LTIF
Long Term Investment Fund

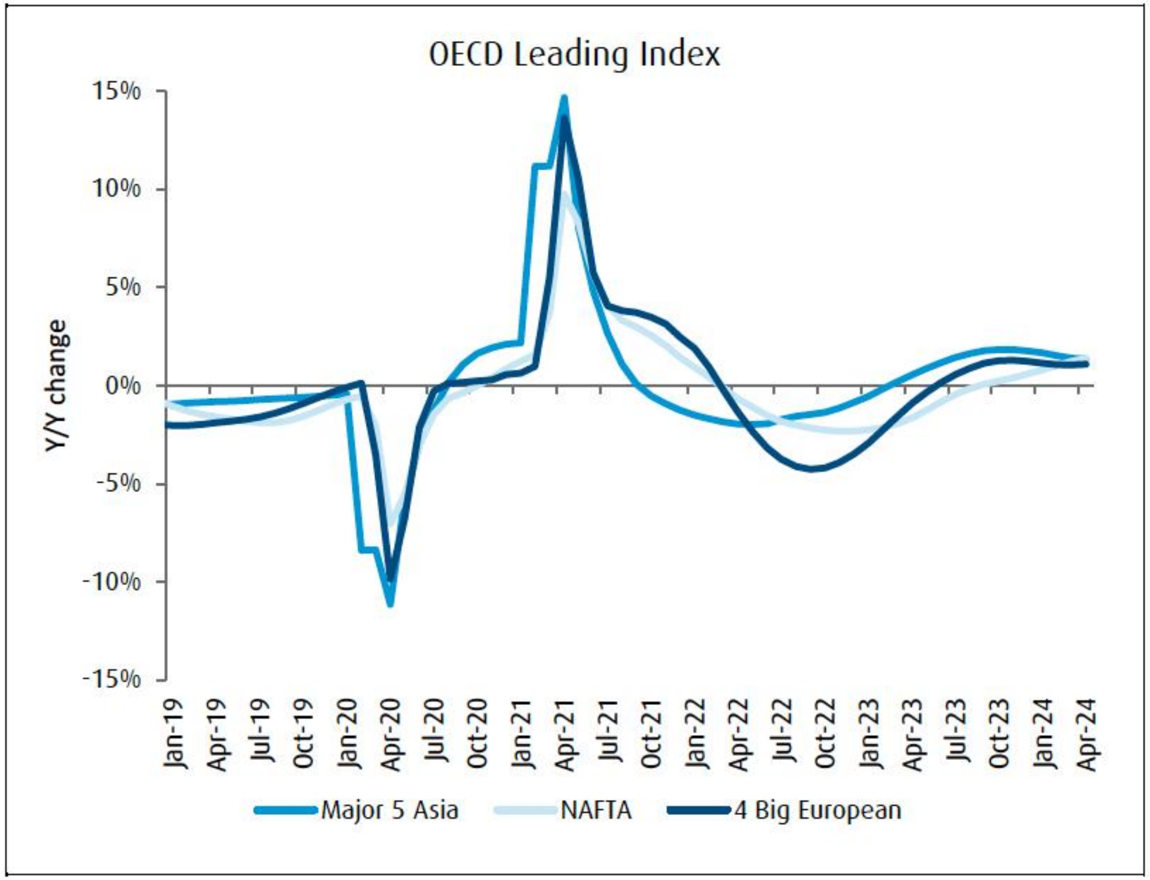
SIA Quarterly Update

July 2024

Presentation Plan

- **Still in a mild slowdown: optimistic, but cautious**
- Mr. Market is not expensive
- The LTIF Classic: +8% ytd, in line with our 2024 target
- Quarterly investment case: ISS, a clean investment ☺
- The LTIF NR: +17% ytd, fueled by copper
- *Natural Resources Thoughts* by Urs Marti
- *Out of the Box* by Alex Rauchenstein

Where are we? Final stage of the slowdown



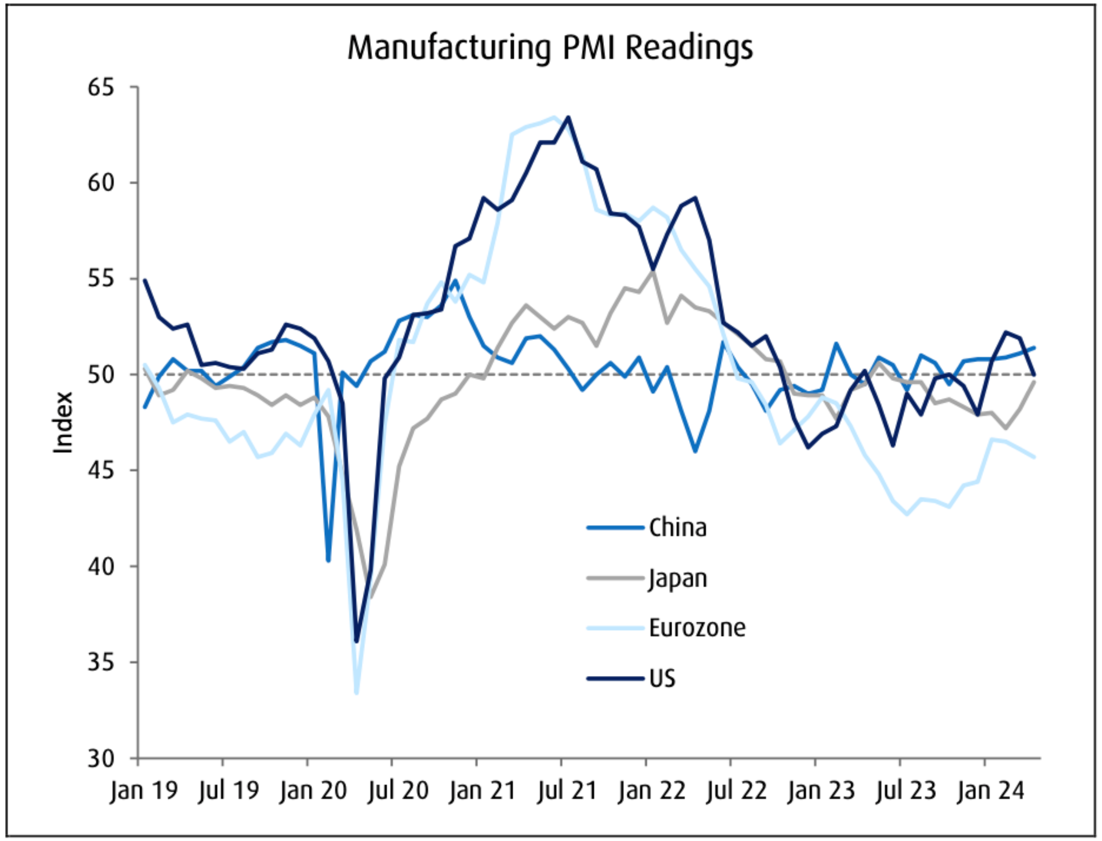
Source: OECD, Bloomberg, BMO Capital Markets

- Still in a **long economic up-cycle that started in 2008/09. 15 years**
- **The Covid-19 phase is over:** recession in 2020, fast recovery in 2021/22 (fiscal)
- **Post Covid:** Inflation & higher rates since 22 and fading fiscal impulse led to a mild slowdown in 23/24

- **The slowdown is being managed by central banks and we could see a recovery in 2025:** interest rate cuts and China improving.

Last phase of deceleration. Recession? Does not look like

Industrial Production: M-PMI's still weak

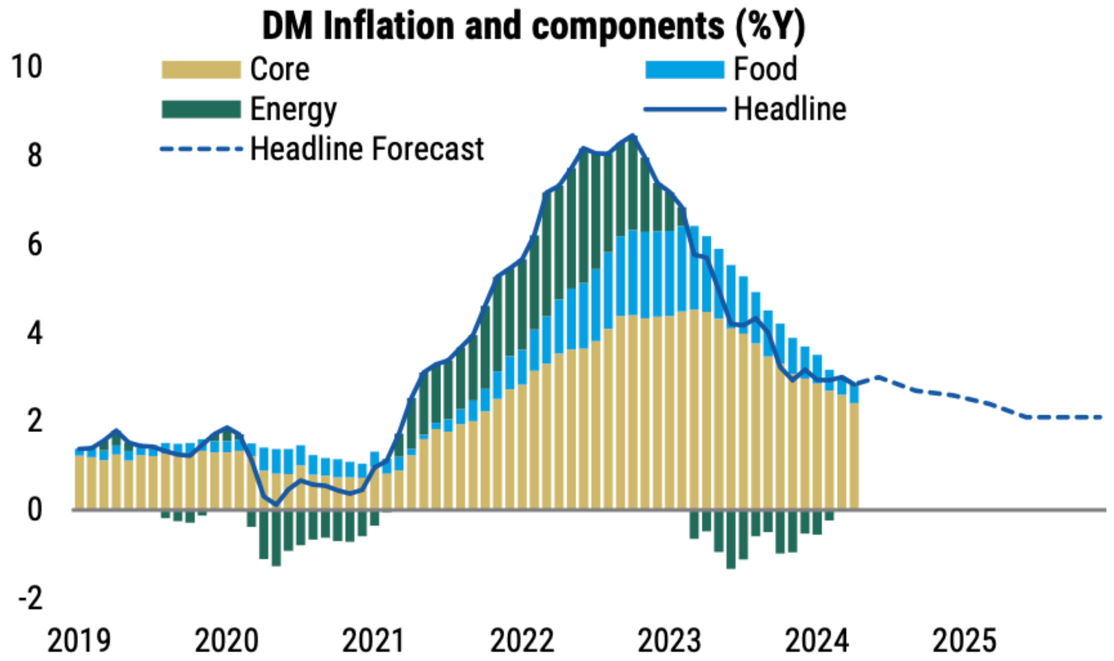


Source: Refinitiv Eikon, BMO Capital Markets. *Note: Caixin PMI for China, representative of small- to medium-scale enterprises. Markit PMI for the US.*

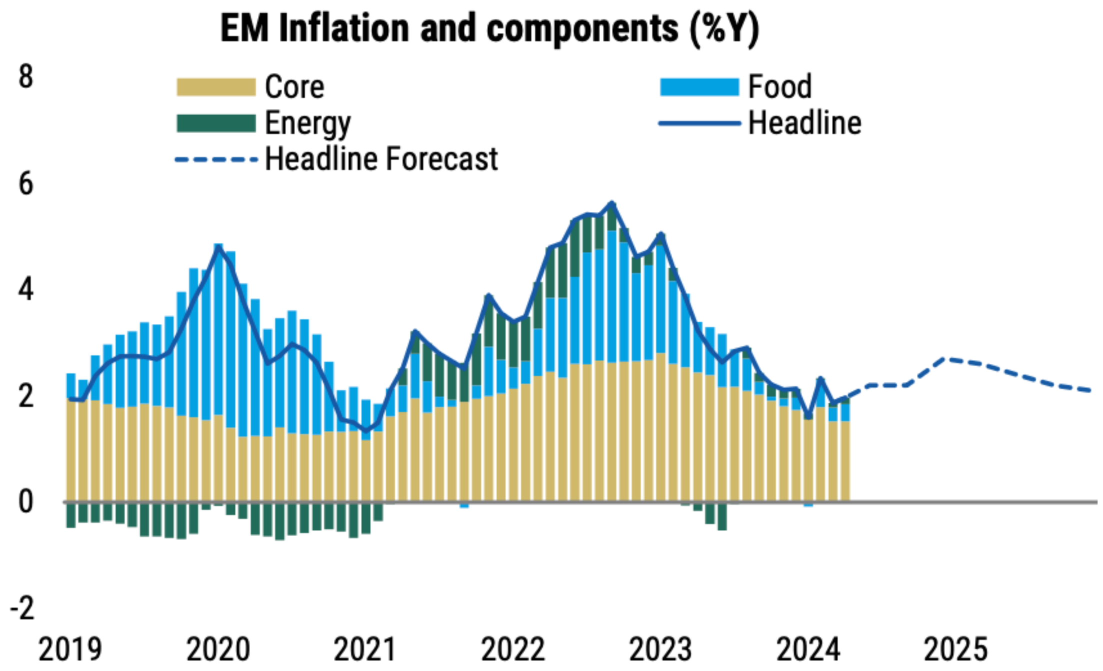
- **No change in M-PMIs:** US and Europe below 50 and China only slightly above
- **Inventories are still completing their down-cycle:** the correction phase continues in Europe (Germany weakness)
- We foresee a **new restocking cycle at the end of the year, or in early 2025,** aligned with interest rate cuts
- From an industrial point of view, Europe and the US will not recover in 2024, rather in 2025

IP in Europe and the US will improve in 2025. Rates will possibly set the recovery pace

Inflation clearly moving to sustainable levels



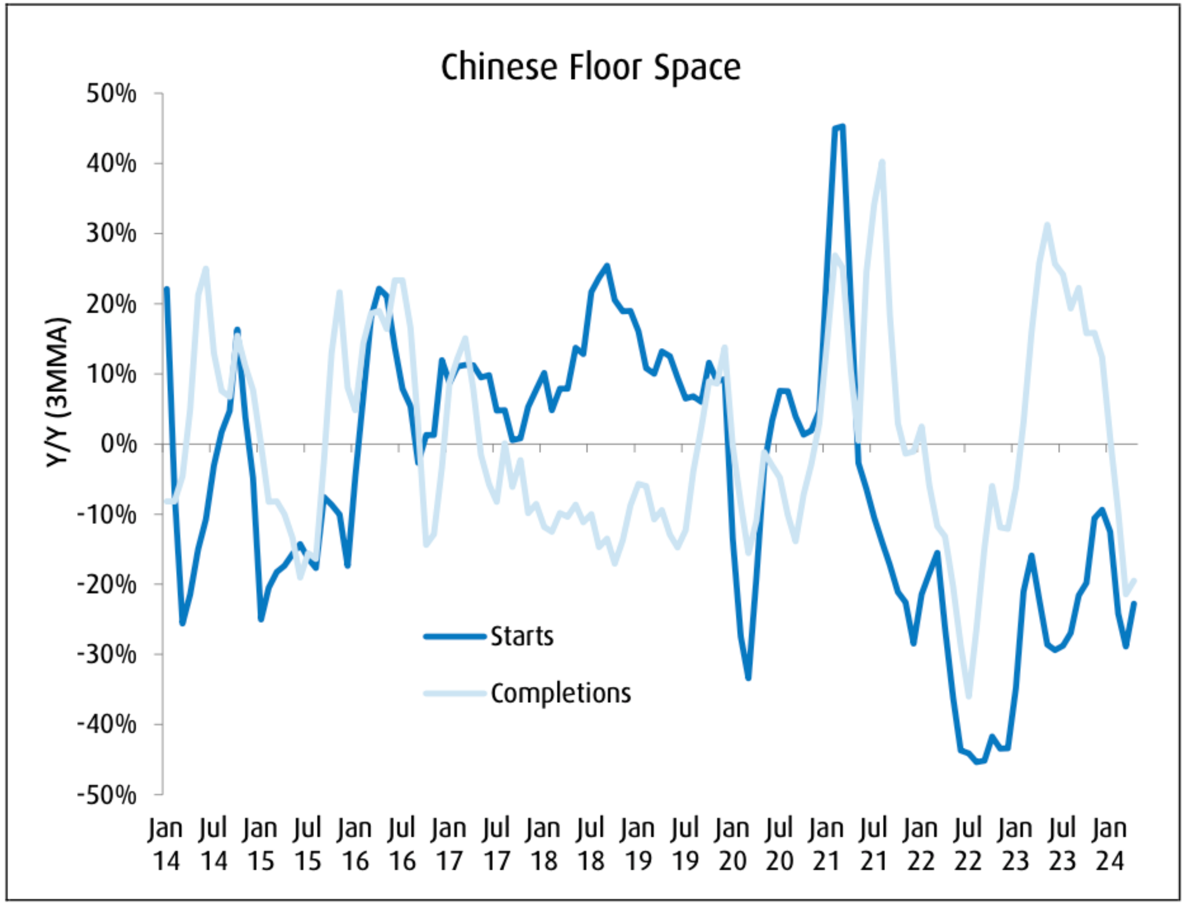
Source: Haver, Morgan Stanley Research forecasts as of 29 April, 2024



Source: Haver, Morgan Stanley Research forecasts as of 29 April, 2024. EM inflation excludes Egypt, Turkey and Argentina. China's CPI weights are the ones inferred by Bloomberg

Inflation will normalize at somewhat higher levels than in the 2010s, around 2.5%-3% due to labor and energy/food prices

China: another year of property crisis (3rd)



Source: National Bureau of Statistics, CEIC, BMO Capital Markets

- **China has launched several measures to help property:** TLAC (banks) + local Gov. to buy housing stock
- The Gov. is **propping up consumption, exports and technology** while progressing in the energy transition
- **All down-cycles come to an end**, as will the Chinese property cycle. 2025?
- **Geopolitical risks** are again back in the spotlight, with new tariffs applied between the US/Europe and China

China is trying to rebalance its economy. This will take time

Conclusion. Mild slowdown & mild recovery

- We are in the **last phase of the economic slowdown** which started in 2022.
- It is always **difficult to anticipate whether the end of a slowdown will be traumatic** or not. **Will we see a recession or crisis?**
- **We do not know** but we have not identified relevant bubbles, nor significant banking problems, or structural problems in large sectors.
- **We remain cautiously optimistic** about a scenario in which interest rate cuts will fuel the global economy, whilst China keeps implementing pro-growth measures.
- **The recovery should not be too strong either,** as the downturn has been very mild. Wildcard: the AI's impact on global productivity could become a massive tailwind.

The 2022-24 economic slowdown is being very mild. 2025 could be the recovery year

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Factors: Value is cheap

- **Relative to growth, value is clearly undervalued.** We are convinced that a new value cycle has started (2022). A quick look at the P/E confirms that, from a valuation point of view, value is far more attractive than growth.

MXWO Index	Value	Growth
Price	3.562	5.262
PER 2025	13,1x	25,2x
Historical PER	17,3x	23,6x

Source: SIA Funds, MSCI Index

Markets: no bubble

The regional MSCI indices are not trading above their historical P/E suggesting that global markets are not expensive. On the contrary, Europe, Japan, and most of the emerging markets are trading at a significant discount.

Index	SPX	SXXP	NASDAQ	CHINA	BRAZIL	TURKEY	RUSSIA	TOPIX
Price	5.359	525	19.035	3.592	121.400	10.400	3.211	2.757
PER 2025	18,9	13,2	22,8	10,3	6,5	4,2	2,5	14,9
Historical PER	17,5	19,0	25,0	17,0	16,0	10,5	8,0	18,0

Source: SIA Funds, MSCI Index

Sectors: only Tech looks “a bit” expensive

The only sector that trades above its historical levels is Technology/IT, at a P/E25 of 26x. The rest are trading below their historical average. Tech is not at bubble levels either (not at the 2000 tech bubble levels by far).

Index	Industrials	Staples	Healthcare	Materials	Energy	Tech	Financials	Insurance
Price	393,0	283,0	378,0	351,0	256,0	714,0	161,0	175,0
PER25	**18,7**	**18,0**	**17,3**	**15,5**	**10,1**	**26,3**	**12,1**	**11,4**
Historical PER	20,0	21,0	22,0	20,0	16,0	24,3	14,0	15,0

Source: SIA Funds, MSCI Index

Conclusion on valuation review

- **Markets are not expensive.** The Magnificent 7 are driving the US and Global markets (2 of them can not maintain current profitability and double-digit growth is not forever).
- **Fundamental issue: returns on capital are all-time high** and earnings estimates assume that they are sustainable. Is that possible?
  - From a social perspective, we feel that returns on capital have improved strongly over the last years vs. a much lower increase in labor wages.
  - At SIA we expect higher labor, energy, funding and depreciation costs plus higher taxes, and increased competition in some sectors — factors that will exert downward pressure on returns.
- **A solution to the labor inequality/wages could be the combination of AI and reduced working hours** (and increased education time). **Time will tell.**
- **High returns are usually eaten by a combination of regulation and competition over the long term.**

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The LTIF Classic: +8% ytd. to € 670 per share

- 2024 is off to a strong start and the **LTIF Classic is up to €670 per share, +8% ytd**. Behind the S&P +15% ytd and in line with Europe +7% ytd.
- **Not far from our 2024 target of € 690 p.s.,** but pls stop trying to time the market and stay invested for the long term to take advantage of the fund's compounding.
- The sectors that have done the best: Aerospace, Defense, Semiconductors, Mining, and Cement. On the negative: Pharmaceuticals and Salmon.
  - Stocks up >20%: ASML, Raytheon, Cenovus, Suncor, Unilever, First Quantum, Antofagasta, Prysmian, Nexans, Buzzi, and Heidelberg Materials.
  - On the downside, we highlight Grifols, ISS, and the salmon companies Grieg Seafood, Leroy Seafood, and Bakkafrost.

Grifols, ISS, Reckitt and salmon (35% of the fund) are negative ytd.: lots of value to unlock

Quality & Value

Top 10 Holdings LTIF Classic

Grifols SA	7,3%
ISS A/S	6,9%
Leroy Seafood ASA	4,2%
Reckitt Beckinser Plc.	4,2%
Medtronic Plc.	4,0%
Unilever Plc.	3,6%
Henkel AG	3,3%
Mowi ASA	3,3%
Grieg Seafood ASA	3,0%
First Quantum Ltd.	2,9%
Total	**43%**

The 4 G's and C&D

- **Good Business** (franchise, returns)
- **Good Management** (shareholder value)
- **Good Balance Sheets** (low leverage)
- **Good Price/Return** (discount)

Highlights

- **Virtually all the companies are multinationals**
- **Salmon farmers to 15%**
- **We increased the weight in Grifols ISS Reckitt**
- **First Quantum (Cobre Panama) jumped into the list due to its strong performance**

Strategic value: the cornerstone of the 4G's is good business

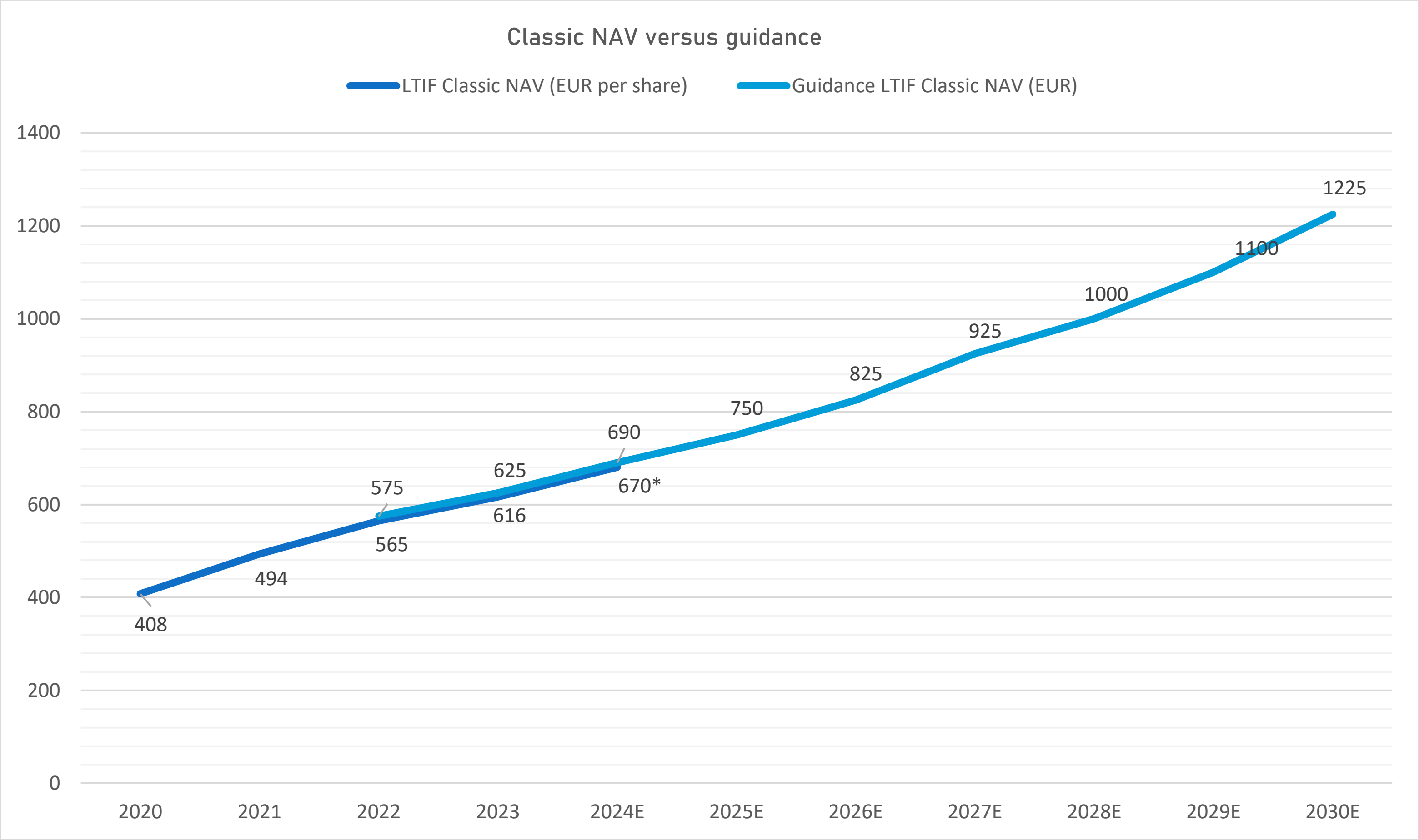
LTIF Classic (€670 p.s.). IRR@14.5%. IV@ € 1020 p.s.

- **For the first time in the LTIF Classic's history** (on the road for 22 years), **its intrinsic value has exceeded € 1000 p.s.,** where we should be in 3-4 years' time
- The IV's progression is due to the portfolio's rebalancing. Falling stock prices is good!
- **The updated IRR is 14.5% @ its historical mean (range 12-17%)** so the fund is neither expensive nor cheap. We have a similar view on markets overall
- **We keep our 2024 target** (*based on historical average multiples*) **at €690 p.s.,** with a theoretical further upside of 4-5% **and for those tempted to trade/time we confirm our 2027/28 target of €1000 p.s.**

Targets: €690 for 2024 and €1000 for 2027/28. The magic of compounding and long term

The Classic: the 7-year cycle

LTIF Classic NAV *(10%) 2020-2030E*



* NAV to June 2024

- Raising confidence that **we can do better than 10%.** Why?
  I. Value cycle
  II. Commodities cycle
  III. Capex cycle: energy transition
- **Keep learning.** Since the MBO (2019) we have done 12% per year. Good starting point
- **The portfolio IRR and IV long term are extremely reliable** targets thanks to quality and diversification

PER 25 of 11.5x – well below the MSCI World

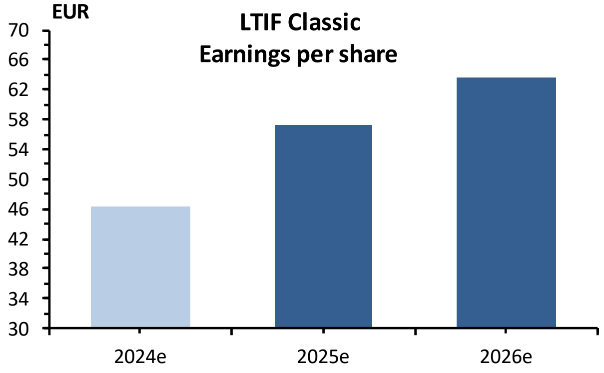
Date	NAV	%
31.12.2020	407.9	
31.12.2021	494.3	21.2%
31.12.2022	565.3	14.4%
31.12.2023	616.7	9.1%

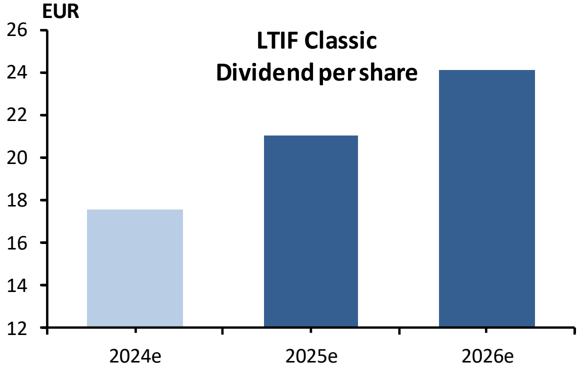
Reporting LTIF Classic as of 30.06.2024 (aggregated data in EUR)

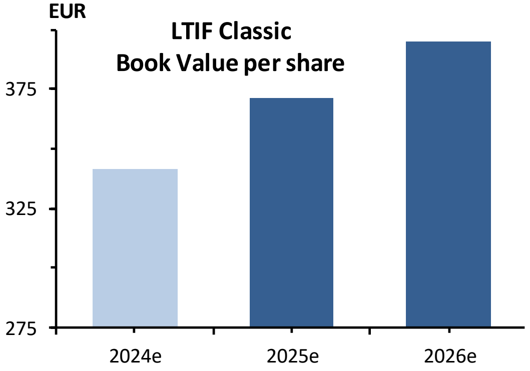
Year	EPS	%	P/E	EPS yield	MSCI World P/E	MSCI World EPS yield
2024e	46.4		14.2	7.0%	19.2	5.2%
2025e	57.2	23%	11.5	8.7%	17.2	5.8%
2026e	63.5	11%	10.4	9.6%	16.1	6.2%

Year	DPS	%	Div. Yield	MSCI World Div. Yield
2024e	17.5		2.7%	1.9%
2025e	21.0	20%	3.2%	2.1%
2026e	24.1	15%	3.7%	2.5%

Year	BPS	%	P/B	MSCI World P/B
2024e	341.7		1.9	3.2
2025e	371.1	9%	1.8	2.9
2026e	395.0	6%	1.7	2.8







Source: SIA Group / Bloomberg

- Value means buying at a discount
- We usually look for 30% discount to IV
- Discount = margin of safety & risk management

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ISS is (almost) ready to go

- **A long restructuring process (2018 on) is heavily penalizing ISS on the stock market:**
  - Sold non-core businesses, sold non-strategic countries and re-negotiated underperforming contracts
  - During the restructuring ISS has had 3 CEOs and many unexpected problems, such as the failure to improve the French business, or the DT contract dispute (3% of sales)

- **But the restructuring plan is almost complete and the situation is stable:**
  - ISS has a renewed management team and a top-class CEO
  - The company sold businesses equivalent to 20% of the group to focus on core areas and key clients. Employees to 350,000 vs. 500,000 at the time of the IPO.
  - The strategic plan is coherent: disciplined bidding, focus on TIER1 clients, 4-5% growth, and operating margins above 5%.
  - The balance sheet is already at a sustainable level (1,8x EBITDA 24E)

ISS (DKK 120 p.s.). Mispriced

- **What is the negative market thesis?**
  - *Working from home* will reduce office space and facilities, i.e., meaning less business for ISS
  - The arbitration with DT could have a negative outcome
  - There is a risk that the restructuring process could continue to reveal negative surprises
  - People fear inflation’s impact on ISS costs

- **What do we think?**
  - The *working from home* process will be gradual and limited, offset by quality premises
  - Following the COVID-19 effect, we are seeing a structural acceleration of outsourcing
  - ISS could take advantage of the digitalization and automation
  - ISS can grow 4% and improve its margins above 5%
  - Cheap. Free Cash Flow Yield: 13% 2025E

ISS. Consensus Estimates 2024-2026			
	2024E	2025E	2026E
PER	8,8	7,6	**6,7**
ROE	25%	25%	25%
P/Book	2,1	1,8	1,6

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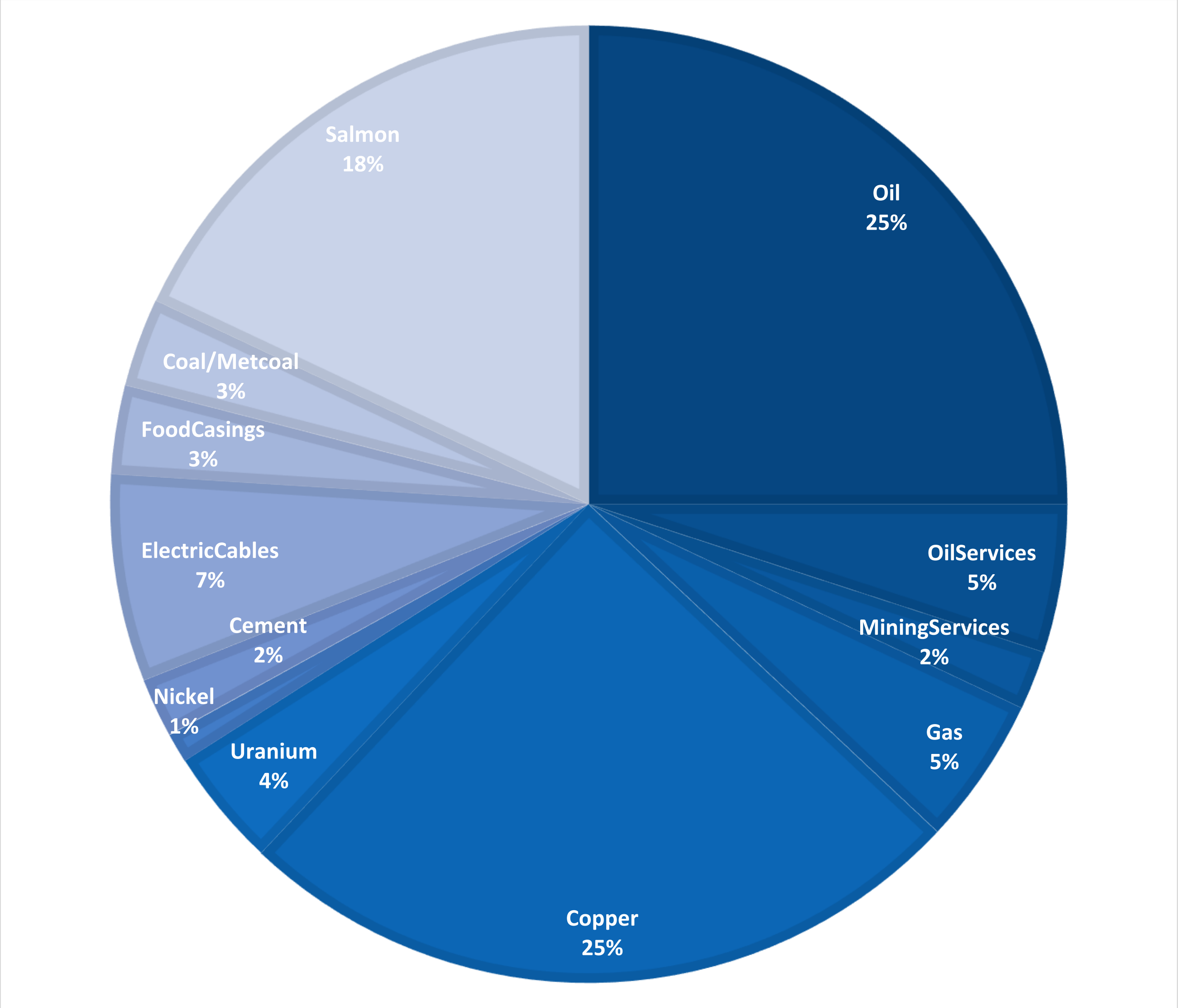
The LTIF Natural Resources Fund: +17% ytd.

- **The fund NAV reached at € 175 p.s. ytd.** Mining and Infrastructure have been the best performers, +30%, while energy and oil are up LSD
- **Top stocks (up>20%):** Cenovus, Suncor, First Quantum, Hudbay Minerals, other copper miners, Prysmian, Nexans, Buzzi, Heidelberg Materials
- **Worst stocks (down):** AkerBP, Woodside, Leroy Seafood, Grieg Seafood, Mowi, Salmar
- **4th consecutive year of positive performance** after the Covid-19 crisis. The low in March 2020 (Covid recession and panic) was € 50 p.s. and this could be considered the start of a new *commodities' super-cycle*.

2024 is looking good and we are not even at mid-cycle on average

The LTIF NR trip to outperformance



- Reduced some copper exposure
- Raised oil and salmon exposure
- Some new entries: BHP, RIO, Barry, Bureau Veritas, Nutrien

- **Good business: TIER1** 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 (€175 p.s.): IV of € 240. IRR: 13,3%

- **Updated numbers: IRR @ 13,3% and IV at € 240 per share.** You will notice that the IV is moving up due to our re-balancing
- **We have taken some profit from copper companies**, which rose strongly in H124
- **Invested in cheaper companies**: oil and some old friends, such as Barry Callebeaud, Nutrien, BHP, RIO and BVI
- **Oil, copper, and salmon account for 65% of our investments**

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

10.4x earnings & 1.6x book 2025 – below mid-cycle

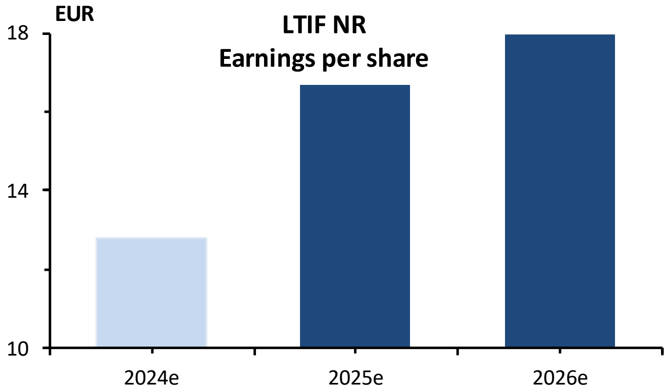
Date	NAV	%
31.12.2020	87.1	
31.12.2021	122.5	40.7%
31.12.2022	138.4	12.9%
31.12.2023	150.3	8.6%

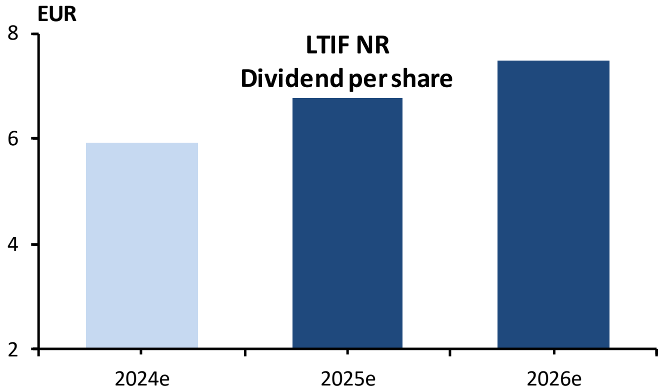
Reporting LTIF NR as of 30.06.2024 (aggregated data in EUR)

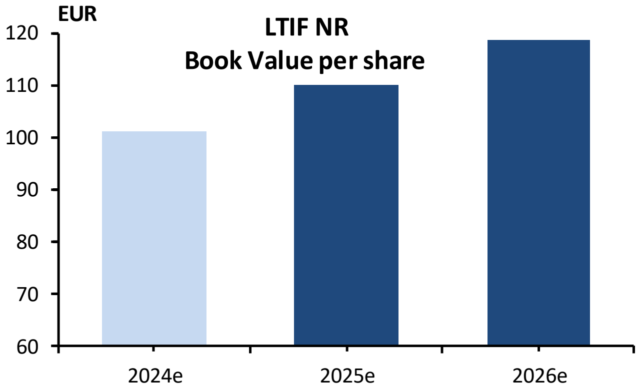
Year	EPS	%	P/E	EPS yield	S&P NR P/E	S&P NR EPS yield
2024e	12.8		13.6	7.3%	12.2	8.2%
2025e	16.7	31%	10.4	9.6%	10.8	9.3%
2026e	17.9	7%	9.7	10.3%	10.6	9.5%

Year	DPS	%	Div. Yield	S&P NR Div. Yield
2024e	5.9		3.4%	3.5%
2025e	6.8	14%	3.9%	3.7%
2026e	7.5	10%	4.3%	3.9%

Year	BPS	%	P/B	S&P NR P/B
2024e	101.3		1.7	1.7
2025e	110.2	9%	1.6	1.5
2026e	118.5	8%	1.5	1.4

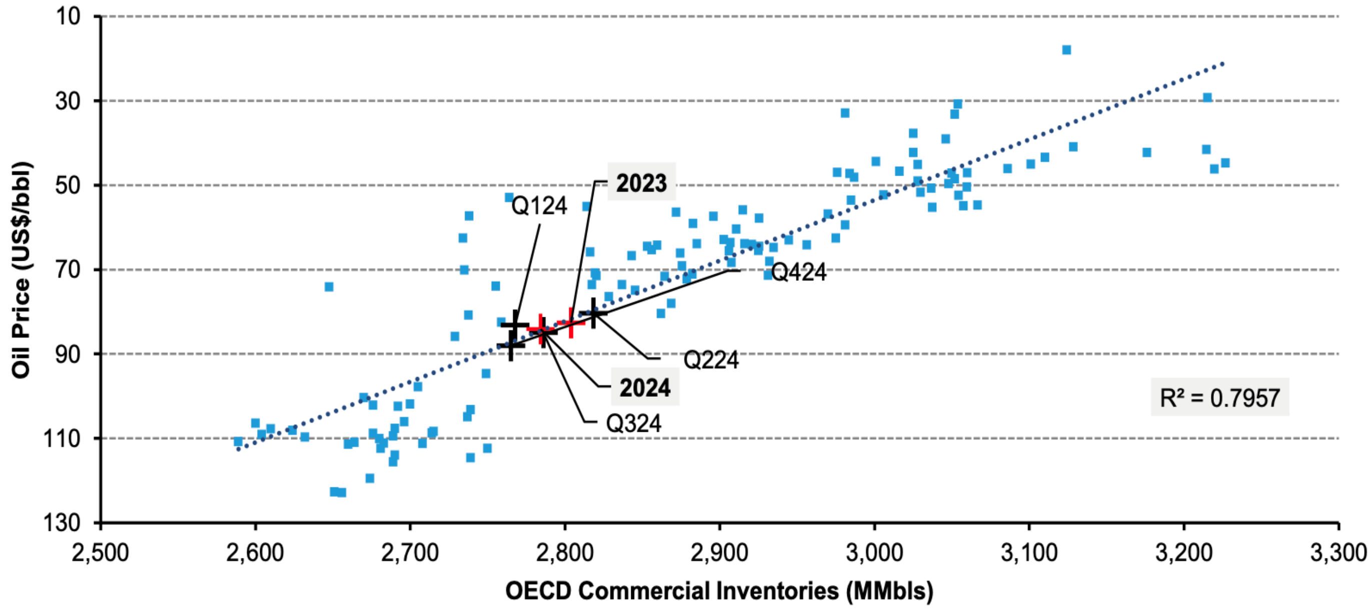






Source: SIA Group / Bloomberg

Oil Market: OK for the next 2–3 years



Source: Bloomberg, IEA, Bernstein analysis

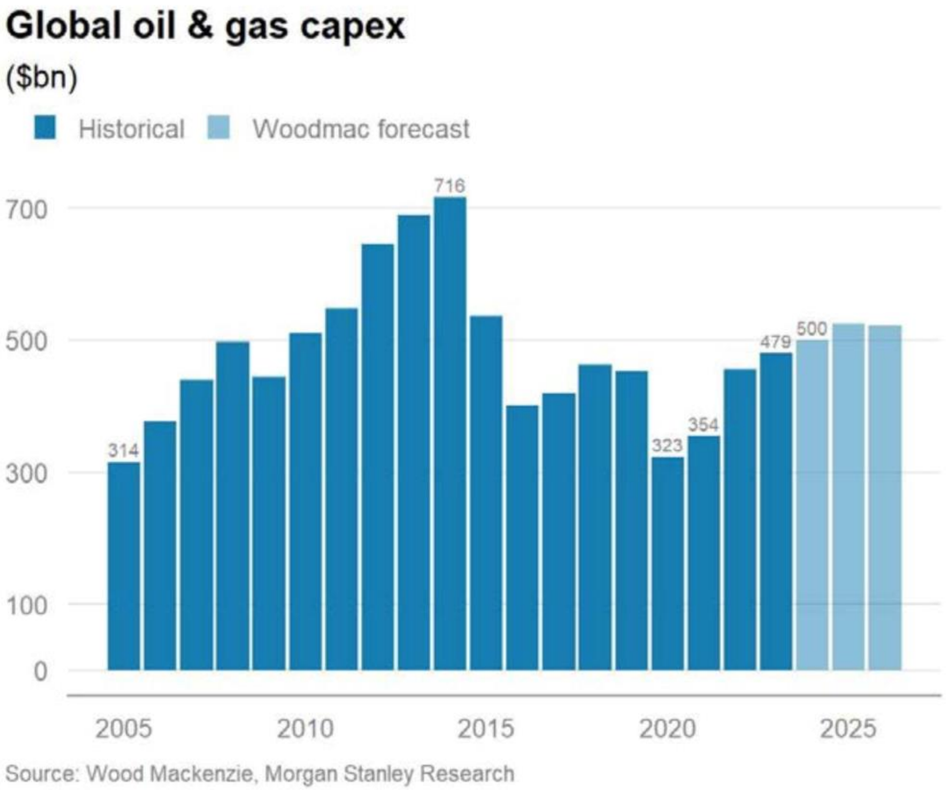
- **Enough spare capacity and supply for 2024/26.** OPEC+ will manage production to keep prices around $80-$90 Brent

- **Demand will continue to grow by around 1.5 m b/d in 2024/26.**
  - Of the 5 parts of the world with around 1.5 billion people, 4 will continue to grow
  - Of the 4 end-demand sectors, 3 will continue to grow: Jet Fuel, Chems & Diesel
  - Our EV penetration model: peak demand for gasoline will not occur until 2035

The oil market looks fine mid term (2-3Y) with upside risk

Oil Market: then we will test demand elasticity

Upstream spending 2005-2026E



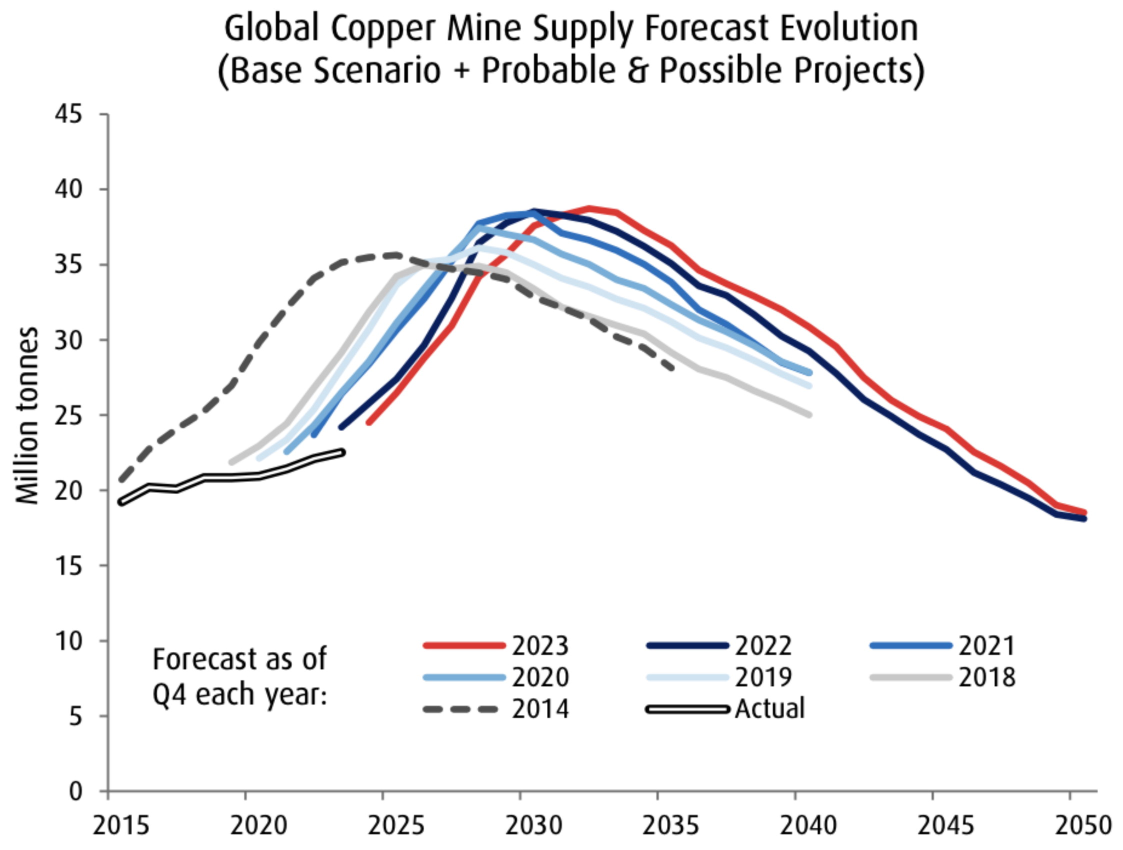
- The fundamental problem is **the lack of upstream capex since 2013. The clock is ticking**
- **The oil market has been well supplied due to shale oil,** which produced almost nothing in 2013 but ten years later accounted for 10% of the supply
- **After 10 years of growth, shale oil is now mature.** We need to find a new resource, a new shale, a new Alaska, or a new North Sea... and about $ 300bn
- **We are unable to identify such new oil resources, and little is invested** in exploration and development

Q1? What would have happened to oil prices if US shale oil had not worked out?

Q2? What will happen to oil prices if we do not find another shale oil in 2-3 years' time? Demand inelasticity at play

The oil market is worrying. Where do we get the next 10 million b/d? At what price?

Copper: the complexity of bringing new supply



Source: Wood Mackenzie, BMO Capital Markets

- **Greenfields are increasingly complex.** Multi-billion capex
- Most reserves are in **high-risk countries**
- **Environment, Resource Nationalism, Taxes** are the main constraints
- BHP bid for Anglo suggests that corporates prefer buying than building

After investing 10bn US$, Cobre Panama (First Quantum) was closed by the Government on constitutional issues… always after the capex phase is complete

Salmon: Cheap sector trading below 10x 25E

Valuation of salmon farming companies

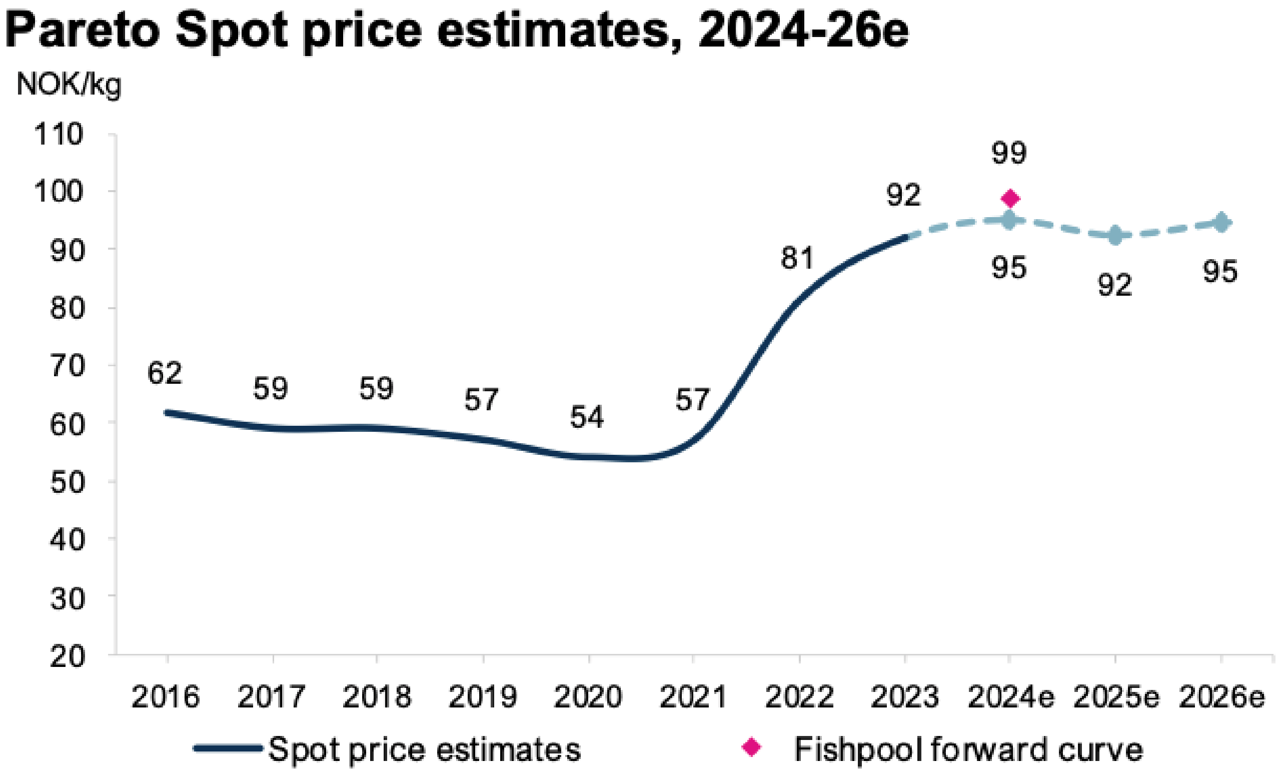
	# shares	Price	Mcap	24e NIBD	24e EV	24e Volume	24e EV/kg*	P/E 2024e	P/E 2025e	P/E 2026e
AFISH	32	51	1,626	1,247	2,873	10	286	15.0	6.8	4.5
BAKKA	59	562	33,209	3,440	36,666	91	401	15.8	13.8	13.1
GSF	113	70	7,914	5,686	13,599	78	174	14.2	6.7	5.2
IFISH	122	28	3,423	1,411	4,834	20	236	27.7	7.1	5.5
ISLAX	31	112	3,468	522	3,989	15	266	41.6	8.1	5.0
LSG	596	44	26,345	4,091	30,436	168	181	10.6	7.8	6.6
MOWI	517	185	95,740	13,190	108,930	499	218	11.1	8.8	8.1
SALM	132	585	77,243	7,685	84,928	259	328	15.5	12.0	10.4
SACAM	74	25	1,825	1,269	3,295	55	60	10.8	5.3	4.2
Sector			**250,793**	**38,541**	**289,552**	**1,197**	**242**	**13.0**	**9.7**	**8.5**

**NIBD adjusted for dividends*

Source: Pareto Securities and Factset

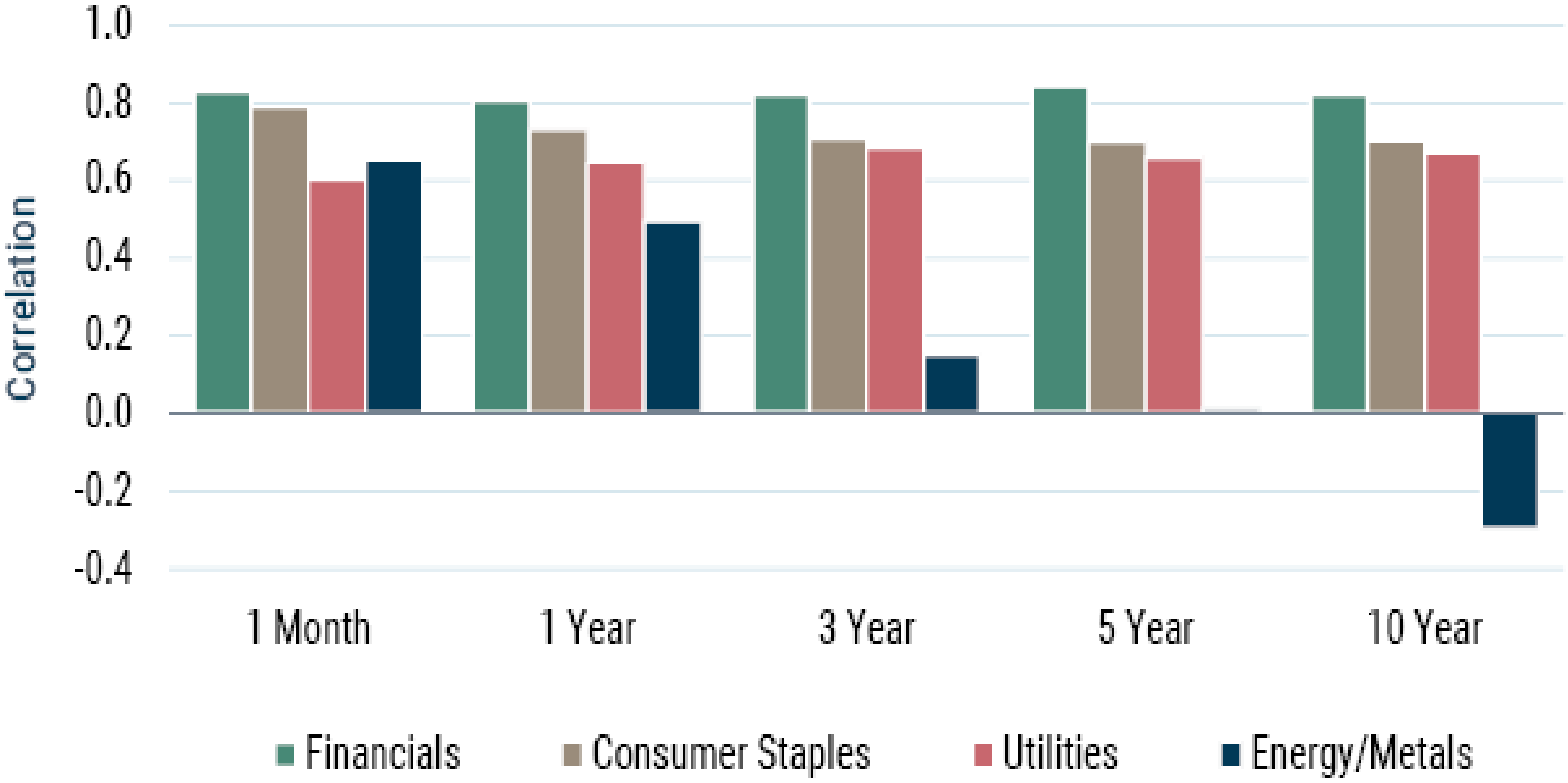
- **The sector has disappointed in 2024, due to biological issues:** sea lice, ISA virus, jellyfish and many other
- Lower harvest to absorb fixed costs, plus the disease treatment costs, and sometimes forced harvesting: **higher costs per kg**
- **Disappointing earnings, even in the high price environment of H124.** The shares have moved sideways this year

Salmon: Biomass still weak in Norway/Chile



- Due to biological issues and regulation in Norway and Chile **supply growth mid-term c.4% per year max**
- **Demand growth at constant prices around 7-8%** with only US Europe and Japan really eating salmon
- **Higher prices** expected due to the structural undersupply. A luxury product?

Conclusion: Commodities cycle & negative correlation



"Not only are raw materials finite – believe it or not! – getting scarcer, and therefore certain to rise in price, but ***at longer horizons (10Y) resources are the only sector to be negatively correlated with the broad stock market."***

As of 12/31/2023 | Source: MSCI, CRSP, GMO

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- *Out of the Box* by Alex Rauchenstein

Speculation, etc. the culprit?...

Chilean miner Antofagasta has agreed a sharp reduction to copper treatment and refining charges (TC/RCs) with some Chinese smelters to $23.25 a metric ton and $2.325 cents a pound, two sources close to the matter told *Reuters*.

The mid-year agreement compares with $80 a ton and 8 cents per pound agreed between the Chilean company and Chinese smelters for 2024 annual supply.

The London-listed miner did not respond to a request for comment.

TC/RCs are a gauge of availability for copper concentrates used in the production of refined copper. A lower charge signals shortages, which started with the December closure of First Quantum's Cobre mine in Panama.

The “commercials“

Occidental’s CEO Sees Oil Supply Crunch from 2025 | OilPrice.com

Aramco CEO says underinvestment in hydrocarbons causing energy crisis - Fast Company Middle East | The future of tech, business and innovation. (fastcompanyme.com)y

Oil supply future at threat from underinvestment, Aramco CEO says (cnbc.com)

Exclusive: Aramco CEO predicts tighter oil markets, sees Red Sea risks | Reuters

Rosneft CEO says growth of global oil price inevitable due to shortage of investment - Business & Economy - TASS

Energy transition is not backed up with required resources and technologies – Igor Sechin (portnews.ru)

The “financials”

Bearish Oil Futures

Oil futures traders have opened an unusually large speculative short on Brent in recent weeks, with the latest CFTC and ICE positioning data revealing that the bearishness in funds intensified after the 2 June OPEC+ meetings.

StanChart’s proprietary money-manager positioning index for ICE Brent fell 48.1 w/w to the **maximum bearish reading of -100.0, the first time it did so since March 2020 at the start of the pandemic.** Meanwhile, the oil bulls have been totally crowded out, with money-manager net longs in ICE Brent at just 1.51% of open interest, **a record-low in data going back to 2010.**

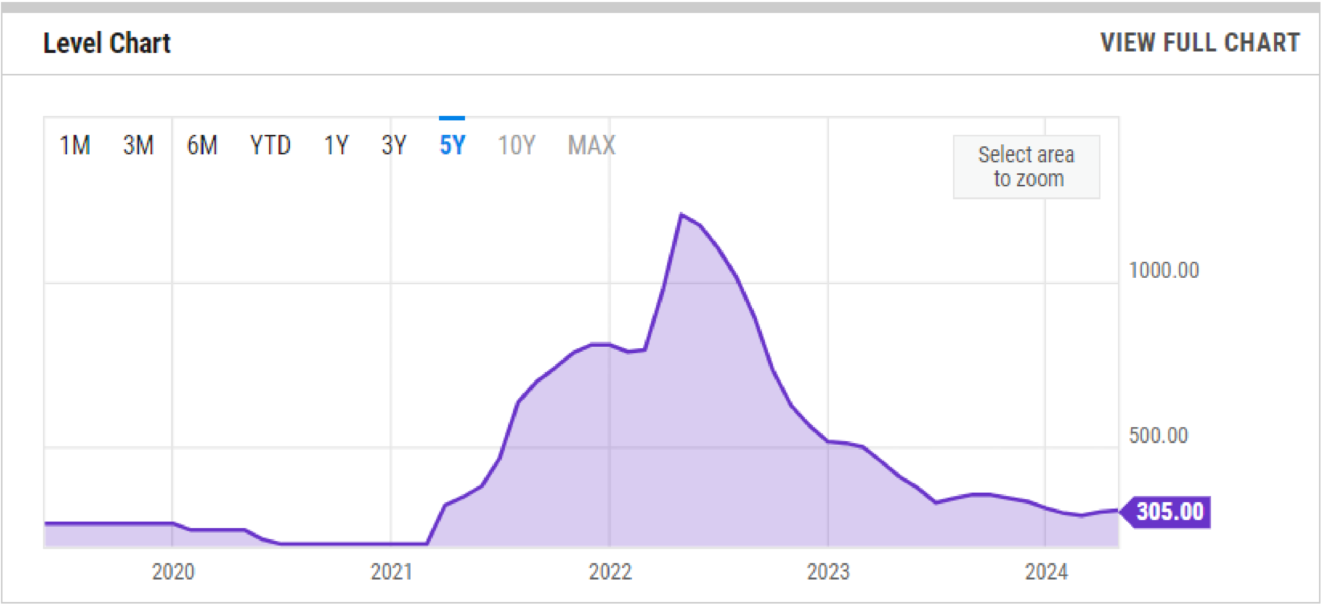
Source: Standard Chartered Research

There is always an opportunity

Potassium Chloride (Muriate of Potash) Spot Price (I:PCMPSP)

305.00 USD/mt for Apr 2024

Overview | Interactive Chart

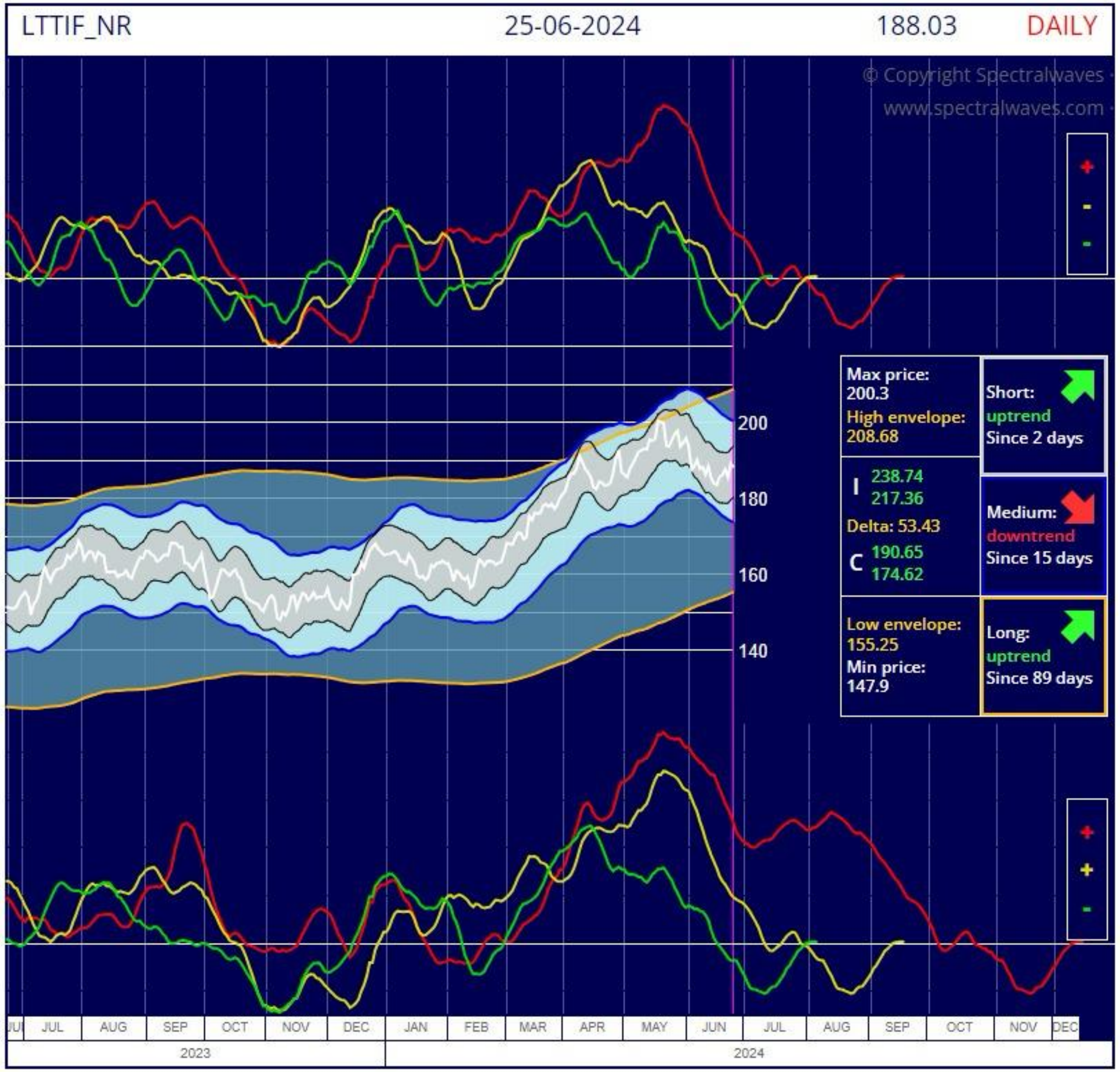


- Demand destruction was greater for potash than for phosphorus fertilizer (produced from phosphate rock), and greater for phosphorus than nitrogen. **Potash consumption dropped by 12% in 2022 versus 2020**, compared to 9% for phosphorous and 5% for nitrogen, according to IFA.

- **Fertilizer consumption in recent years has fallen globally** due to affordability with the high price of nutrients. Rabobank estimates 2023 was a much calmer year than 2022 with global fertilizer usage up 3% in 2023 after a 7% decline in 2022.

- **The outlook for 2024 suggests potash application could increase to about 5%,** according to Rabobank. With the fertilizer prices at lower levels and affordability more positive, the world's farmers are expected to increase sales into 2024.

Back to a tactical entry point

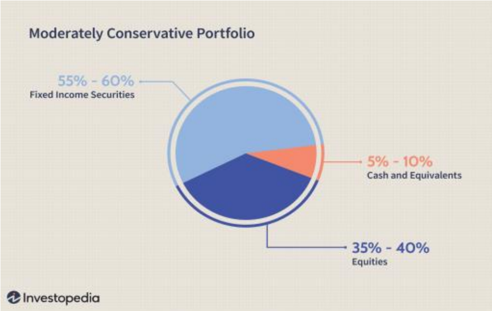


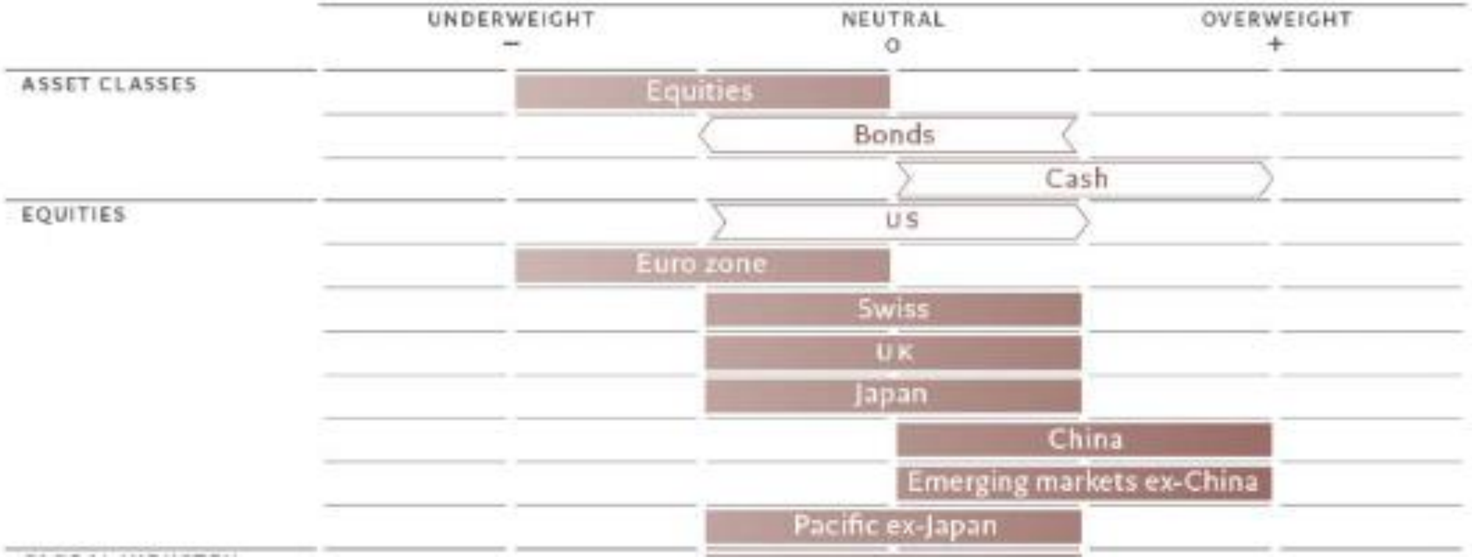
Presentation Plan

- Still in a mild slowdown: optimistic, but cautious
- Mr. Market is not expensive
- The LTIF Classic: +8% ytd, in line with our 2024 target
- Quarterly investment case: ISS, a clean investment ☺
- The LTIF NR: +17% ytd, fueled by copper
- *Natural Resources Thoughts* by Urs Marti
- ***Out of the Box* by Alex Rauchenstein**

How to fit our Funds into an Asset Allocation

Pension Fund	Strategy per 01.08.2022		
	SAA	min.	max.
Liquidity CHF	**2.0%**	0.0%	4.0%
Bonds CHF 10+	**8.0%**	6.0%	10.0%
Bonds CHF 1-10	**10.0%**	7.0%	13.0%
Bonds FC Government (hedged)	**6.0%**	4.0%	8.0%
Bonds FC Credit (hedged)	**12.0%**	9.0%	15.0%
Bonds Emerging Markets HC (hedged)	**3.0%**	2.0%	4.0%
Equity Switerland	**3.0%**	2.0%	4.0%

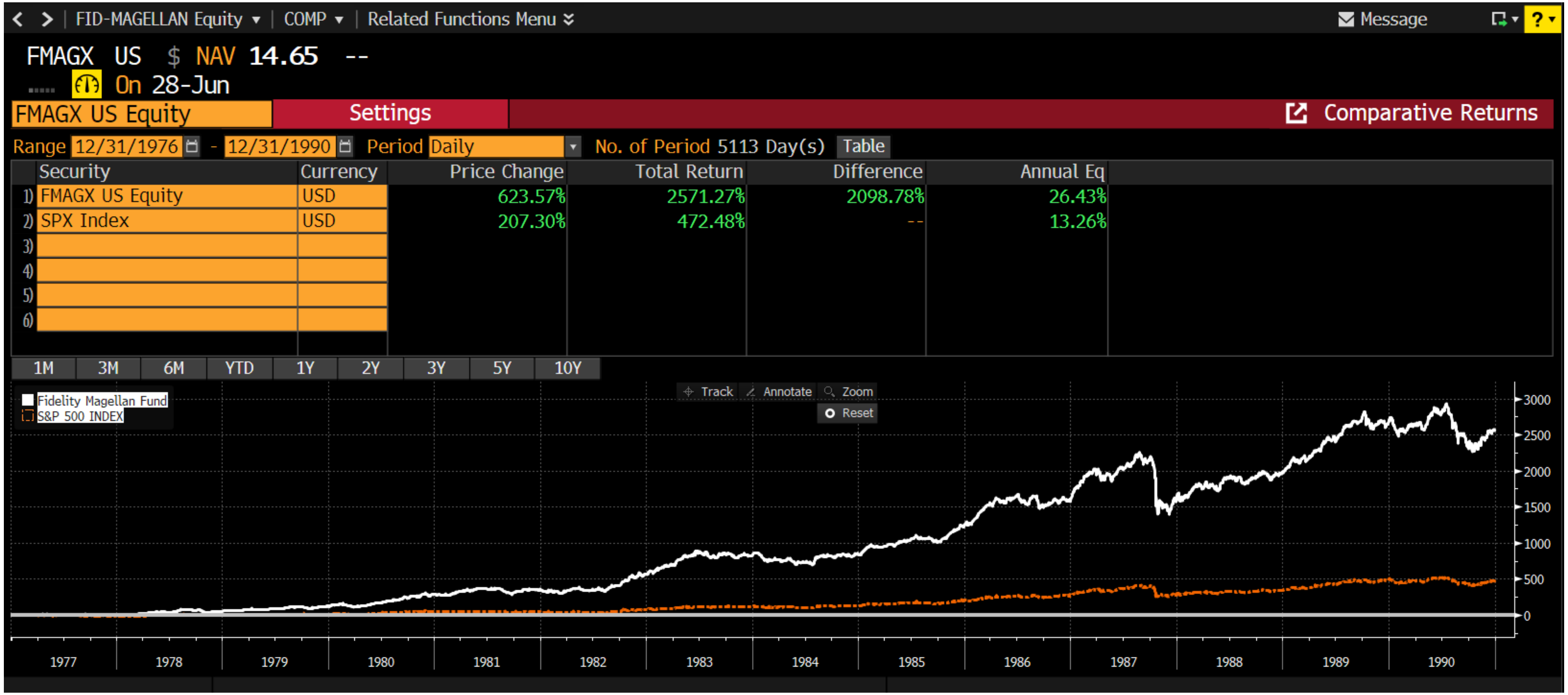




The issue to find the right box?

All investors dream of generating great long-term returns

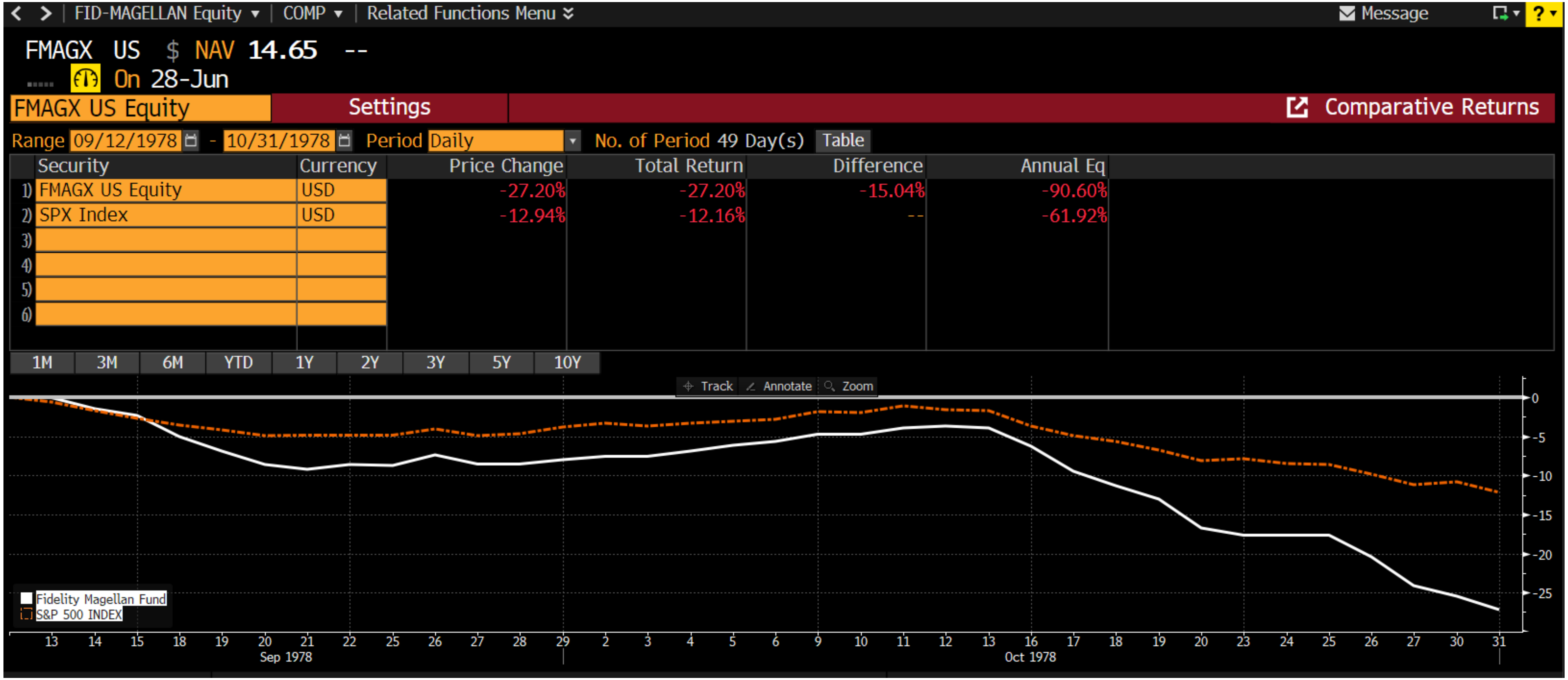
Peter Lynch Magellan Fund 1977 -1990



An amazing track record for 13 years compounding at 26% vs. Index 13%

All investors dream of generating great long-term returns

But this great fund underperformed from time to time substantially



	Security	Currency	Price Change	Total Return	Difference	Annual Eq
1)	FMAGX US Equity	USD	-27.20%	-27.20%	-15.04%	-90.60%
2)	SPX Index	USD	-12.94%	-12.16%	--	-61.92%
3)						
4)						
5)						
6)						

All investors dream of generating great long-term returns

But this great fund underperformed from time to time substantially

FID-MAGELLAN Equity | COMP | Related Functions Menu | Message

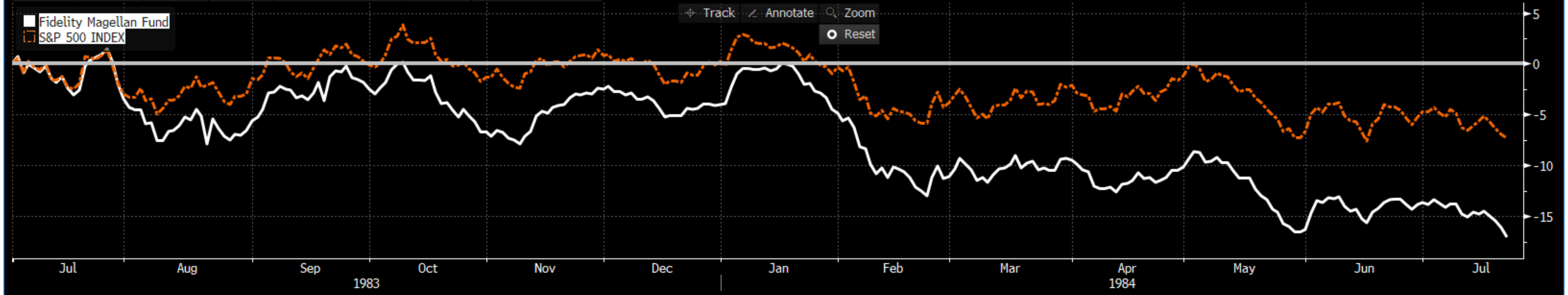
FMAGX US $ NAV 14.65 --
On 28-Jun

FMAGX US Equity | Settings | Comparative Returns

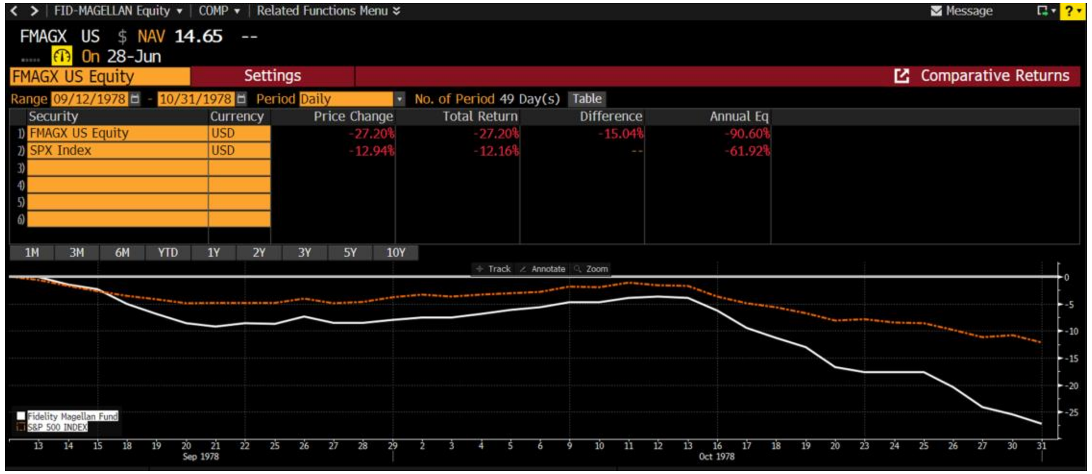
Range 06/30/1983 - 07/23/1984 Period Daily No. of Period 389 Day(s) Table

	Security	Currency	Price Change	Total Return	Difference	Annual Eq
1)	FMAGX US Equity	USD	-26.63%	-17.06%	-9.78%	-16.09%
2)	SPX Index	USD	-11.40%	-7.28%	--	-6.85%
3)						
4)						
5)						
6)						

1M 3M 6M YTD 1Y 2Y 3Y 5Y 10Y



All investors dream of generating great long-term returns



Underperformance of 15% in two months, from September - October 1978

Underperformance of 10% from summer 1983 -1984

Peter Lynch mentioned it very often and studies have shown, that several clients in this great fund lost money, by trying to time the market.

How could this be avoided?

https://www.pinterest.com/archicfurniture/

- Fixing a client’s absolute minimum equity exposure of let's say 20%.
- In this minimum equity exposure box or chest’s bottom drawer, one should put investments that you basically want to keep forever.
- In this bottom drawer, I would put 2-3 Value Funds, then close the drawer and keep them there as long as the manager keeps doing what he is supposed to do.
- Just open the lowest drawer once in a while to rebalance the box’s or the managers weighting.

This method allows a client to generate very good long-term returns with the help of compounding and anti-cyclical rebalancing, which is key on the long run.

The LTIF NR belongs in the thematic funds' drawer

https://www.pinterest.com/archicfurniture/

- Here you have to time the investment and cannot just apply a buy and hold strategy forever.
- In the short term, commodity prices are very difficult - or even impossible - to time.
- But when you only focus on the demand / supply cycle forecasting, over the medium term, it becomes easier.
- Even more so, if you look at some commodity markets, with a long lead time to add capacity.
- As long as you do not see a wave of new investments, this cycle is going to last.

We are still at the beginning of a new commodity cycle, that will last at least for 6/7 years and will most likely become even more extreme than the previous cycle.

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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