



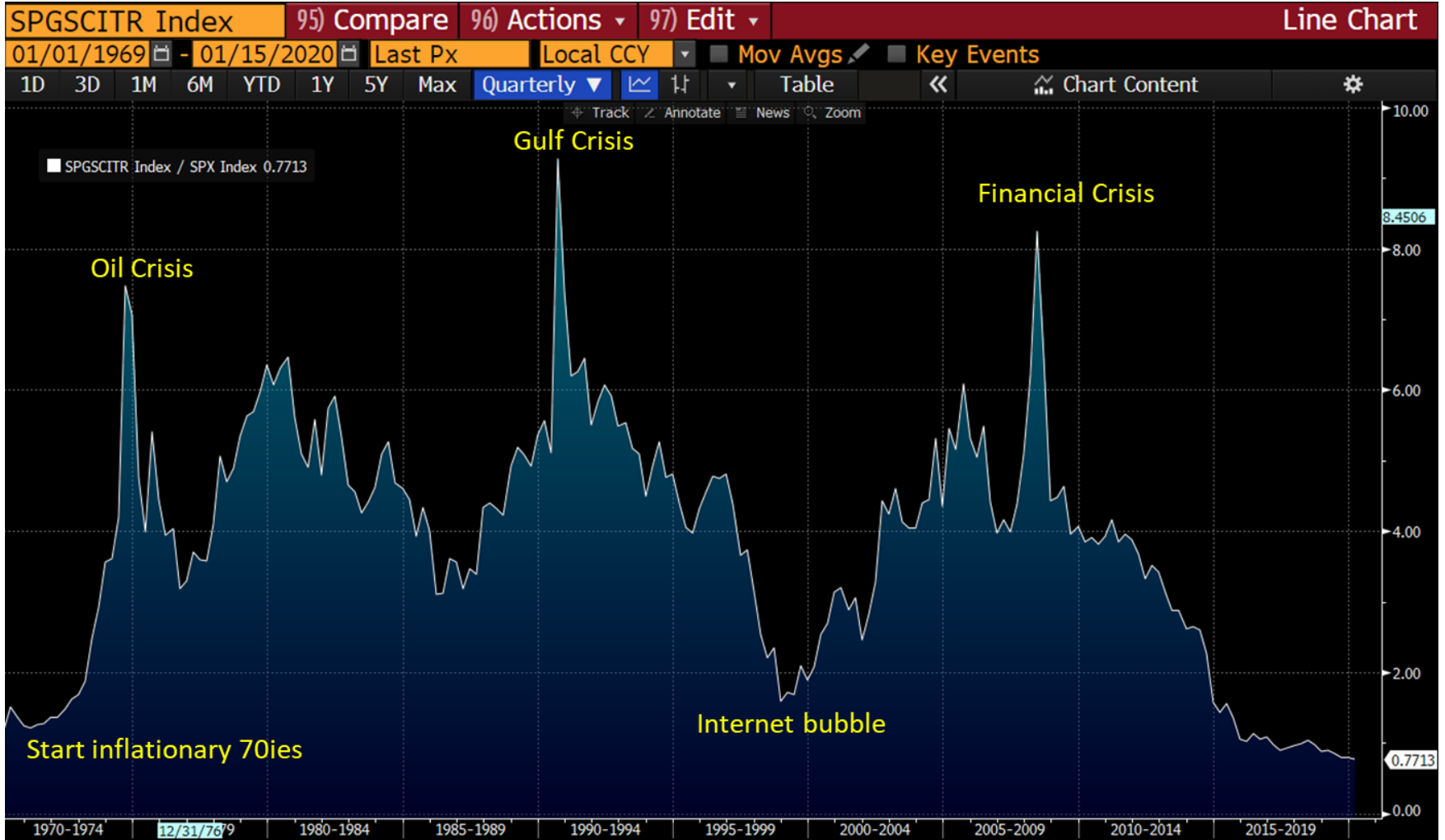
LTIF Natural Resources

LTIFGEV LX

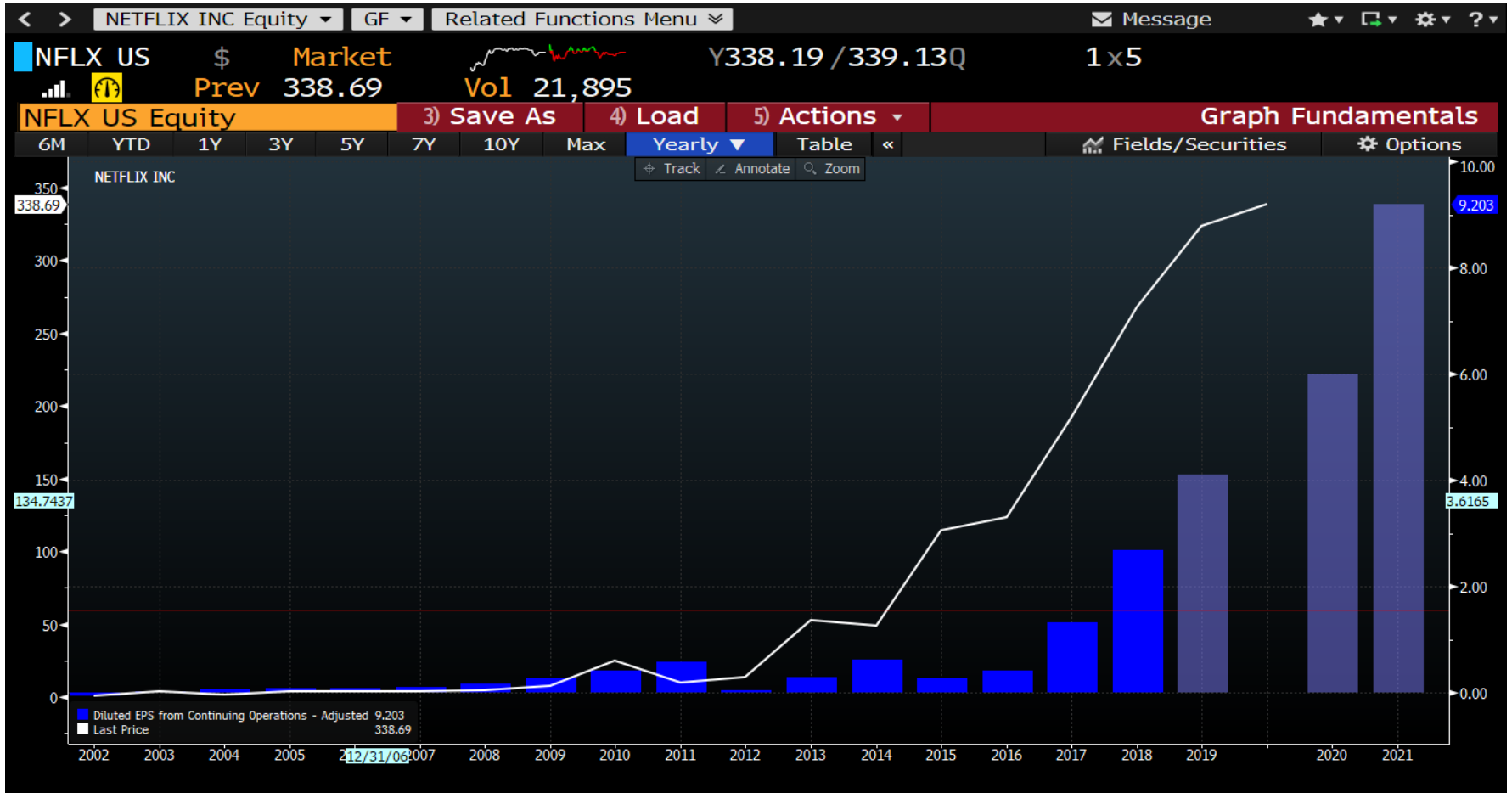
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FINANZ'20

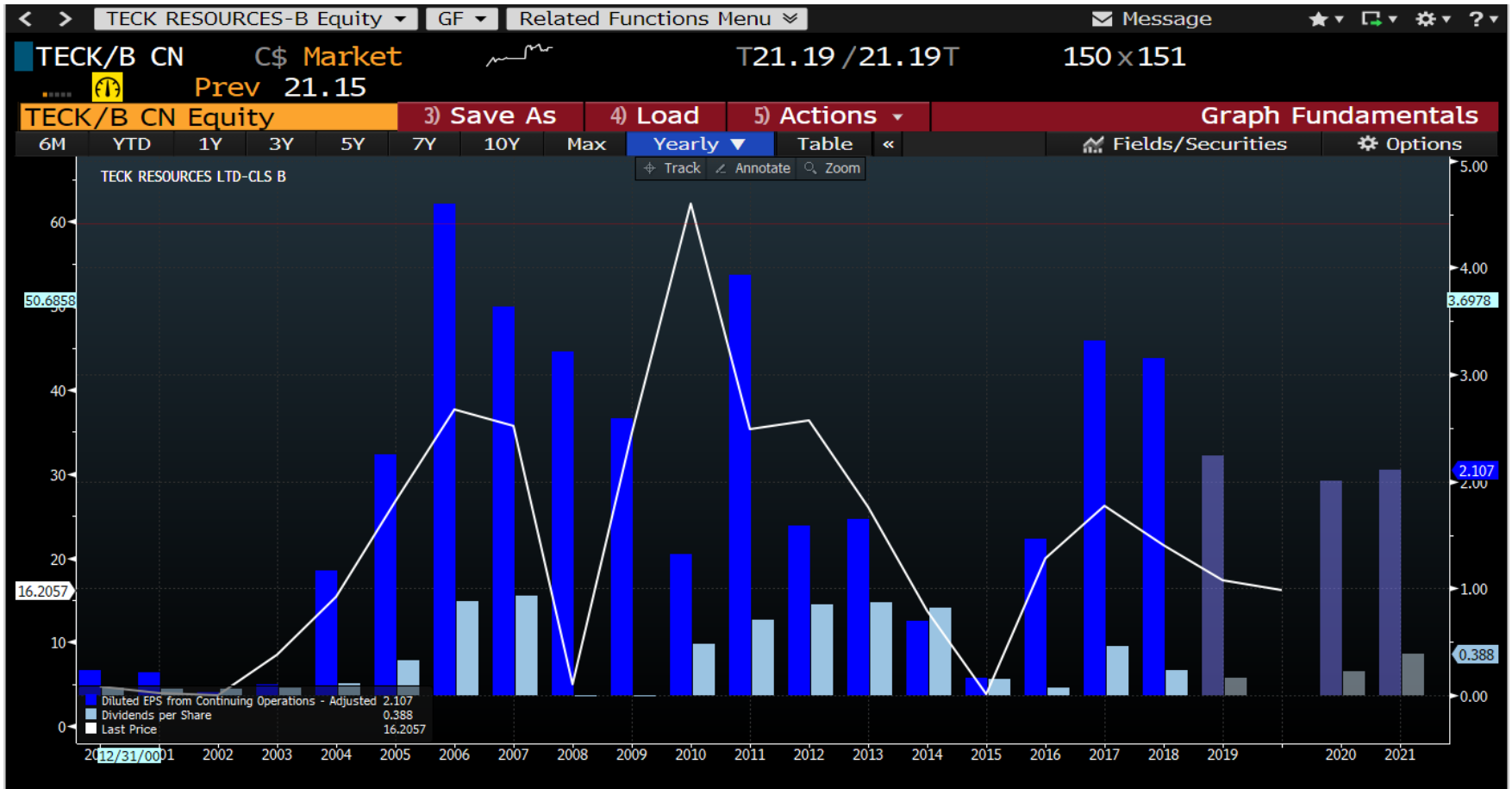
GSCI/S&P500 Ratio: As cheap as it can get?



Source: Bloomberg



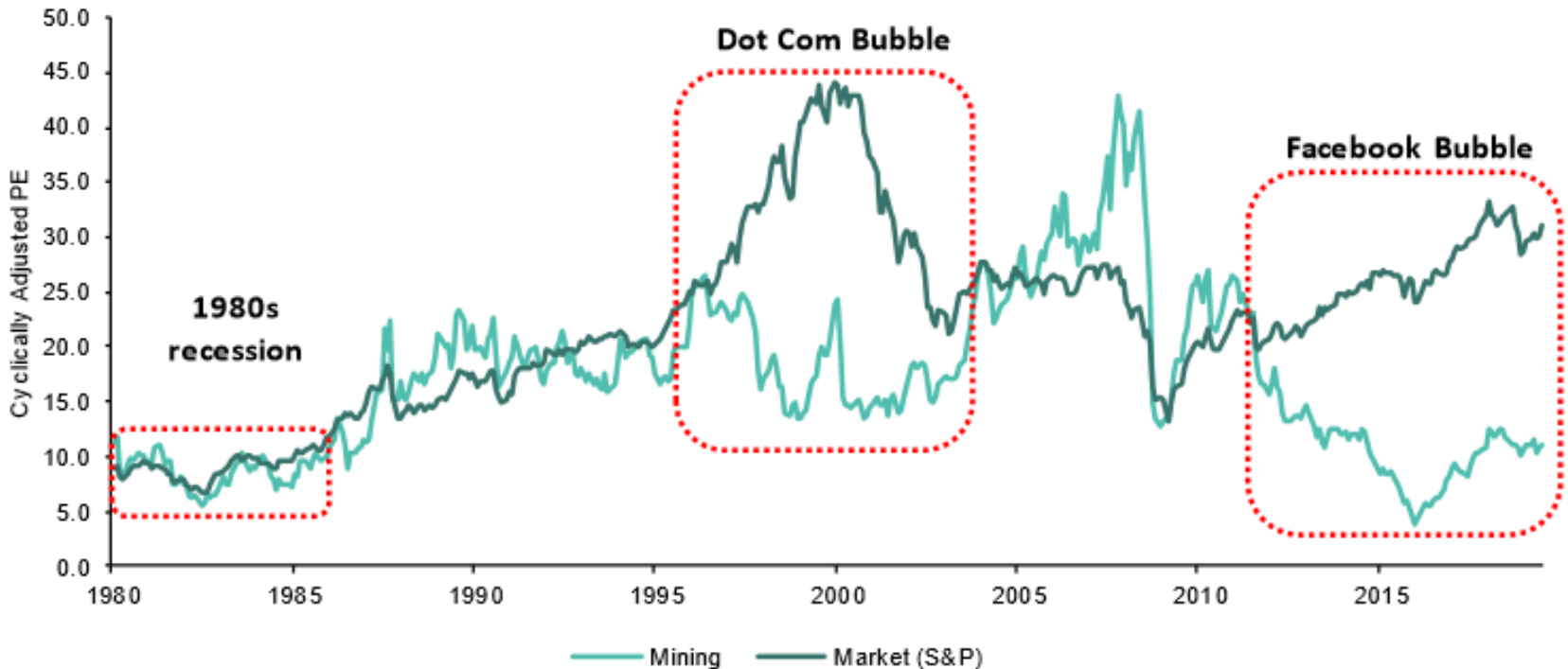
Source: Bloomberg



Source: Bloomberg

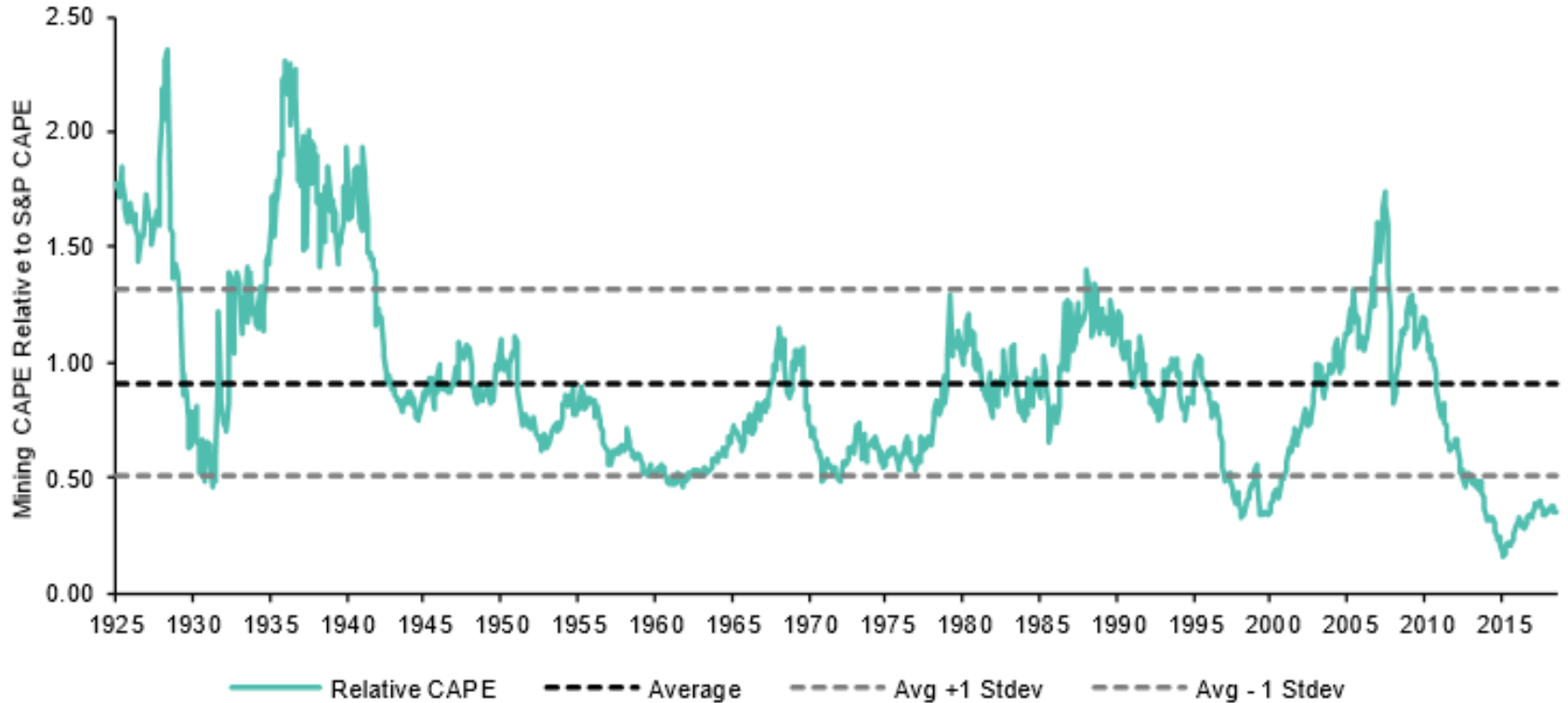
EXHIBIT 18: In modern history we haven't seen such a wide gap emerge between mining and the S&P; only the dotcom bubble came anywhere near today's levels

Mining CAPE vs S&P CAPE Since 1980



Source: Datastream, Bloomberg, CRSP, Corporate reports, Bernstein analysis & estimates

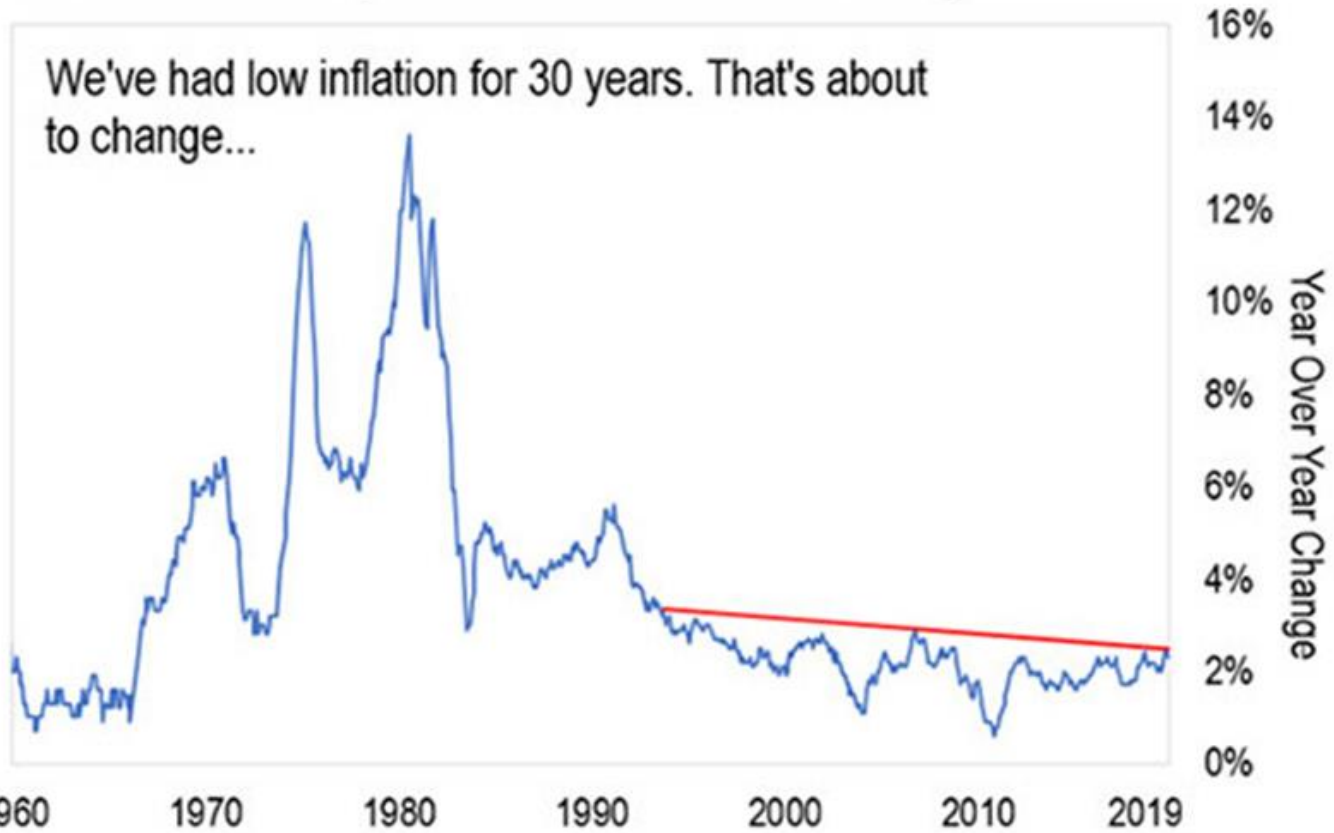
Mining vs Market (S&P) - Relative CAPE Multiple Since 1925



Source: Datastream, Bloomberg, CRSP, Corporate reports, Bernstein analysis & estimates

This chart shows inflation over the last 60 years.

U.S. Inflation (Consumer Price Index)



Demand is more stable than perceived

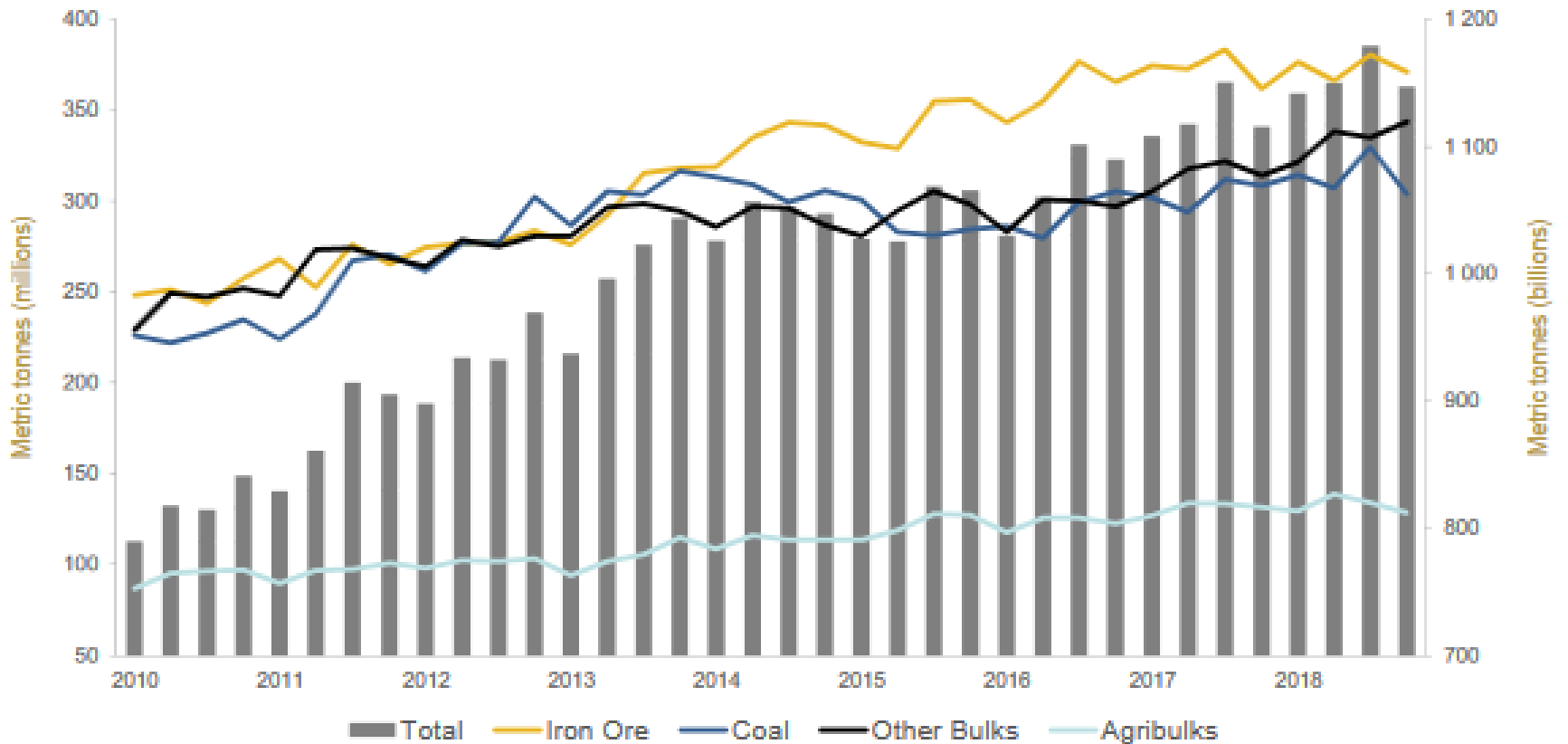
Copper apparent demand over the past 20 years shows a trend growth of just above 3%, in line with the growth of the global economy.



A good indicator for the «economy»/demand?

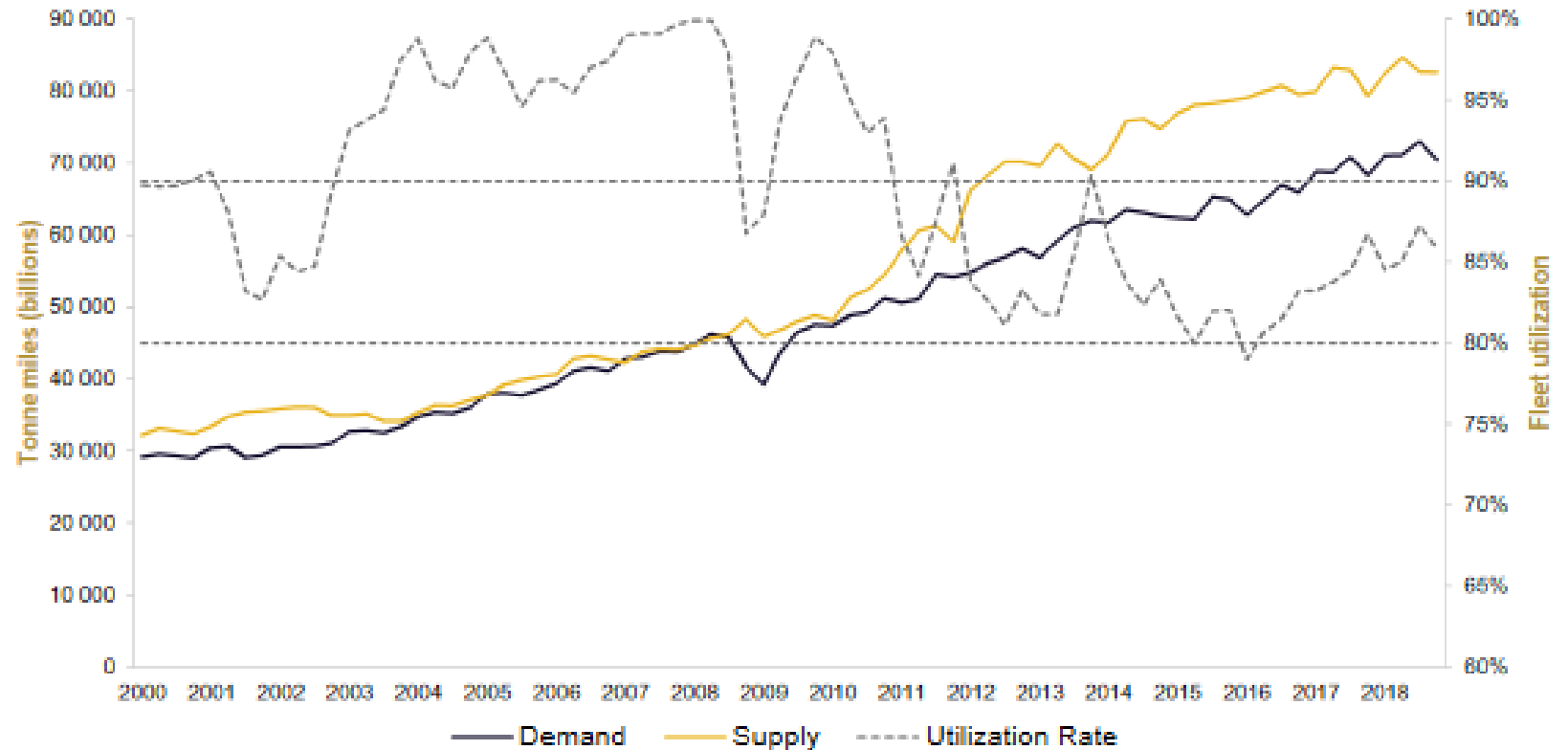


SEABORNE TRADE OF DRY BULK COMMODITIES (MAJOR IMPORTERS)



SOURCE: MARITIME ANALYTICS

SUPPLY, DEMAND AND UTILIZATION RATE - DRY BULK SHIPS 10,000 DWT +

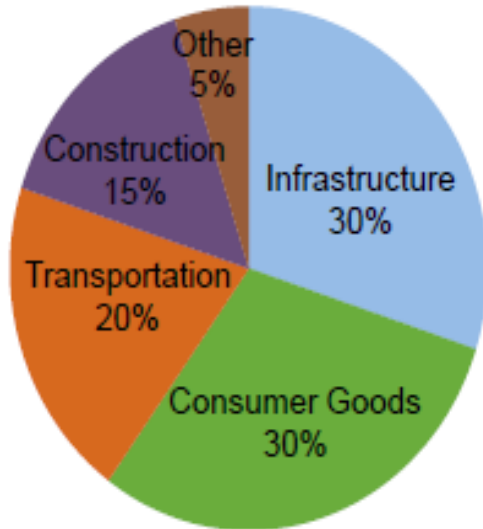


SOURCE: MARITIME ANALYTICS

Chinese Zinc Demand to Remain Strong

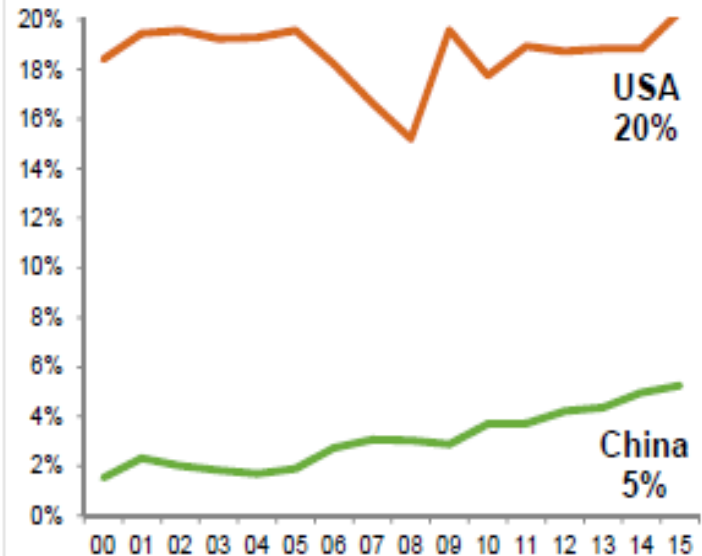
Teck

China Zinc Demand



Source: Teck

Galvanized Steel as % Crude Production



Source: Teck

If China were to galvanize crude steel at half the rate of the US using the same amount of zinc/tonne, a further 2.1 Mt would be added to global zinc consumption

Electrification of India. Any copper left for EV?

India has one of the lowest levels of copper installed per capita in the world. With a real per capita GDP of \$4,500 (in real 2005 US dollars), we calculate India has less than **14 pounds of copper** installed in its economy per person. **China, on the other hand, has nearly 170 pounds** of copper installed per person today and when China's real GDP per capita was comparable to India's (in **2004**), we estimate it still had **45 pounds per person**. In other words, at comparable levels of real GDP, China had three times the installed copper base per capita than India. (Goehring & Rozenchwajg)



FED Balance sheet. It is not just about QE, but repo eligibility

FRED  —



Source: <https://fred.stlouisfed.org/search?st=total+assets>

<https://outlook.gihub.org/>

Global forecasts

① Investment estimates

\$79 Trillion

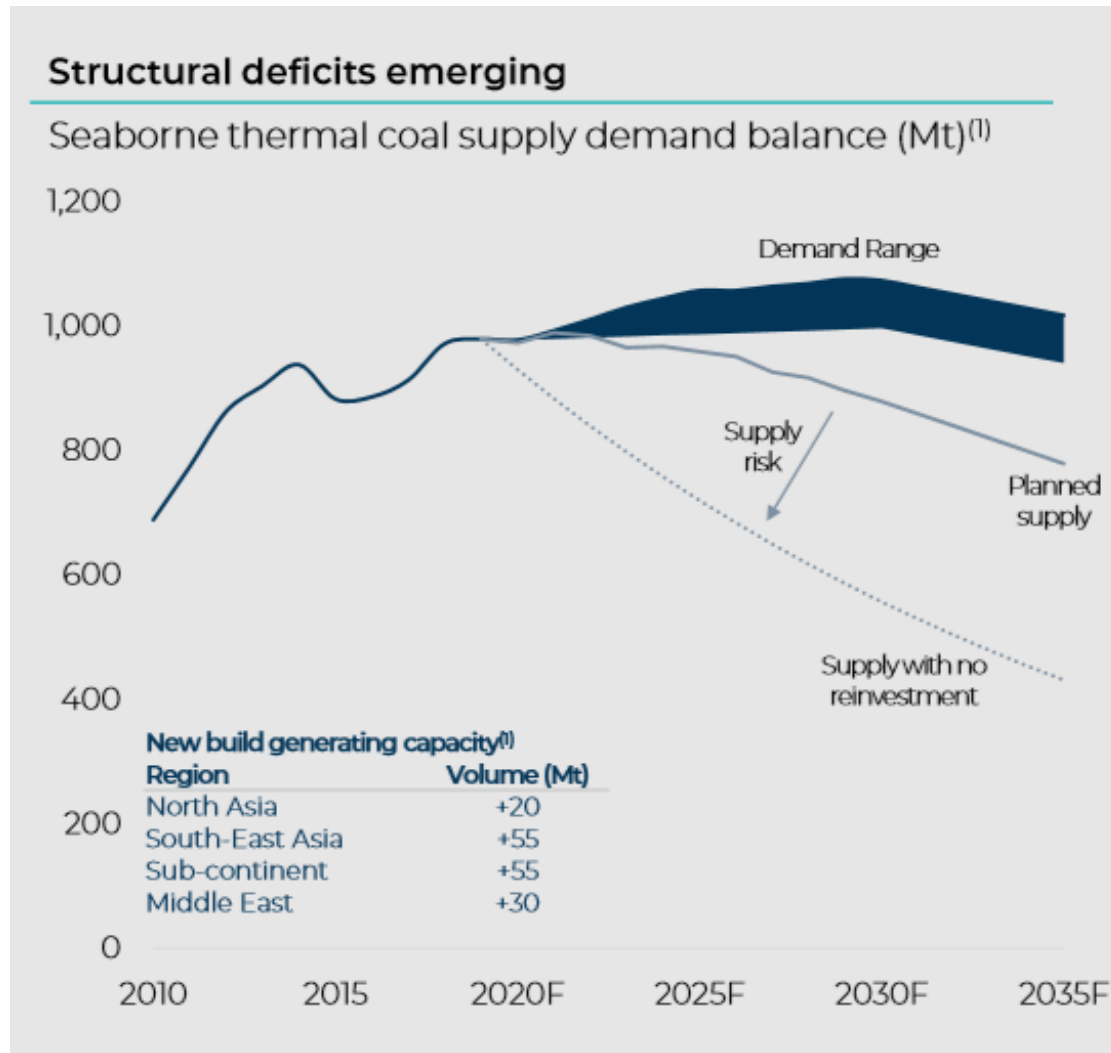
Investment current trends

\$94 Trillion

Investment needed

\$15 Trillion

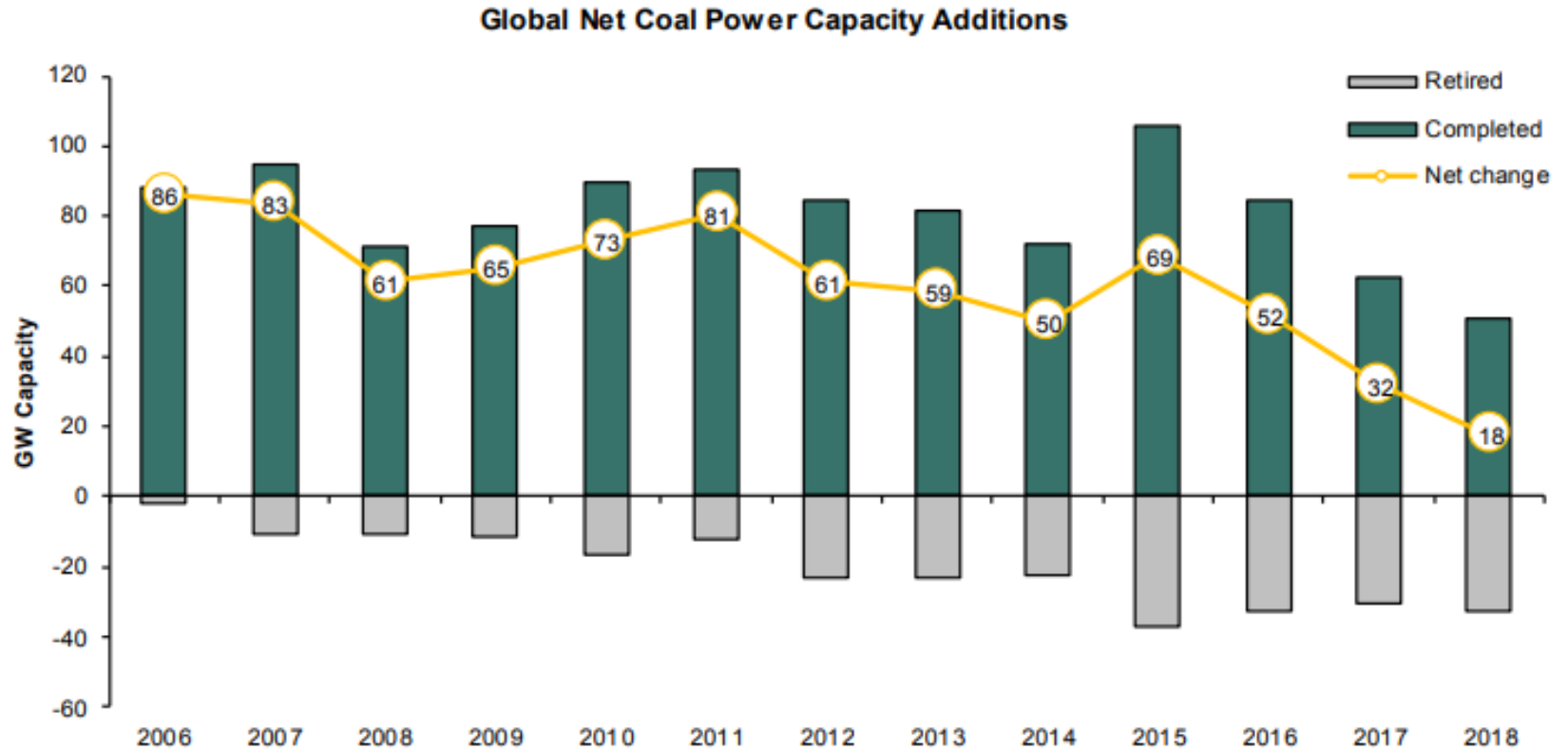
Investment gap



Notes with battery firming, NPS+Carbon Tracker – The Trillion dollar energy windfall

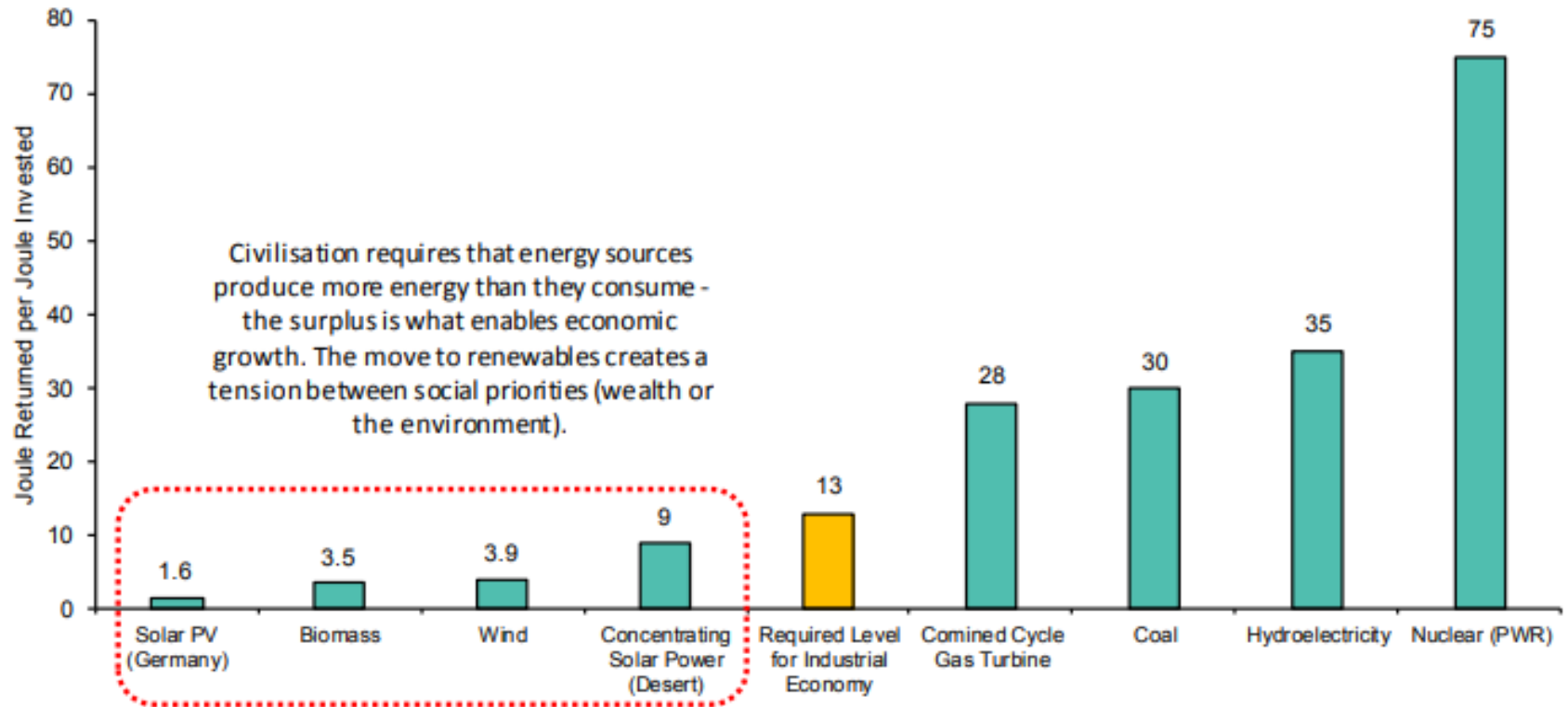
GLENCORE

2018 Coal consumption grew 3.7% (in line with energy cons.)



Source: Bernstein

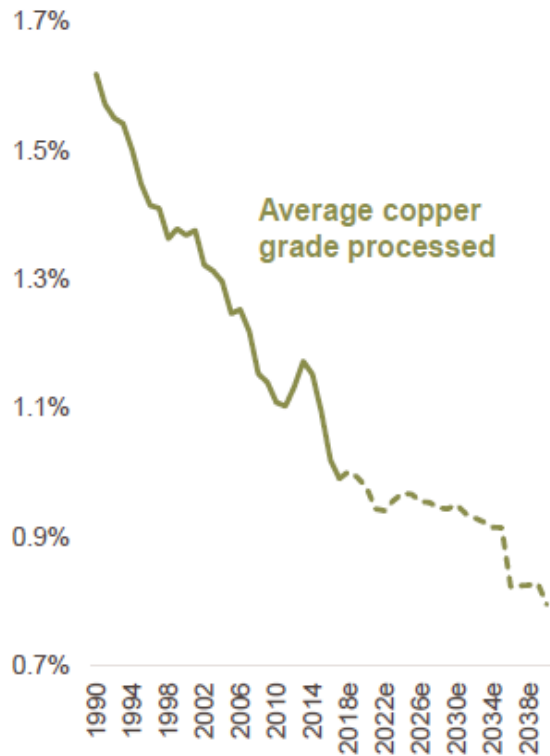
Buffered Energy Return on Investment by Source



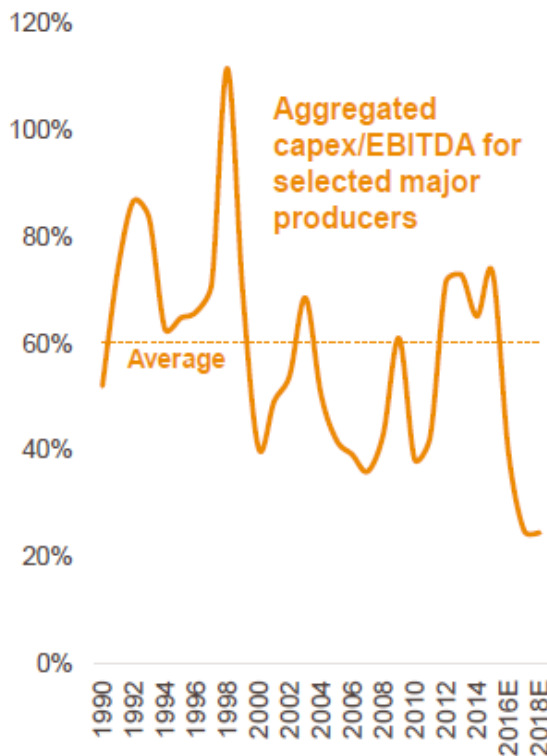
Source: Bernstein

Sustaining copper mine supply is progressively more challenging

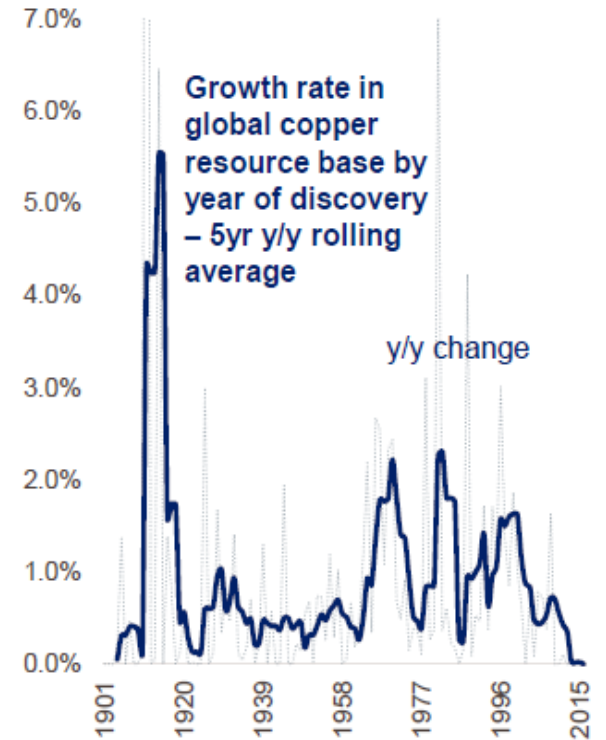
Mined copper grades continue to decline⁽¹⁾ ...



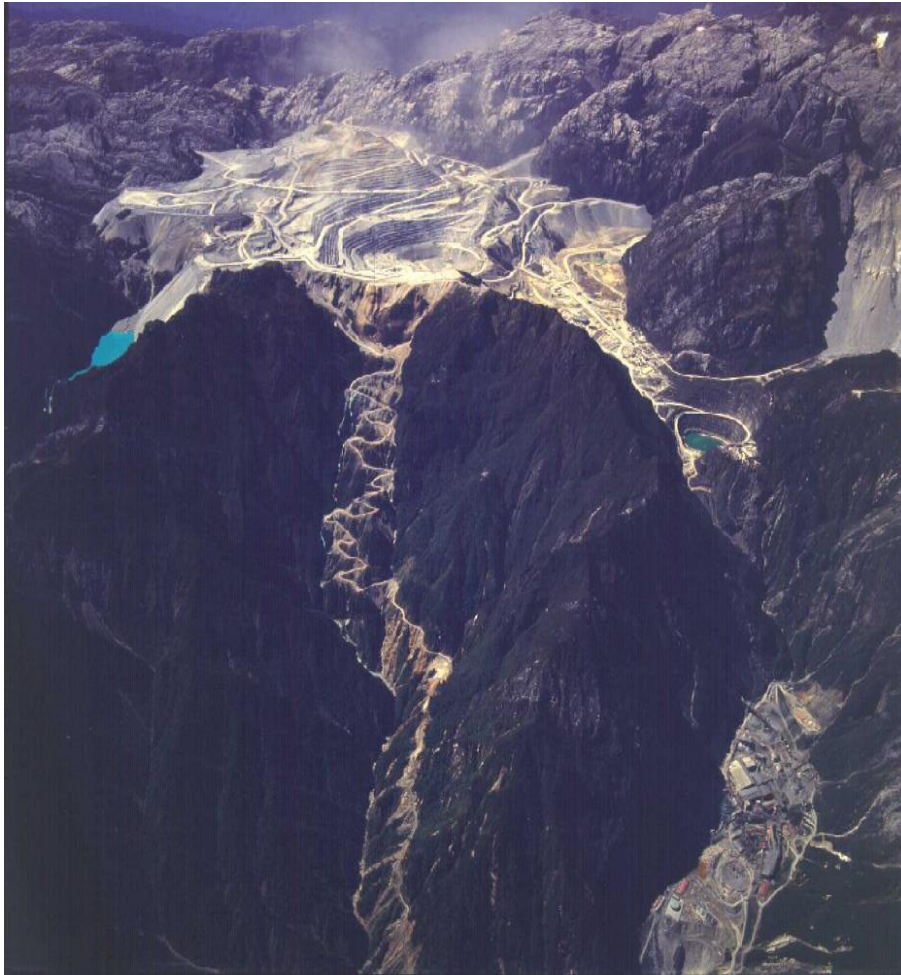
Sector reinvestment has collapsed^(1,2) ...



Exploration has been increasingly unsuccessful⁽¹⁾ ...

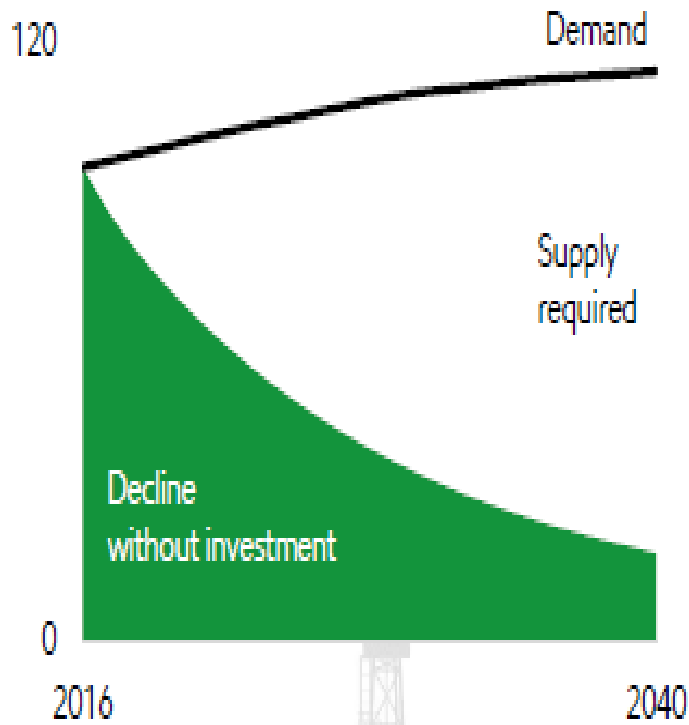


Source: (1) Bernstein European Metals and Mining, 8 March 2017, Copper & Gold – Not a production wall ... It's a production cliff! (2) Selected producers includes Rio Tinto, BHP Billiton, Anglo American, Glencore, Vale, First Quantum, South 32, Antofagasta. Estimates for 2016-2018 based on company guidance and approved projects only.



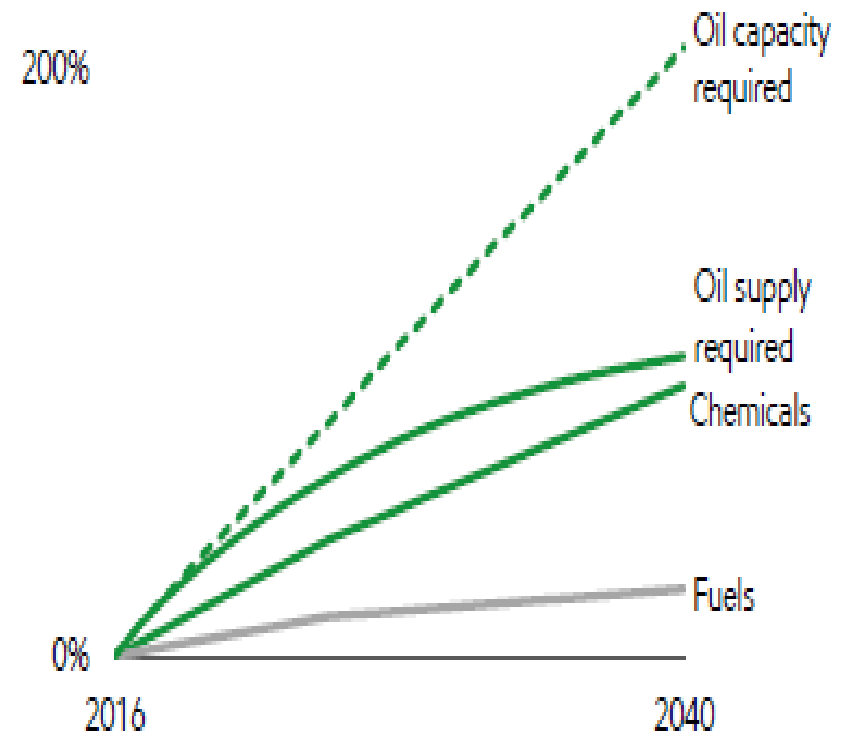
Good luck world, keeping up (grow) availability, replacing these elephants. Without investments???

Oil supply & demand MOEBD



Source: 2018 Energy Outlook

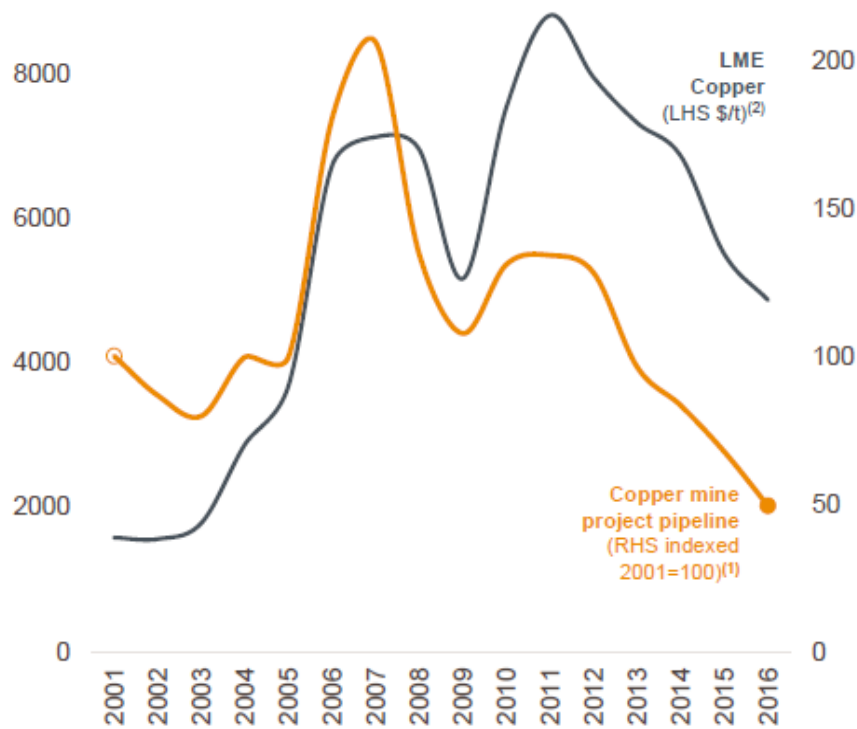
New supply requirement Indexed to 2016



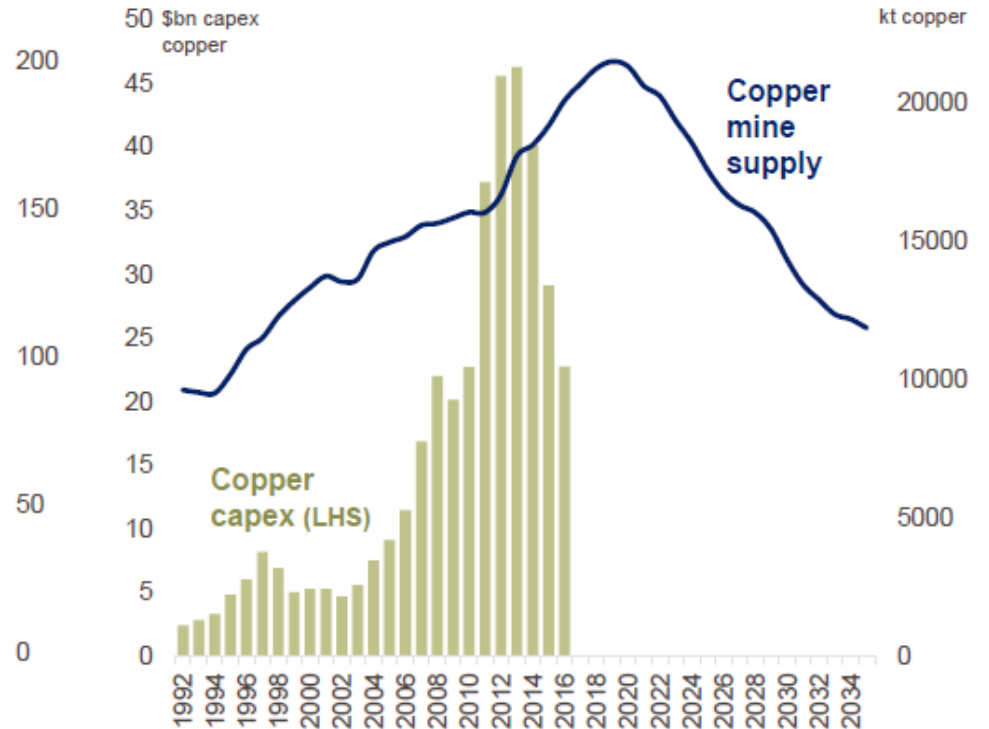
Source: 2018 Energy Outlook

Sustaining copper mine supply is progressively more challenging

Copper mine project pipeline now below pre-supercycle lows



Supply is peaking in 2018 and declines thereafter at 3.5% CAGR with no reinvestment (3)



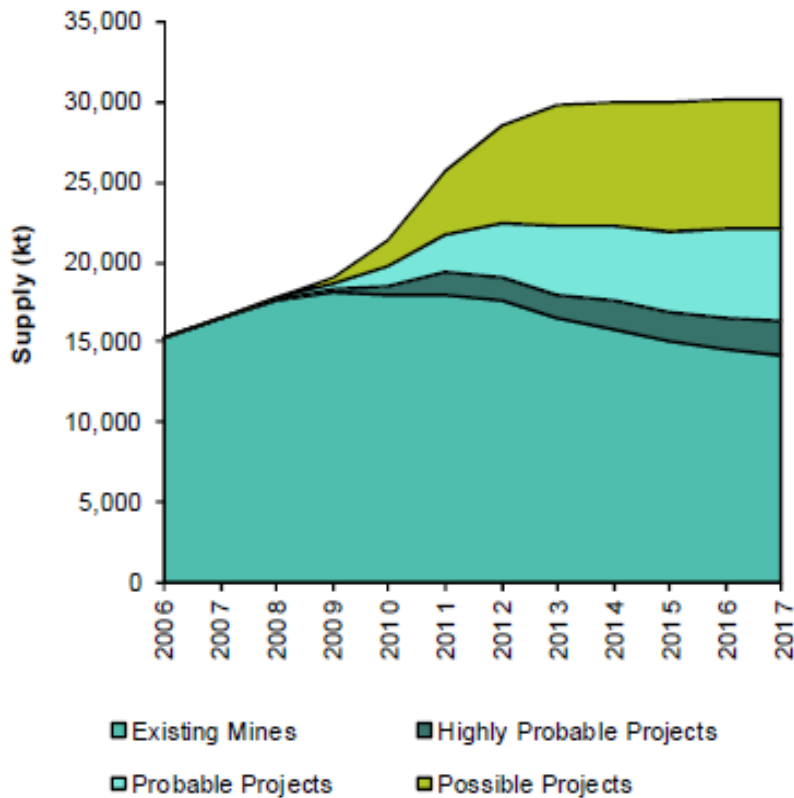
Source: (1) Copper mine project pipeline comprises the total production volume of projects categorised as highly probable and probable by Wood Mackenzie's Global copper long-term outlooks from 2001 to 2016, indexed change from 2001. (2) Annual average LME cash copper price, source Wood Mackenzie and Bloomberg. (3) Bernstein European Metals and Mining, 8 March 2017, Copper & Gold – Not a production wall ... it's a production cliff

Mediocre supply response in relation to capex

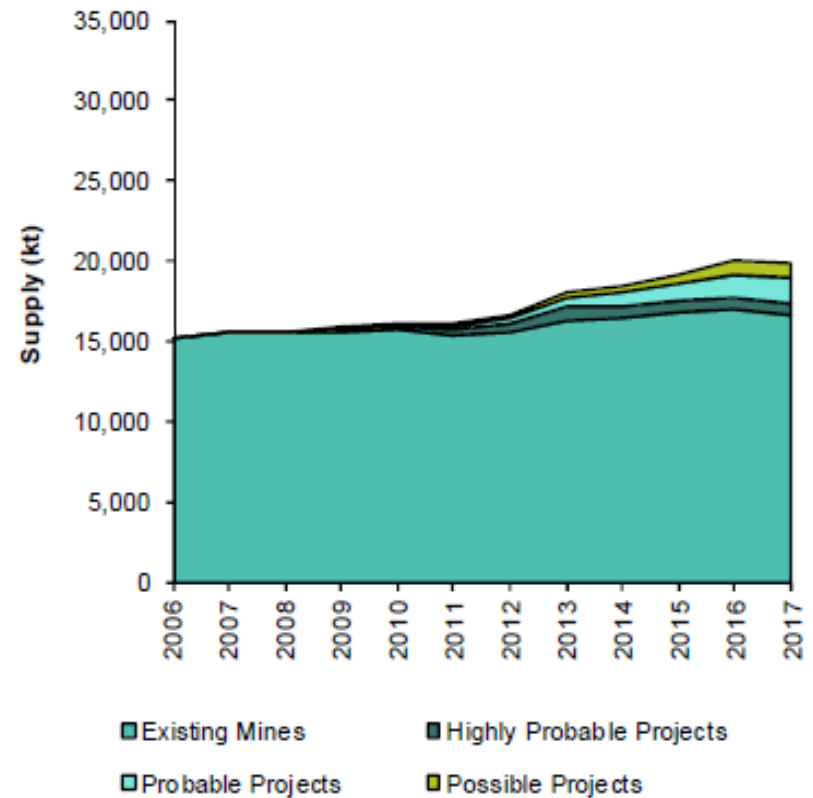
EXHIBIT 4: In 2007, the maximum 2017 run-rate supply was estimated at 30.2Mt, +99% growth (+6.4% CAGR) generating fears about a possible "wall of supply"...

EXHIBIT 5: ... when in reality, despite the copper price hitting US\$10,000/t in 2011, supply actually grew just +31% (+2.5% CAGR).

2006 - 2017 Supply Forecast



2006-2017 Actual Supply

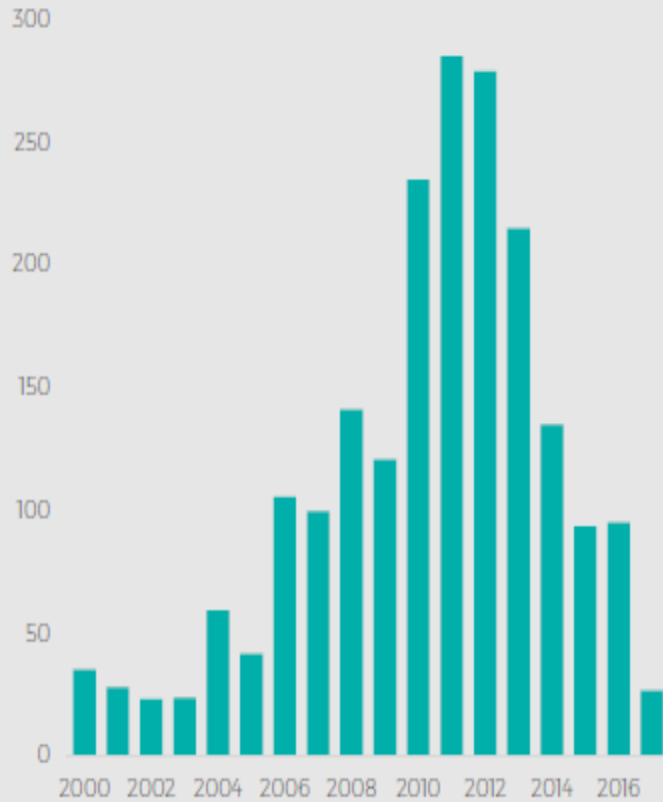


Source: Brook Hunt, Wood Mackenzie, Bernstein analysis

Source: Brook Hunt, Wood Mackenzie, Bernstein analysis

Capex has been slashed ...

Capex announcements (not annual spend)⁽¹⁾ (\$bn)

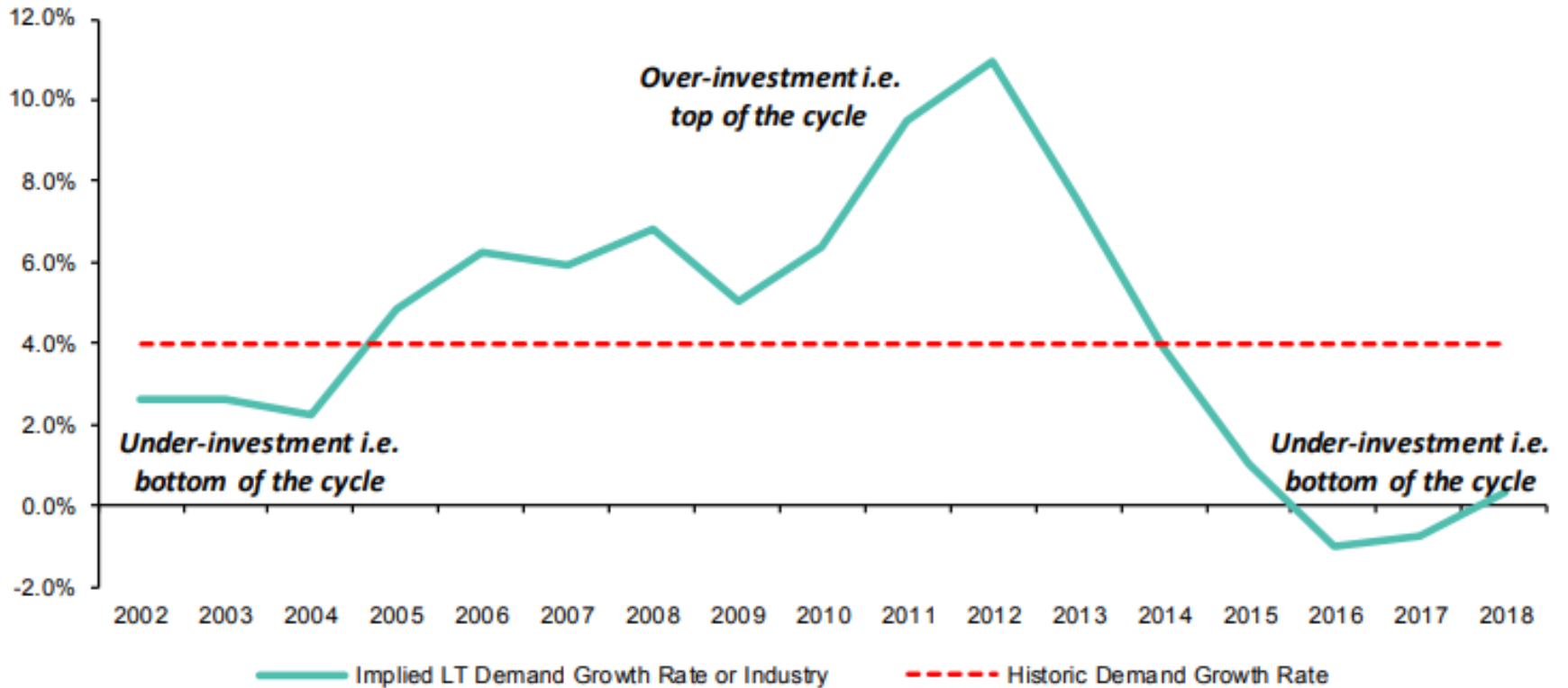


... underpinning the shift into deficit for commodities

Cumulative change in annual metal balance (kt)⁽²⁾



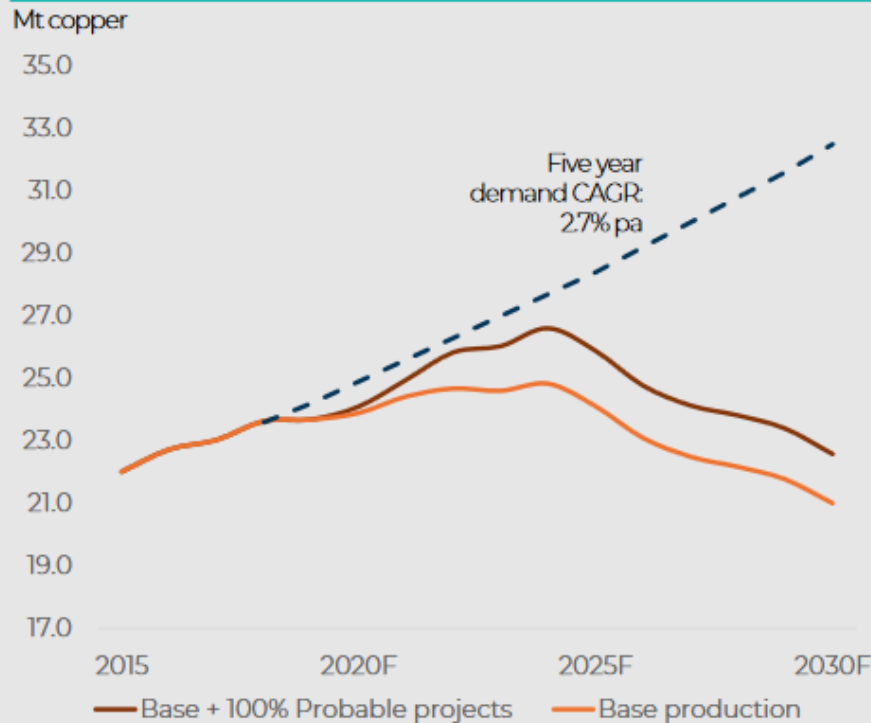
Implied Industry Growth Rate Given Investment Rate



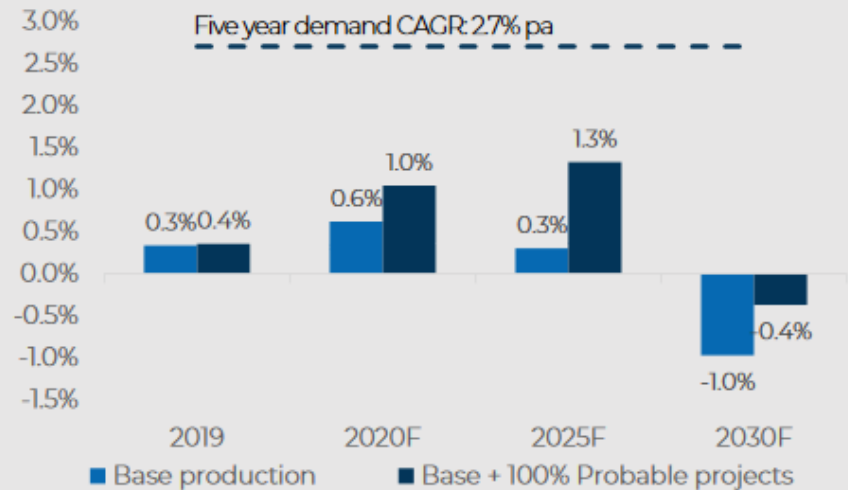
Bernstein analysis

Structural deficits likely even with 100% of probable project pipeline

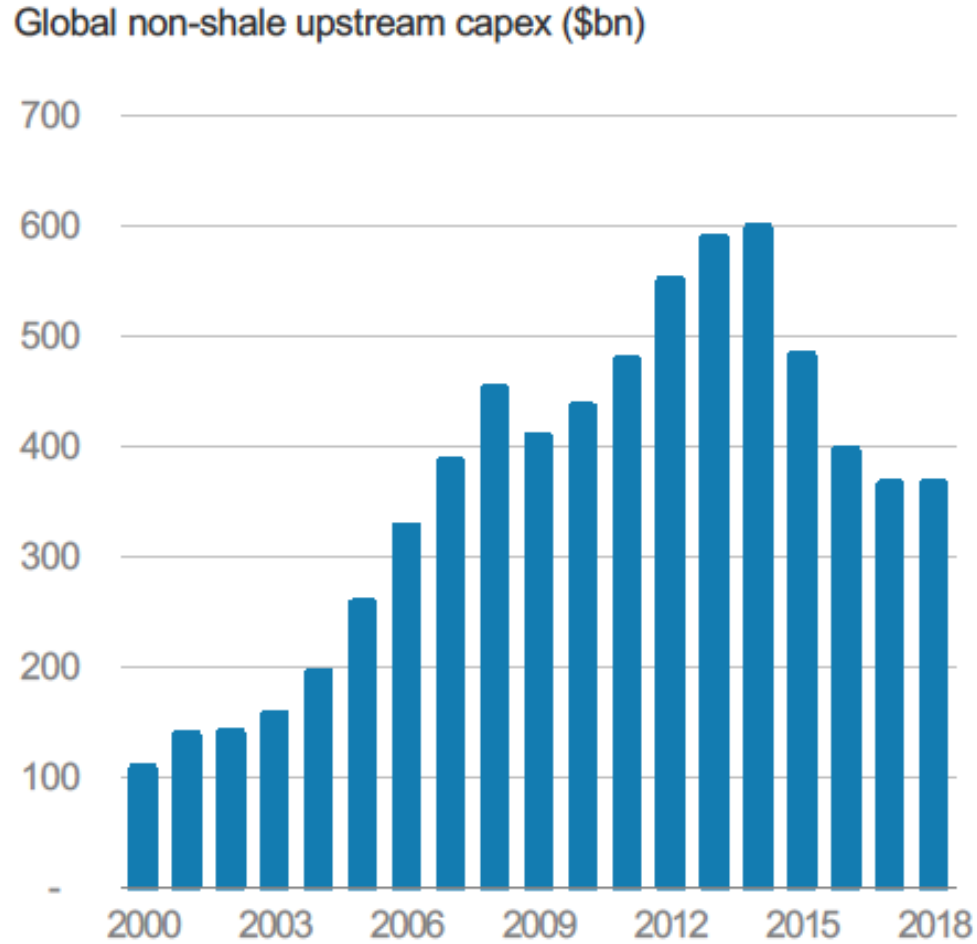
Historical demand trends imply continued copper deficits⁽¹⁾



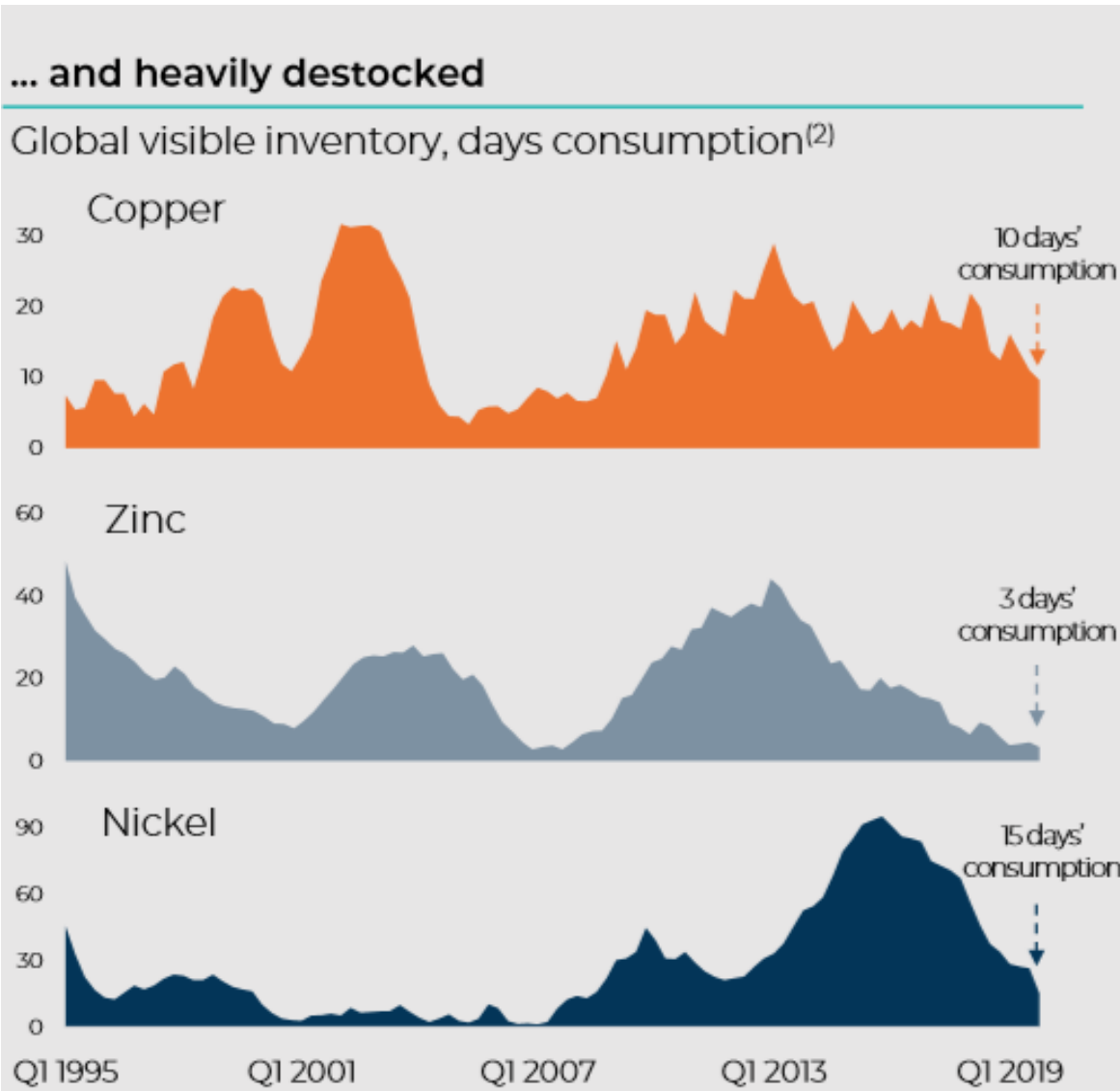
Minimum copper demand needed for inventory draw⁽¹⁾



- In 2025... EV demand is equivalent to half of new supply from all Probable projects (assuming 100% are built)
- By 2030... EV demand is equivalent to almost double total new supply from all Probable projects



Source: Rystad Energy, Morgan Stanley Research



Exploration

Discovery

Decision to move into production

Announcement of financing, dilution, hedging

Spent \$ can be bought for Cents

Cashflow starts kicking in

Debt is being reduced

Dividends are being announced

Production fades

Expansion is needed

Going underground

New pits

Cost overrun

Permitting problems

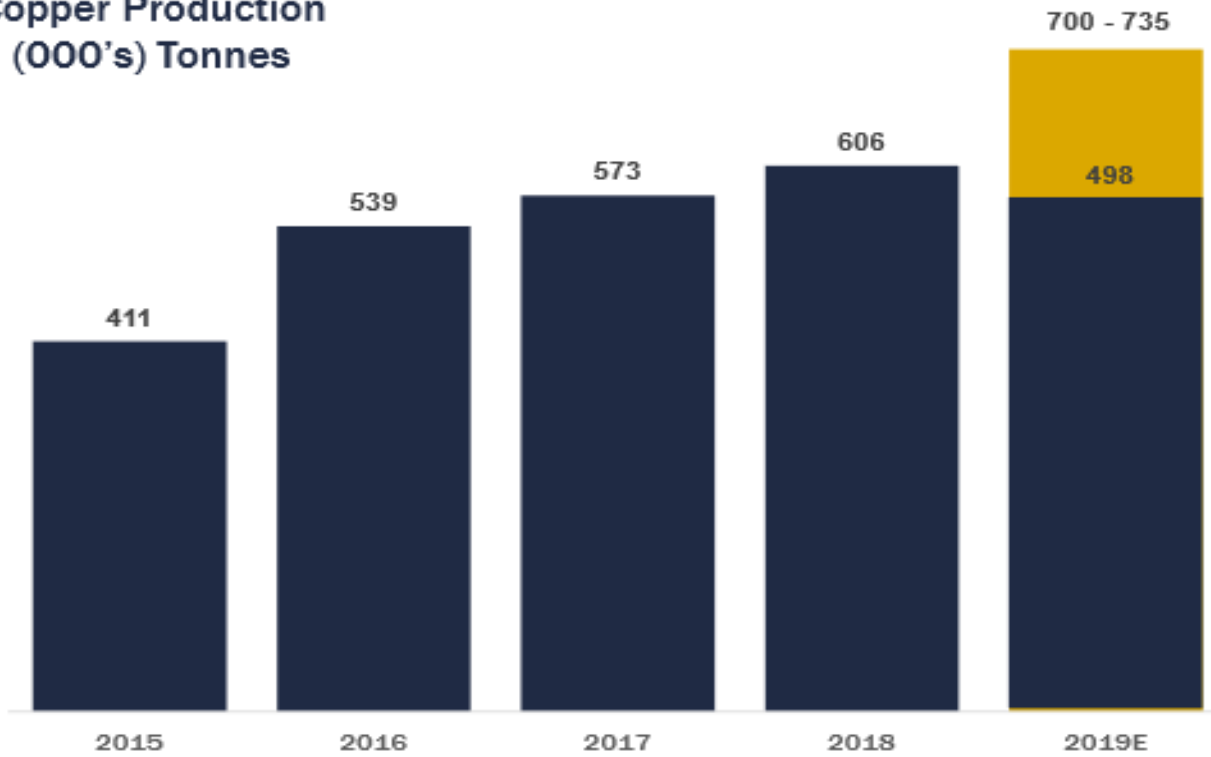
Delays

Investors throw the towel

Bank hike debt costs

GROWTH IN PRODUCTION

**Copper Production
(000's) Tonnes**



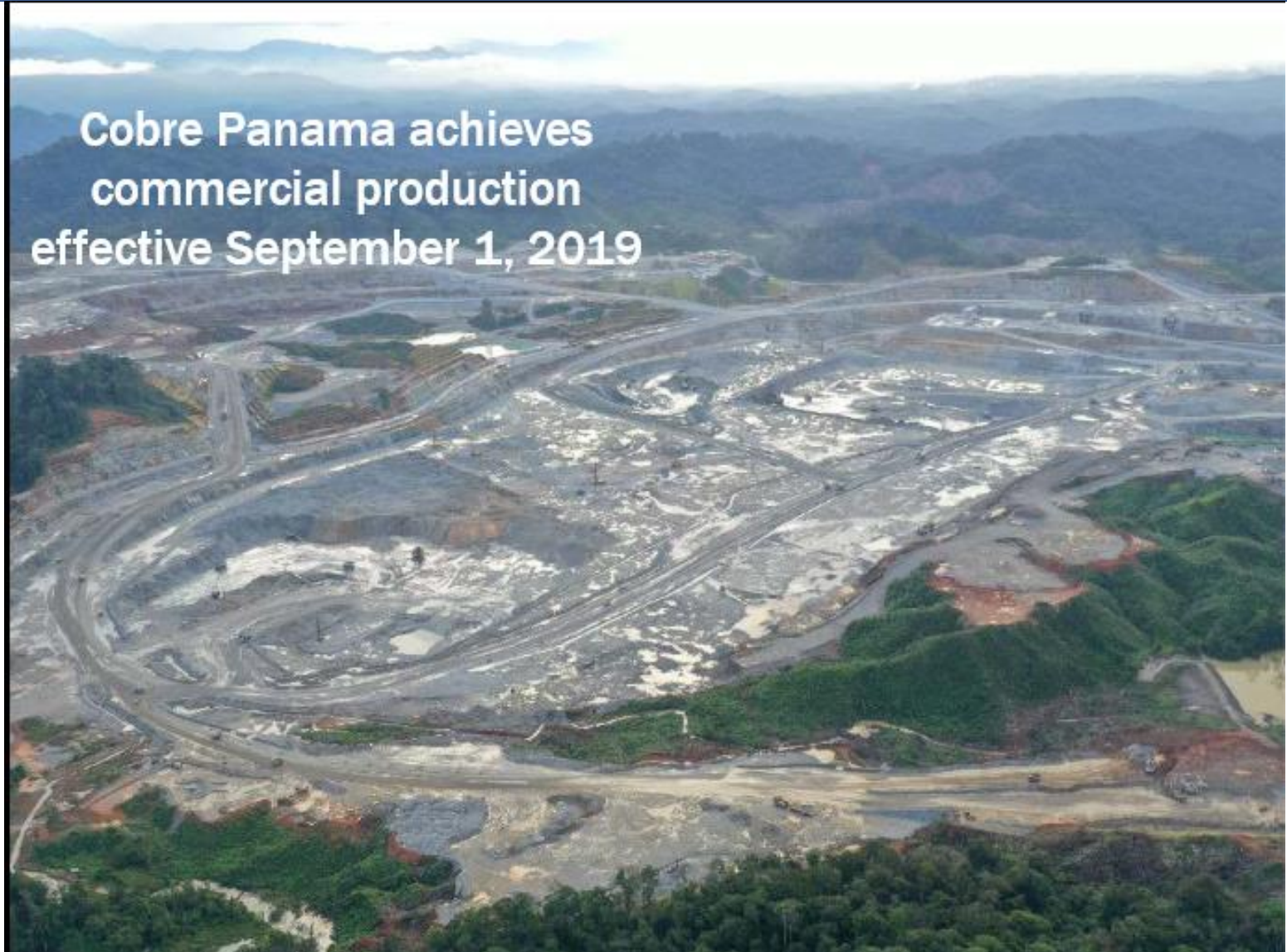
Copper production expected to grow by more than 15% in 2019. Further growth expected in 2020 & 2021



Gold production* 2019E – 185,000 ozs
*Excludes production from Cobres Panama
Zinc production 2019E – 12,000 tonnes

TSX:FM

**Cobre Panama achieves
commercial production
effective September 1, 2019**

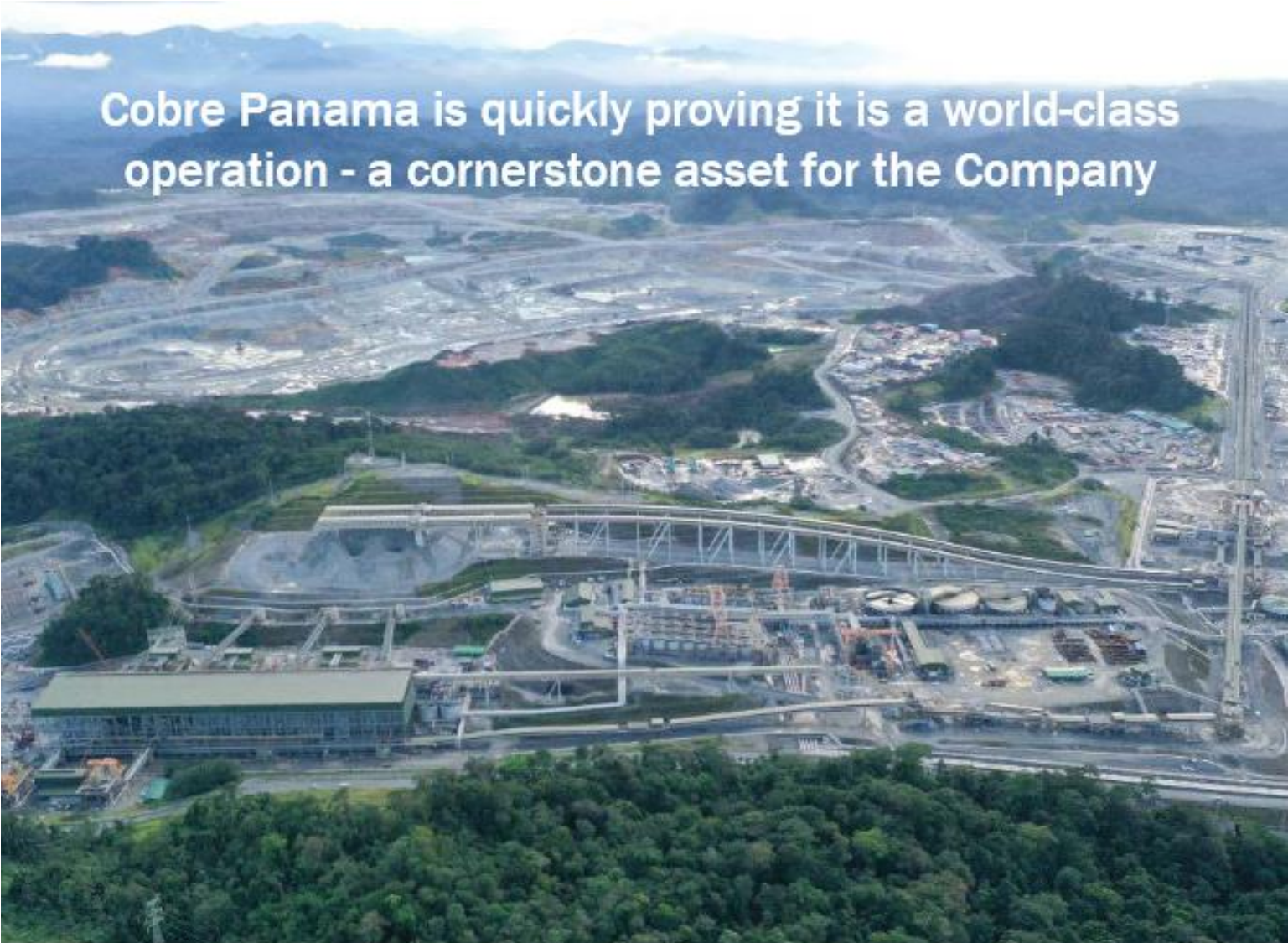




Expertise and learning from other projects applied to enable a successful build and ramp-up of Cobre Panama

72 mtpa expected by 2019 year end,
increasing to 85 mtpa with the addition
of an eighth ball mill





Cobre Panama is quickly proving it is a world-class operation - a cornerstone asset for the Company

Long Term Investment Fund

- 15, avenue J.F. Kennedy
- L-1855 Luxembourg
- Grand Duchy of Luxembourg

SIA Funds AG

- Alpenblickstrasse 25
- 8853 Lachen
- Switzerland

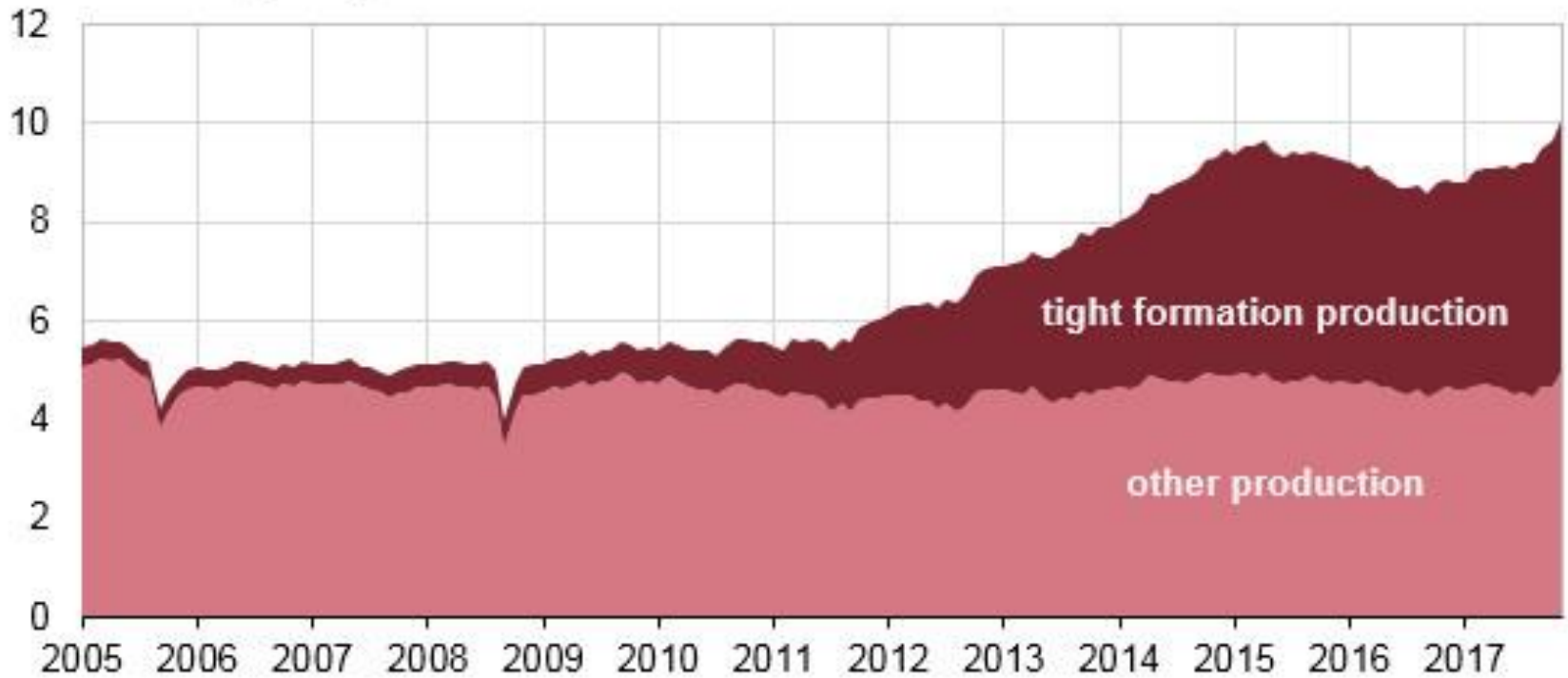
- Tel: +41 55 617 28 70
- Fax: +41 55 617 28 71

- website: www.s-i-a.ch
- e-mail: info@s-i-a.ch

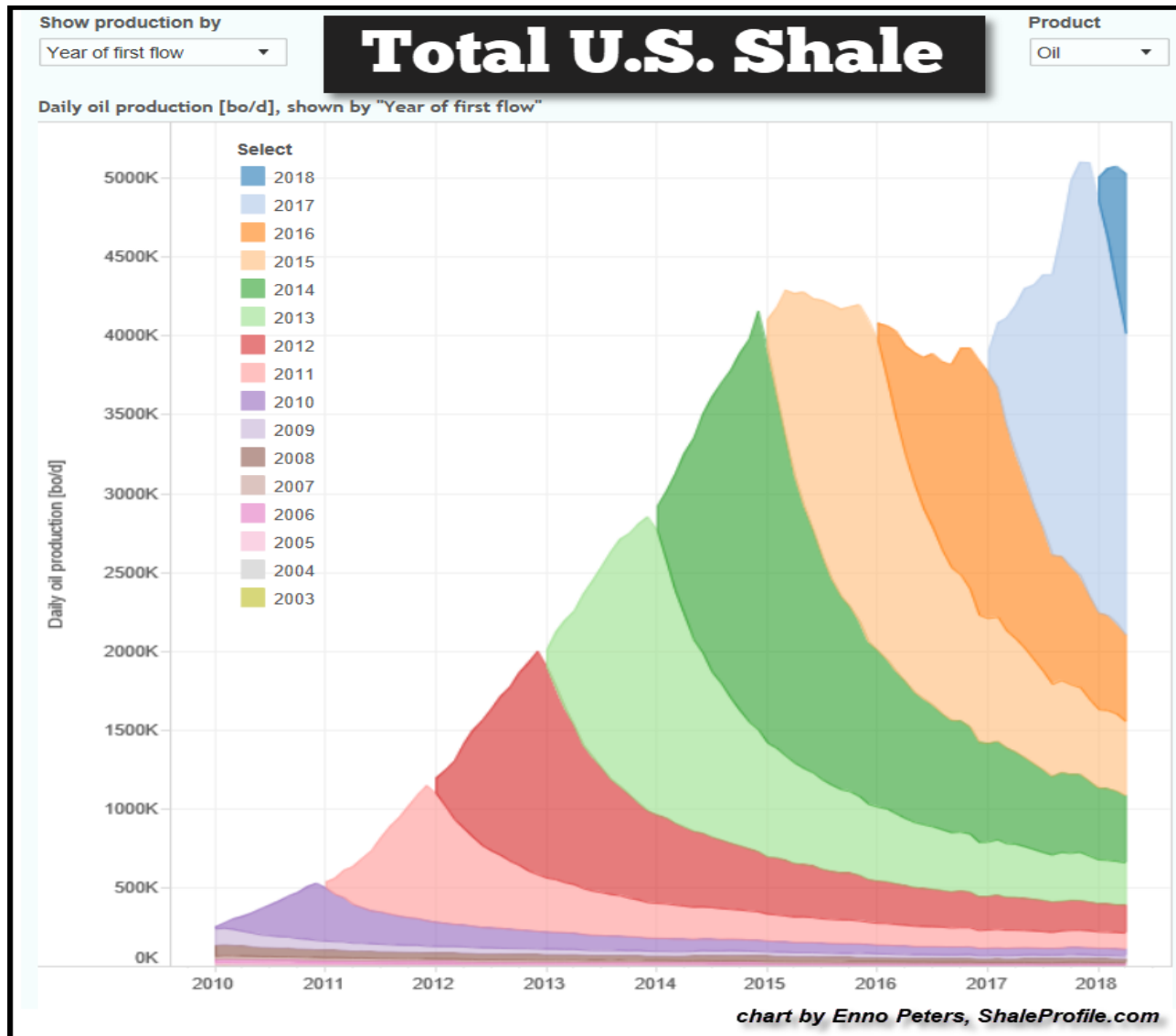
LTIF (SIA) Classic, Stability A Cap, SRI and Natural Resources

- Performance up to 31.05.06 is that of the BVI-based LTIF, of which the LTIF Luxembourg is an identical successor. Previous performance is audited by Ernst & Young. Past performance is neither a guarantee nor a reliable indicator of future results. Performance data does not include the commissions and fees charged at the time of subscribing for or redeeming shares. This information has been furnished to you upon request and solely for your information and may not be reproduced or redistributed to any other person. It is not intended as an offer or solicitation with respect to the purchase or sale of shares of the Sicav. Neither the Central Administration Agent nor the Investment Manager assume any liability in the case of incorrectly reported or incomplete information. Please be aware that investment funds involve investment risks, including the possible loss of the principal amount invested. For a detailed description of the risks in relation to each share in the investment fund, please see the latest version of the prospectus, simplified prospectus, annual and semi-annual reports, which may solely be relied upon as the basis for investment decisions; these documents are available on www.s-i-a.ch or from the Central Administration Agent FundPartner Solutions (Europe) SA, 15A, avenue J.F. Kennedy, L - 1855 Luxembourg. LTIF Classic, Stability A Cap and Natural Resources (previously Global Energy Value) were approved for distribution in and from Switzerland by the Swiss Financial Market Supervisory Authority (FINMA) according to Art. 19 al. 1 of the Collective Investment Schemes Act, paying agent is Banque Pictet & Cie SA, Route des Acacias 60, 1211 Geneva 73, Switzerland. Legal representative in Switzerland is FundPartner Solutions (Suisse) SA, Route des Acacias 60, 1211 Geneva 73, Switzerland; notified to the Austrian Finanzmarktaufsicht according to §36 of the Investment Funds Act; authorised in France by the Autorité des Marchés Financiers (AMF) pursuant to Art. 411-58 of the AMF General Regulation; authorised by the German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) according to §132 of the Investment Act; authorised in Italy by the Bank of Italy and the CONSOB according to Article 42 of Legislative Decree no. 58 of 24 February 1998; registered in the register of foreign collective investment schemes commercialized in Spain by the Comisión Nacional del Mercado de Valores (CNMV) pursuant to Art. 15 of the Law on Collective Investment Vehicles; recognised in the United Kingdom by the Financial Services Authority (FSA) as a recognised scheme within the meaning of Section 264 of the Financial Services and Markets Act 2000.

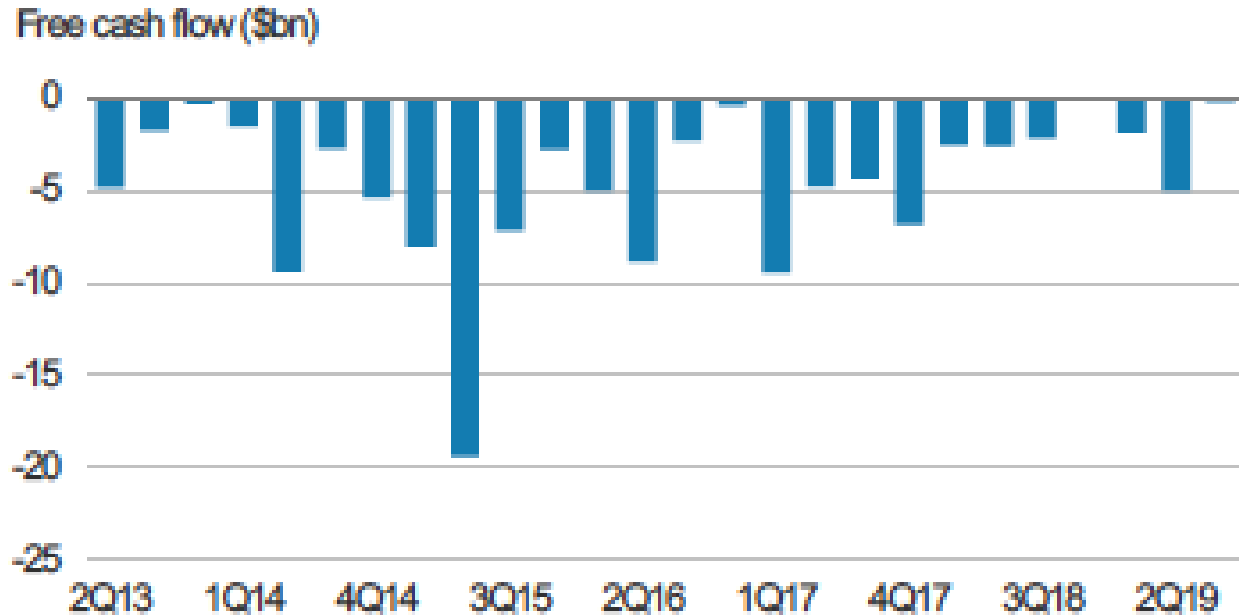
U.S. crude oil production (Jan 2005-Nov 2017)
million barrels per day



Growth stories; is patience/pockets of financiers endless?



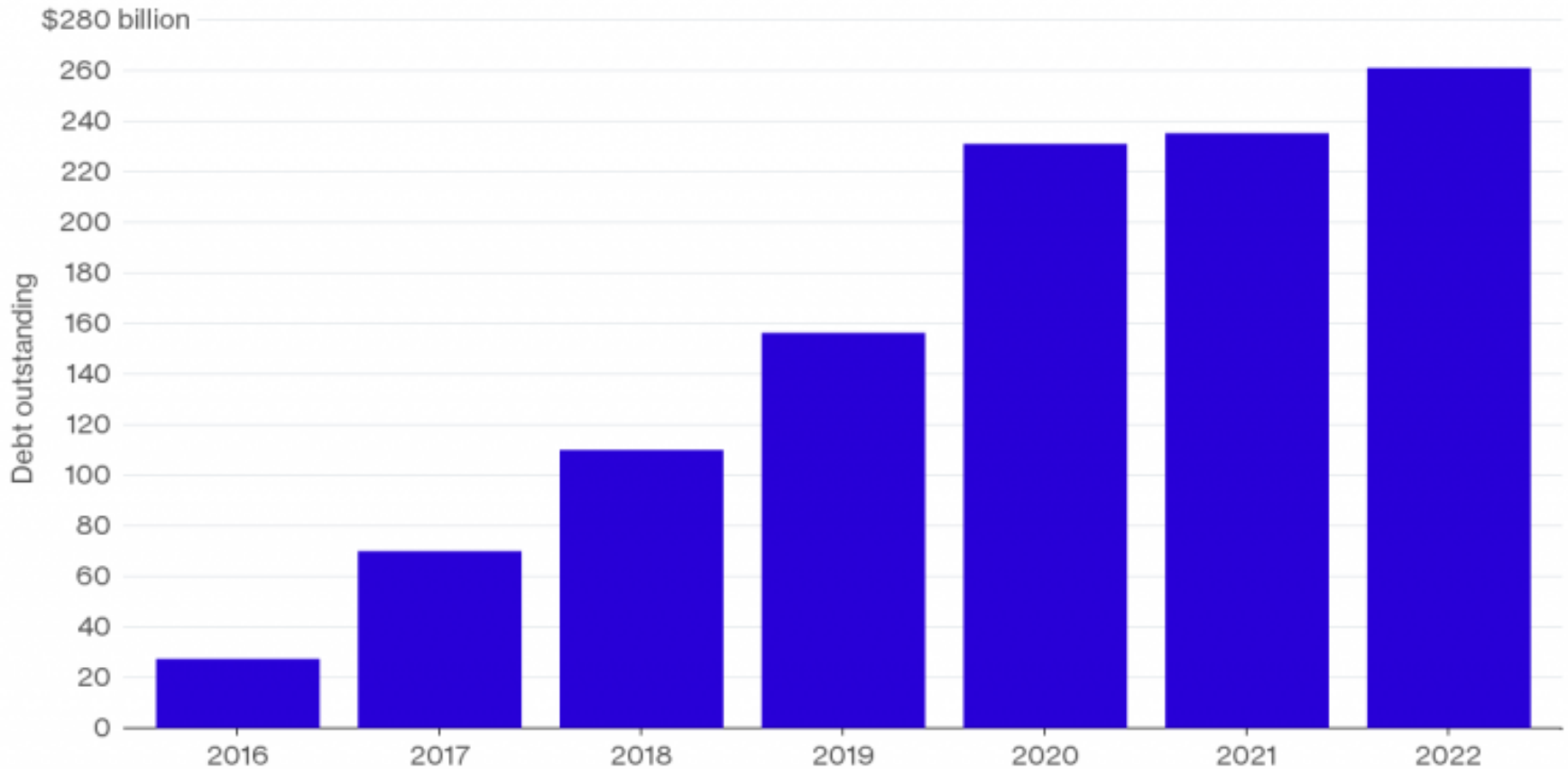
Frackers are neither generating FCF nor returns



Note: chart aggregates financials of 25 US shale focused E&Ps
 Source: Bloomberg

Debt Wall

The amount of bonds U.S. energy companies below investment grade need to pay back each year

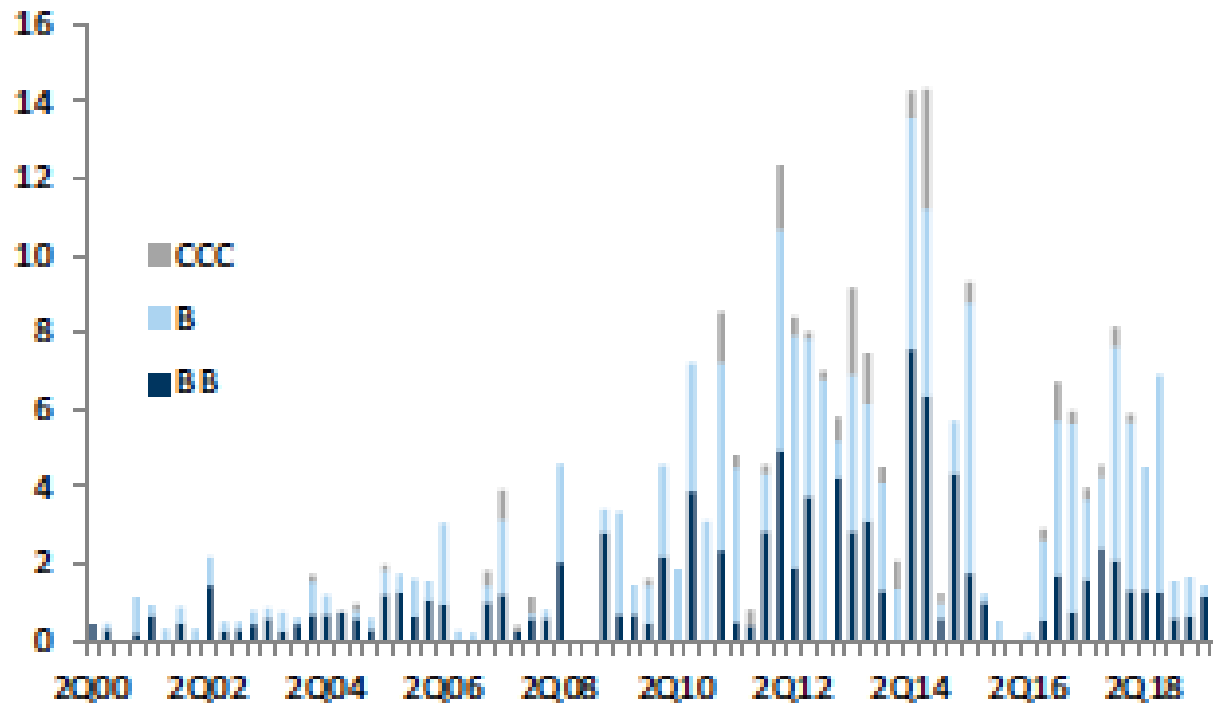


Bloomberg data



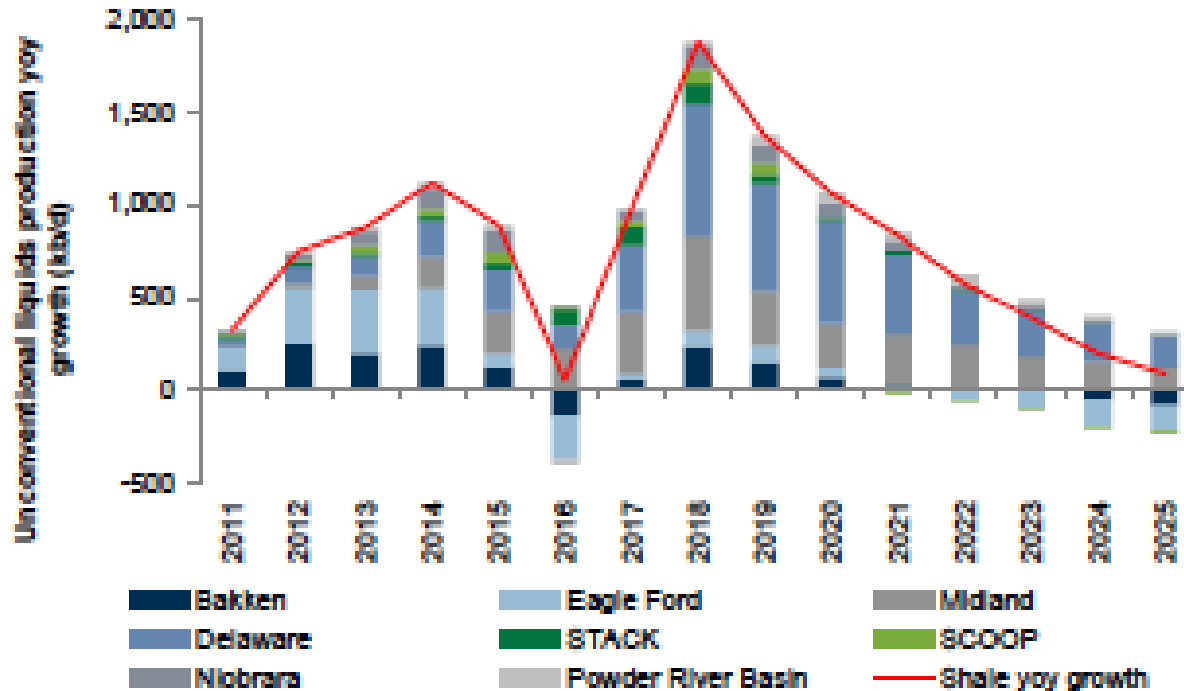
Exhibit 15: The 2017-18 growth was fueled by high-yield debt, which has tightened since Q4 2018...

Quarterly HY US E&P debt issuance per quarter by credit rating



Source: Goldman Sachs Global Investment Research, Bloomberg, Dealogic

Exhibit 13: We expect net shale growth to slow rapidly from the 2018 peak growth level
Unconventional liquid production growth year on year in kb/d



Source: Goldman Sachs Global Investment Research