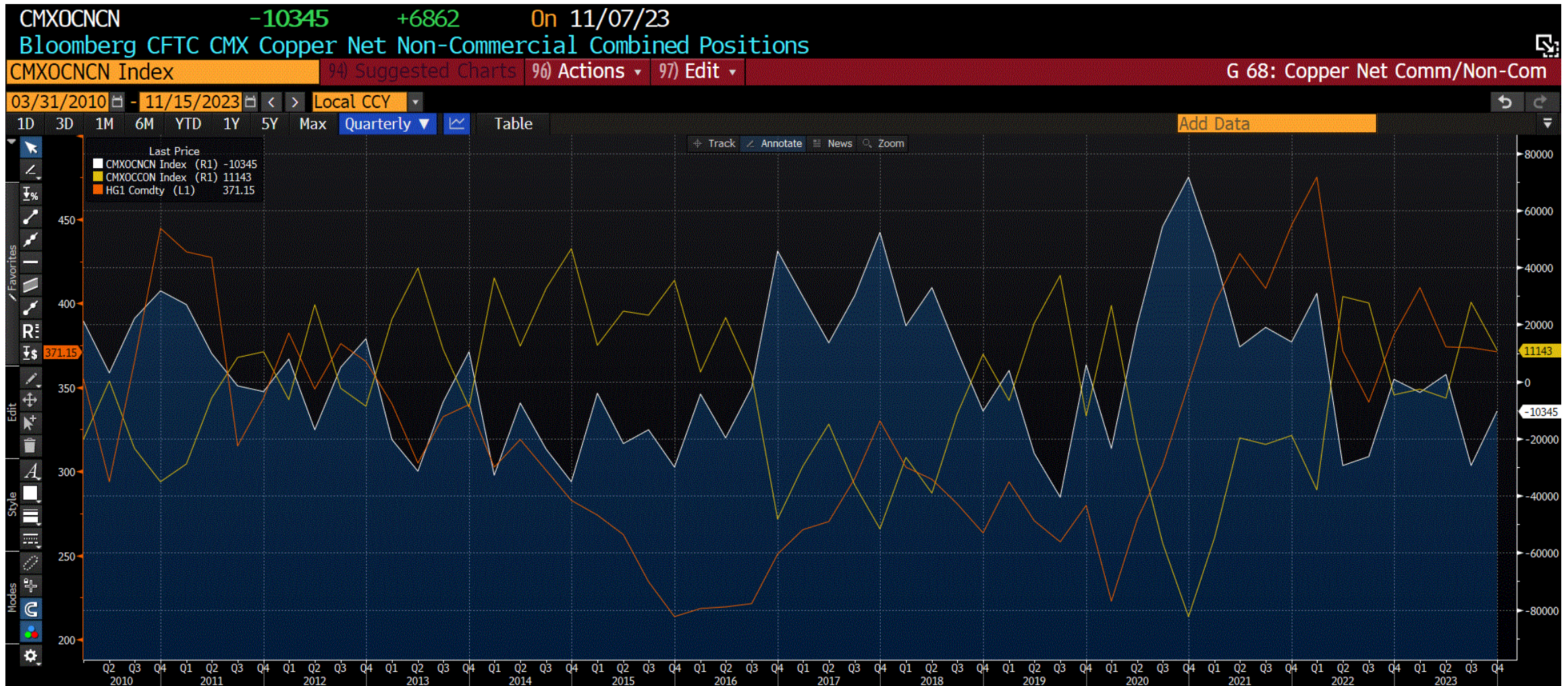
Operations Resume at Cameco's McArthur River Uranium Mine and Key Lake Mill

We continue to expect production of 18 million pounds (12.6 million pounds our share) in 2024.

Hey, a Tesla needs so much Cu/Ni/Co!



Hey, but now recession, short Dr. Copper!



Hey, the Fed/ECB is the world! Short stuff!

Rio Tinto rosy on China over uptick in manufacturing activity

Chief executive Jakob Stausholm says steel mills running 'flat out' but property slowdown still 'challenging'

He added that demand from China's "seriously booming" infrastructure and automotive sectors would help offset lower demand from property.

India central bank lifts annual GDP forecast to 7% on strong demand.
NEW DELHI -- India's economy is expected to grow 7% in the current financial year through March 2024, the country's central bank chief said on Friday, up from an earlier projection of 6.5%. vor 1 Tag

Hey, nobody needs Cu/Ni/Co/Zi, it's plentiful!



Why never buy dips in bullmarkets?

GLEN LN GBp ↑ **465.80** +15.80 L465.70/465.85L 4599x817
At 10:59 d Vol 7,254,088 0 456.40L H 465.80L L 454.70L Val 3.337B

GLEN LN Equity 96) Actions 97) Export 98) Settings

Financial Analysis

39) **ADJ** Glencore PLC IFRS 16 ? Periodicity Annuals Cur FRC (USD)

1) Key Stats 2) I/S 3) B/S 4) C/F 5) Ratios 6) Segments 7) Addl 8) ESG 9) Custom

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In Millions of USD	2024 Y Est	2023 Y Est	Current	2022 Y	2021 Y	2020 Y	2019 Y~
12 Months Ending	12/31/2024	12/31/2023	11/15/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Market Capitalization			71,045.2	85,306.7	66,464.6	42,380.4	41,591.1
- Cash & Equivalents			1,863.0	1,923.0	3,241.0	1,498.0	1,899.0
+ Preferred & Other			-4,481.0	-4,191.0	-3,014.0	-3,235.0	-1,038.0
+ Total Debt			28,662.0	28,777.0	34,641.0	37,479.0	37,043.0
Enterprise Value			93,366.0	107,969.7	94,850.6	75,126.4	75,697.1
Revenue, Adj	220,431.2	216,728.6		255,984.0	203,751.0	142,338.0	215,111.0
Growth %, YoY	1.7	-15.3		25.6	43.1	-33.8	-2.5
Gross Profit, Adj	13,005.4	14,366.9		27,261.0	12,381.0	3,698.0	5,145.0
Margin %	5.9	6.6		10.6	6.1	2.6	2.4
EBITDA, Adj	18,144.6	17,900.6		31,818.0	16,601.0	8,688.0	11,206.0
Margin %	8.2	8.3		12.4	8.1	6.1	5.2
Net Income, Adj	6,388.3	7,120.6		22,811.8	9,454.0	4,363.5	1,759.4
Margin %	2.9	3.3		8.9	4.6	3.1	0.8
EPS, Adj	0.54	0.56		1.74	0.71	0.33	0.13
Growth %, YoY	-3.6	-67.9		146.2	111.3	163.0	-66.6
Cash from Operations				15,350.0	11,235.0	3,679.0	9,671.0
Capital Expenditures	-5,420.6	-5,245.1		-4,177.0	-3,618.0	-3,569.0	-4,712.0
Free Cash Flow	7,721.9	10,195.7		11,173.0	7,617.0	110.0	4,959.0

<< < > >> Earnings: 02/15/24 | EVTS » Download Models | MODL »

The cure for low prices are low prices

Future uncertain for Mount Isa after Glencore announces closure of copper operations in 2025

Codelco copper output falls amid operational delays

Panama's government formally ordered First Quantum Minerals Ltd. to end all operations at its US\$10-billion copper mine in the country, according to the Canadian company's local unit. vor 22 Stunden

Codelco has made a downward adjustment to its annual copper production forecast to between 1.31 million and 1.35 million tonnes.

Annabel Cossins-Smith | July 31, 2023

"The company has significantly reduced its production profile for 2024-26, missing consensus estimates by 13-19% (in copper), largely on account of larger cuts of unprofitable volumes at Los Bronces," Morgan Stanley analysts said.

"First take - we see 10-15% downside risk to our 2024 EBITDA forecasts as a result of today's update," they added.

Anglo's core profit is expected by a group of 11 analysts to be at \$10.2 billion in 2023, down from \$14.5 billion last year.

Anglo said it is reviewing its operations at Anglo American Platinum ([AMSJ.J](#)).

"If we cannot see sustainable value on every ounce we mine, then we'll take those ounces out," Wanblad

«It's not personal. It's purely biz.» M. Corleone

Hey, PE of 2 is bad in mining, cause it is coal! The good, the bad and the ugly...

The Globe and Mail (Canadian newspaper) is reporting Teck will sell its met coal business to Glencore, Nippon Steel and Posco for \$8.9bn. None of the companies have commented. What does this mean? If the news report is correct this looks like a positive for Glencore in my view. The potential deal is cited at \$8.9bn, which would imply a multiple of **2.3x** on 2024 Cons Est EBITDA of \$3.9bn in 2024.

Other people than SIA see value in UK oil...

Tullow in \$400 million debt deal, Ghana oil marketing pact with Glencore

TLW LN GBp ↑ AT 34.880 +1.380 L34.680 /34.880L 7500x1850 At 11:32 d Vol 1,764,138 0 34.000L H 35.000L L 33.600L Val 60.947M							
TLW LN Equity 96 Actions 97 Export 98 Settings Financial Analysis							
39) ADJ Tullow Oil PLC IFRS 16 ? Periodicity Annuals Cur FRC (USD)							
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12 Months Ending	12/31/2024	12/31/2023	06/30/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Market Capitalization			630.4	643.8	906.1	571.0	1,195.1
- Cash & Equivalents			294.6	636.3	469.1	805.4	288.8
+ Preferred & Other			0.0	0.0	0.0	0.0	0.0
+ Total Debt			3,075.0	3,456.9	3,732.1	4,387.0	4,496.8
Enterprise Value			3,410.8	3,464.4	4,169.1	4,152.6	5,403.1
Revenue, Adj	1,664.4	1,574.2	1,714.3	1,783.1	1,285.4	1,396.1	1,682.6
Growth %, YoY	5.7	-11.7	21.0	38.7	-7.9	-17.0	-9.5
Gross Profit, Adj			816.7	1,085.7	646.5	402.5	715.9
Margin %			47.6	60.9	50.3	28.8	42.5
EBITDA, Adj	1,248.7	1,170.4	1,180.9	1,463.5	961.3	724.5	1,346.7
Margin %	75.0	74.4	68.9	82.1	74.8	51.9	80.0
Net Income, Adj	353.2	272.4	245.7	314.9	-32.0	-188.0	-67.1
Margin %	21.2	17.3	14.3	17.7	-2.5	-13.5	-4.0
EPS, Adj	0.20	0.17	0.16	0.21	-0.02	-0.17	-0.08
Growth %, YoY	12.6	-17.8	112.3	-	86.5	-103.7	-
Cash from Operations			854.4	837.7	554.0	501.9	1,045.2
Capital Expenditures	-368.0	-396.5	-281.9	-263.8	-150.4	-217.3	-261.5
Free Cash Flow	414.9	94.5	572.5	573.9	403.6	284.6	783.7

Glencore macht das super...

Seehr profitabel der Zinssatz den Tullow zahlt ist SOFR+1.000bps! Das sind mal schlappe 15,32% aktuell...gut für Glencore aber auch für Tullow die sonst vielleicht Probleme mit der Refi bekommen hätten da schon ein problematischer Credit mit Assets in Hochrisikoländern. (Philip Lehmann, FAM)

Presentation Plan

- Recession? *“The future is inherently unpredictable”*
- Out of the Box *by Jose Carlos Jarillo*
- The LTIF Classic: +5% ytd. Bit below target
- Quarterly investment case: Pandora CMD
- The LTIF NR: +3% ytd. Recession fears
- Natural Resources Thoughts *by Urs Marti*
- **Final Remarks**

Long Term Investment Fund (SIA) Structure

Compartments	LTIF Classic Series			
Investment style	Long-only			
Management fee	1.5% pa			
Performance fee	15% (HWM and Hurdle Rate)			
Currency	EUR	CHF	USD	EUR
ISIN number	LU0244071956	LU0301246772	LU0301247077	LU1449969846
Telekurs valor	2'432'569	3'101'817	3'101'820	33'180'015
Bloomberg ticker	LTIFCLA LX	LTIFCLC LX	LTIFCLU LX	LTIFCLD LX
Distribution	reinvested	reinvested	reinvested	distributed

Compartments	LTIF Natural Resources		
Investment style			
Management fee	1.5% pa		
Performance fee	15% (HWM)		
Currency	EUR	CHF	USD
ISIN number	LU0244072335	LU0301246939	LU0301247234
Telekurs valor	2'432'575	3'101'836	3'101'839
Bloomberg ticker	LTIFGEV LX	LTIFGEC LX	LTIFGEU LX
Distribution	reinvested	reinvested	reinvested

- **Daily liquidity**, cut-off time previous day at 4:00 pm CET
- **Performance fees are assessed and paid yearly**



SIA Funds AG is an authorized Asset Manager of collective investment schemes, regulated by the Swiss Financial Market Supervisory Authority FINMA.



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Switzerland

The Classic since September 2011



- 4 risk categories initiated in 2011
- c.10% per year since 2011
- Doubling every 7 years; x4 in 14

Alpha is not the target but the consequence

LTIF NR vs Benchmark very strong in positive markets



