



## DJE - GOLD & RESSOURCEN

### EXPLOITS OPPORTUNITIES OF PRECIOUS METAL AND COMMODITY MARKETS



STEFAN BREINTNER

Distribution Share Class

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#### Fund Manager: DJE Kapital AG

Responsible: Stefan Breintner  
since 30.06.2008

#### Fund Facts

ISIN:	LU0159550077
WKN:	164323
Bloomberg:	DJEGOLP LX
Reuters:	LU0159550077.LUF
Asset Class:	Themed Equity Funds Global Precious Metals/Basic Resources
Minimum equity	51%
Partial exemption of income <sup>5</sup>	30%
Investment Company <sup>3</sup> :	DJE Investment S.A.
Fund Manager:	DJE Kapital AG
Type of Share:	payout <sup>3</sup>
Financial Year:	01/07 - 30/06
Launch Date:	27/01/2003
Fund Currency:	EUR
Fund Size (20/09/2019):	95.76 million EUR
TER p.a. (30/06/2018) <sup>3</sup> :	1.95 %

#### Reference Index of the fund<sup>3</sup>

■ 60% Philadelphia Stock Exchange Gold and Silver Index, 20% Reuters/ Jefferies CRB Index, 20% MSCI World Materials Sector Index (EUR)<sup>1</sup>

#### Ratings & Awards<sup>4</sup> (20/09/2019)

Morningstar Rating Overall<sup>2</sup>: ★ ★ ★ ★

#### €uro Fund Award 2018

2nd place, category Equities Goldmines over 1 and 5 years

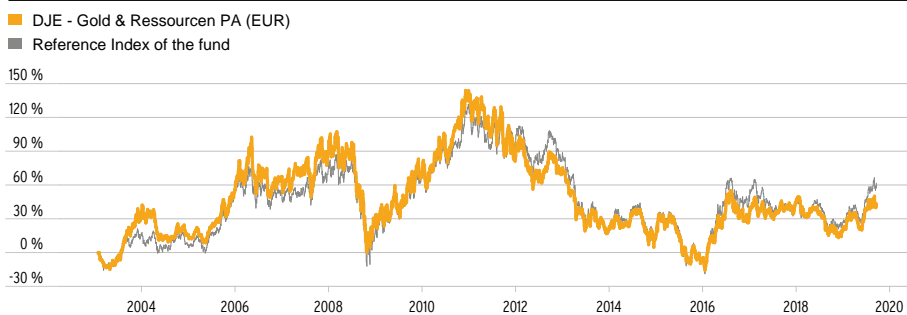
3rd place, category Equities Goldmines over 10 years

## DJE - GOLD & RESSOURCEN PA (EUR)

### INVESTMENT STRATEGY

The fund's investment focus is on companies involved in the gold mining sector. The equity portion is actively managed. The proportion of pure gold mining stocks must be at least 30% of assets under management. In addition, companies operating in the sector of other primary resources - such as base metals, oil and gas and agricultural commodity producers - are an important part of the fund. The fund thus provides investors with the opportunity to participate in the long-term uptrend of both the gold price and the broad commodity market. The combination of stocks from the gold, base metals, energy and agricultural sector creates a diversification effect and reduces investor risk compared to direct investment.

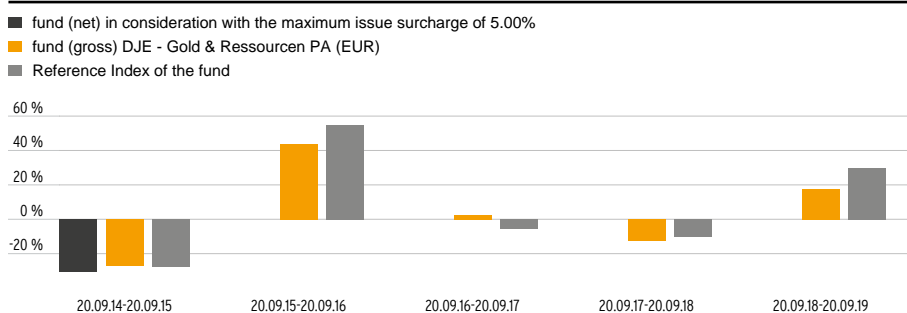
### PERFORMANCE IN PERCENT VS. REFERENCE INDEX SINCE INCEPTION (27/01/2003)



Data: Bloomberg, own illustration.

As at: 20/09/2019

### PERFORMANCE IN PERCENT VS. REFERENCE INDEX LAST 5 YEARS (20/09/2014)



Data: Bloomberg, own illustration. Calculated according to the BVI Bundesverband Investment und Asset Management e.V.) method, i.e. not taking into account the front end load.

As at: 20/09/2019

### PERFORMANCE VS. REFERENCE INDEX IN PERCENT

	1 Mo	YTD	1 Yr	3 Yrs	5 Yrs	SI
Fund	2.15%	19.99%	17.63%	5.32%	10.67%	43.31%
Reference Index	2.80%	30.00%	29.69%	9.81%	22.77%	61.66%

As at: 20/09/2019

The presented charts and tables concerning performance are based on our own calculations according to the gross performance (BVI) method<sup>3</sup> and illustrate past development. Future results may vary both positively and negatively. The BVI method takes into account all costs incurred at the fund level (e.g. management fees), the net performance and the issue fee. Additional individual costs may be incurred at the customer level (e.g. custodian fees, commission and other charges). Model calculation (net): an investor wishes to purchase shares for Euro 1,000. With a maximum issue surcharge of 5.00%, he has to spend a one-off amount of Euro 50.00 when making the purchase. In addition, there may be custodian costs that reduce performance. The custodian costs are decided by your bank's price list and service charges. Information regarding past development is not a reliable indicator of future performance.

1 | 2 see also on page 4

3 | see also on ([www.dje.de/DE\\_en/fonds/fondswissen/glossar](http://www.dje.de/DE_en/fonds/fondswissen/glossar))

4 | sources on homepage ([www.dje.de/DE\\_en/page/14500](http://www.dje.de/DE_en/page/14500))

5 | The fiscal treatment depends on the personal circumstances of the respective client and can be subject of change in the future.



## DJE - GOLD & RESSOURCEN

### EXPLOITS OPPORTUNITIES OF PRECIOUS METAL AND COMMODITY MARKETS



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#### Asset Allocation in percent of fund volume (30/08/2019)<sup>3</sup>

Stocks	96.27 %
Cash	3.73 %

#### Top Countries in percent of fund volume (30/08/2019)

Canada	31.15 %
Australia	15.77 %
United States	12.61 %
South Africa	9.72 %
United Kingdom	7.07 %

#### Fund prices per 20/09/2019

Bid:	142.23 EUR
Offer:	149.34 EUR

#### Fees<sup>3</sup>

Initial Charge:	5.00%
Management Fee p.a.:	1.32%
Custodian Fee p.a.:	0.10%
Managementgebühr Fee p.a.:	0.35%

up to 10% of the increase in Fund assets in excess of 6% (Hurdle Rate), High Water Mark over preceding 5 years.

<sup>3</sup> | see also on ([www.dje.de/DE\\_en/fonds/fondswissen/glossar](http://www.dje.de/DE_en/fonds/fondswissen/glossar))

## DJE - GOLD & RESSOURCEN PA (EUR)

#### TOP TEN SECTORS IN PERCENT OF FUND VOLUME (30/08/2019)

BASIC RESOURCES	81.08 %
OIL & GAS	7.91 %
CHEMICALS	4.75 %
CONSTRUCTION & MATERIALS	2.53 %

#### TOP HOLDINGS IN PERCENT OF FUND VOLUME (30/08/2019)

NEWMONT GOLDCORP CORP	6.46 %
AGNICO-EAGLE MINES LTD	4.47 %
EVOLUTION MINING LTD	4.35 %
GOLD FIELDS LTD-SPONS ADR	4.28 %
ANGLOGOLD ASHANTI-SPON ADR	4.09 %
KINROSS GOLD CORP	4.07 %
KIRKLAND LAKE GOLD LTD	3.78 %
NORTHERN STAR RESOURCES LTD	3.77 %
ALAMOS GOLD INC-CLASS A	3.52 %
NEWCREST MINING LTD	3.50 %

#### RISK MEASURES<sup>3</sup>

Standard Deviation (2 years)	18.08%	Sharpe Ratio (2 years)	0.23
Tracking Error (2 years)	11.12%	Correlation (2 years)	0.63
Value at Risk (99% / 20 days)	-11.52%	Beta (2 years)	0.93
Maximum Drawdown (1 year)	-11.54%	Treynor Ratio (2 years)	4.51

As at: 20/09/2019

#### MONTHLY COMMENTARY

In August the DJE - Gold & Ressourcen - gained 1.14%. Its benchmark index (60% Philadelphia Stock Exchange Gold and Silver Index, 20% Reuters/Jeffries CRB Index, 20% MSCI World Materials Sector Index (EUR)) rose 7.19%. The fund's weaker performance compared to the benchmark is due to the fact that the last trading day of August (XAU -5%) was included in the fund's performance calculation for September. If the last trading day were taken into account, the fund and index would almost level. Gold mining stocks performed well overall in August. The XAU gold mining index rose 13.01% in US dollar terms and by 14.45% in euro terms due to the appreciation of the US dollar against the euro in August. Gold mining stocks thus performed better than the gold price itself. This gained 7.54% in US dollar terms and rose to 1,520.38 USD/ounce. Calculated in euros the profit was higher +8.45% (1,384.26 EUR/ounce) due to the appreciation of the US dollar. The gold price performed well throughout August and gained further momentum, especially towards the end of the month, as the US-China trade dispute escalated. Gold benefited not only from the escalation itself but also from weak equity markets and falling bond yields. Gold rose above USD 1,500/ounce in early August for the first time since the big sell-off in April 2013 and the price of gold reached a six-year high. The price rise was accompanied by strong ETF inflows. The actions of US President Donald Trump, China and the Fed are mutually reinforcing and are expected to keep gold at an elevated level throughout 2019. Gold is increasingly seen as a safe haven as investor uncertainty about the trade conflict and the already weakening economy increases. The World Gold Council expects central banks to buy between 500 and 600 tons of gold this year. The highest positive performance contributions in August came mainly from positions in the gold mining segment including the highly weighted positions in the mining companies AngloGold Ashanti (South Africa), Agnico Eagle Mines (Canada) and Kinross Goldcorp (Canada). By contrast, positions at the Australian gold mining group Northern Star Resources and the chemical groups Evonik Industries (Germany) and Albemarle (USA) had a negative impact. At around 68% the weighting of gold mining shares at the end of August was slightly higher than in previous month (65%). The focus remains on solidly financed producers that generate positive free cash flows even at lower gold prices and also have some growth prospects. Broader commodity and chemical stocks generally performed worse than gold mining stocks in August: the MSCI World Materials index fell -2.13%, the CRB Commodities index -3.36% - both on a euro basis. At the end of the month values denominated in US dollars were partly hedged.



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**Target group****The fund is suitable for investors**

- + with a longer-term investment horizon
- + who seek to focus their equity investments on gold producers and commodity stocks
- + who wish to minimise risk in comparison to direct investment in individual stocks in the gold and commodities sectors

**The fund is not suitable for investors**

- with a short-term investment horizon
- who seek safe returns
- who are not prepared to accept increased volatility and temporary losses

**Risk class (SRRI 1-7)<sup>3</sup>**

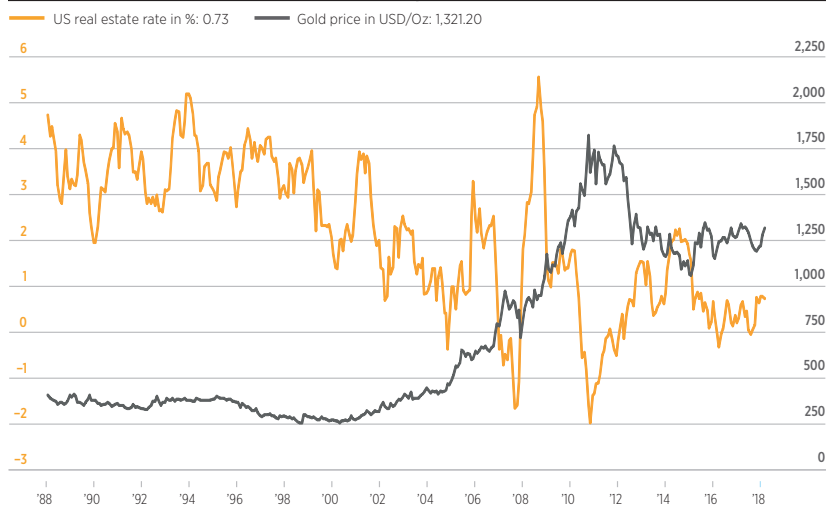
← low risk lower rewards      high risk higher rewards →

1	2	3	4	5	6	7
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<sup>3</sup> see also on KIID <https://www.dje.de/de-en/documents/LU0159550077/KIID/inline>

**DJE - GOLD & RESSOURCEN PA (EUR)****INVESTMENT APPROACH**

The gold mining industry reduced its costs and growth investments due to the obvious gold price reduction in 2013. Therefore most of the gold companies ought to be able to generate a free cash flow in the future, once the gold price exceeds 1,250 USD/oz. The improved profitability will affect the equity price in the middle term positively. Compared to the gold price the valuation of gold producers' shares is relatively low currently. The chances for the broad commodity market have to be seen mainly in the progressing urbanization of China and the emerging markets, followed by an increasing commodity demand. The fund focusses on companies, which produce commodities, characterized by a favorable supply and demand relation. Actually nickel, platinum and palladium belong to this group. A low supply and a stable demand will result in high prices for the middle and long term, which will give a positive impulse for the profit development of the producers. The DJE - Gold & Ressourcen applies very strict investment criteria: The fund is only invested in companies operating in politically stable areas with a fundamentally attractive valuation. Particularly falling real interest rates will influence the gold price development sustainably, see diagram below.

**US REAL INTEREST RATE VS. GOLD PRICE (USD)****US REAL ESTATE RATE VS. GOLD PRICE**

Data: Bloomberg

monthly data, as at 01/01/2019

**OPPORTUNITIES AND RISKS****Opportunities**

- + In the long term, high upside potential for stocks of the gold and commodity sector
- + Exchange rate gains in global investments are possible
- + Increasing demand for physical gold due to declining confidence in established currencies and high demand from the emerging market jewelry sector; this should lead to higher gold prices and thus to higher prices for gold mining stocks

**Risks**

- Shares in the commodity and precious metals sector are generally more volatile than the overall market
- Currency risks resulting from a high proportion of foreign investments
- In addition to market price risks (equity and currency risks), there are country and credit risks



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#### DJE Kapital AG

DJE Kapital AG has more than 45 years of experience in wealth and asset management and is today one of the leading bank-independent financial service providers in German-speaking Europe. Our investment strategy, both in equities and bonds, is based on the FMM method developed in-house: a systematic analysis which takes three views on securities and the financial markets: fundamental, monetary and market-technical. DJE follows sustainability criteria when selecting securities and is a signatory to the United Nations Principles for Responsible Investment.

#### Contact

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## DJE - GOLD & RESSOURCEN PA (EUR)

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