

Actively Managed Certificate
Precious Metals & Mining

ISIN: CH0242045109
Valor: 24 204 510



BACKGROUND

The monetary policy pursued by central banks over the past few years, with an ever more massive expansion of the money supply, is worrying. The mixture of rising debt, paper money printing and credit bubble expansion is toxic. A general collapse of the financial systems cannot be ruled out. As a protection, also in geopolitical crises, precious metals are repeatedly moving into the focus of investors as a safe haven. They are part of the investment category 'real assets' and diversify equity and interest rate risks.

STRATEGY

The AMC (Actively Managed Certificate) - TCM Leonteq Strategic Precious Metals & Mining pursues a stringent investment strategy with a focus on mining companies in politically predictable, mine-friendly systems (mainly Canada, USA and Mexico) with significant upside potential within the next few years. The investments in the certificate are permanently monitored qualitatively and quantitatively by an active management.

Tactically, the allocation is focused on solidly financed companies with above-average potential. A management with many years of experience and multiple proven successes is a further criterion for an investment decision. A limited percentage allocation to exploration and junior mining companies is deliberately chosen in order to enable the investor to participate in such companies through broad diversification. Companies with a high market capitalization are weighted higher in the certificate. Depending on the market situation, between 0 - max. 20% physical precious metal (ETF ZKB) is added to the AMC.

REVIEW 1st Quarter 2021

Right in the first days of the new year, the gold price saw the highs of the 1st quarter at USD 1'960. In the course of the entire quarter, it fell continuously to test the important support between USD 1'676 – 1'680 3 times in March. However, the gold price was able to close at USD 1'707 on the last trading day after the last test of the support of USD 1,677.

Silver started the new year unchanged at USD 26.60. While the gold price declined in January, the silver price, after testing USD 24.50 several times, recovered to just above USD 27.00 at the end of January. On February 1, it briefly shot up to USD 30.00, thus reaching the quarterly high. On the very next trading day, it collapsed again to USD 26.50. Silver bottomed out at USD 23.85 in the last two trading days of March.

Thus, the gold price lost -10.04% and the silver price -7.73% in Q1.

The gold/silver ratio declined slightly to 1:70 at the end of the quarter, but fell temporarily to 1:64 at the beginning of February.

The price of the certificate as of March 31, 2021 was CAD 136.49 and the annual performance YTD is -15.04%.

COMMENTARY

After the silver price briefly rose to USD 30.00, certain silver stocks were also boosted by this bull market. In particular MAG Silver, First Majestic and Fortuna Silver made enormous price jumps upwards. At these prices, positions in First Majestic (FR) were reduced by 25% and in Fortuna Silver (FVI) by 15%. On the other hand, existing positions in Kirkland Lake Gold (KL), Pretium (PVG) and B2Gold (BTO) were increased.

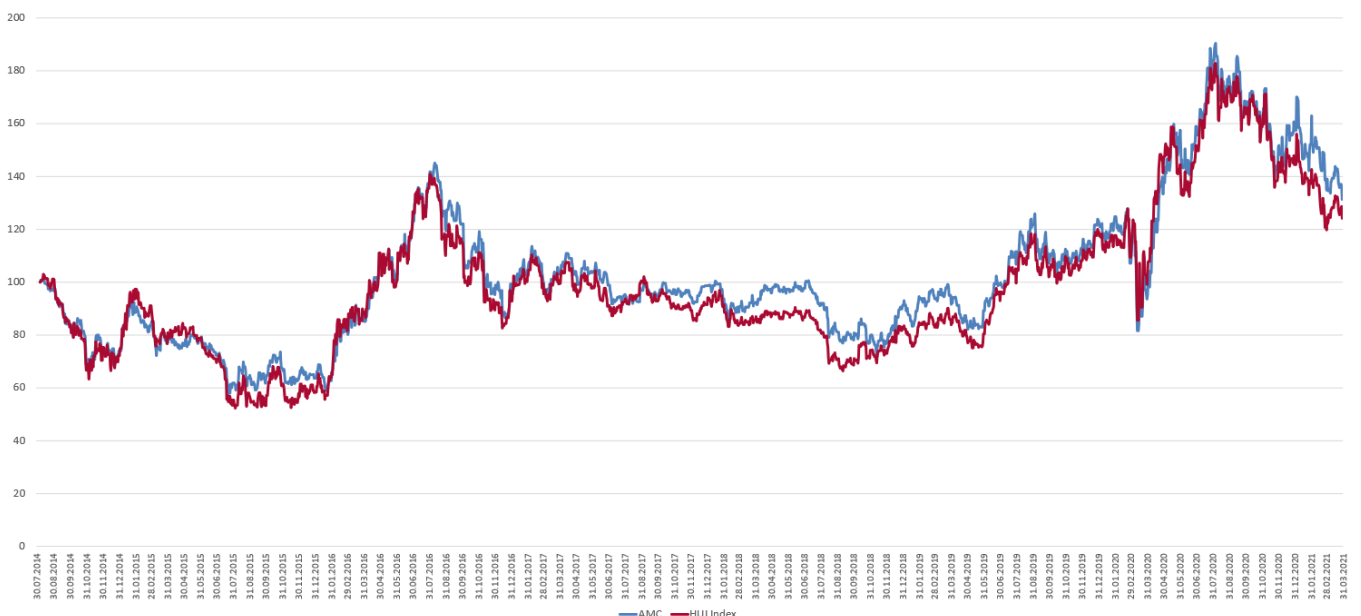
In general, the gold mining sector shone with very good results, which in some cases led to higher dividend payouts.

OUTLOOK

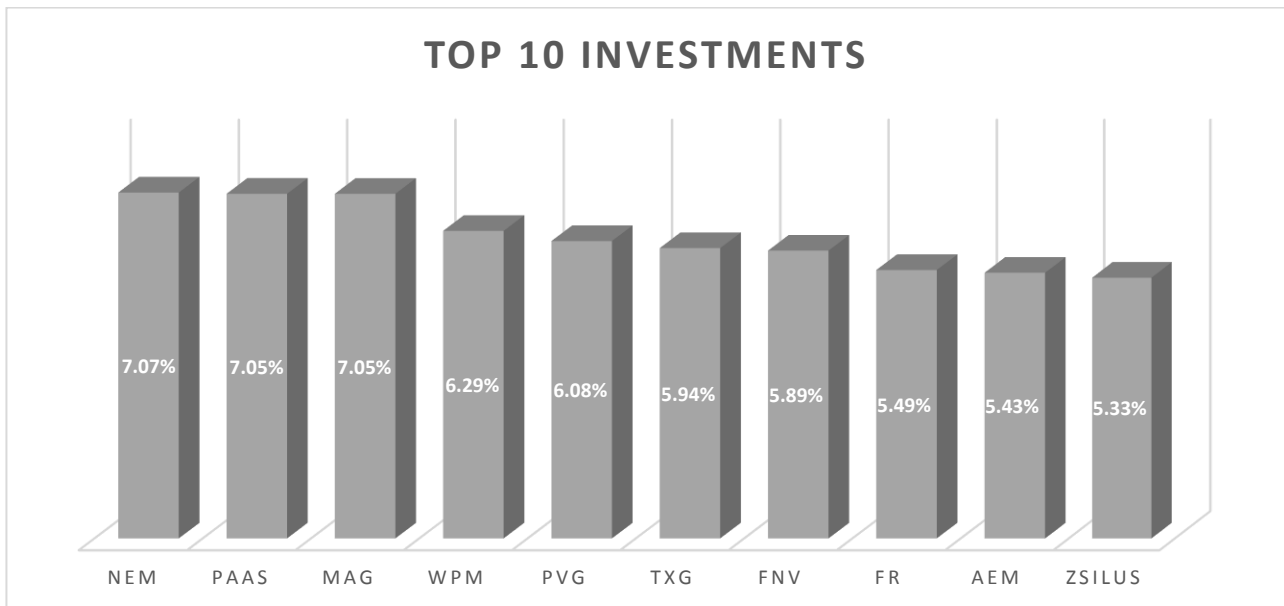
A somewhat stronger USD - due to rising yields on the bond markets - as well as profit-taking weighed on the gold price in the past quarter.

The strategy manager expects the gold price to rise again towards USD 2,000 or above in the course of the year. In chart terms, the gold price has successfully defended its support at USD 1,680. The mining stocks are very attractive at this level and offer entry opportunities again. After years of consolidation, the major mining producers have healthy balance sheets. A rising gold price will further improve their profitability and give them a large leverage to the underlying. The focus on silver and silver miners will be maintained.

PERFORMANCE / CHART – AMC vs HUI



Top 10 Investments / AuM per 31.03.2021 = CAD 5.35 Mio



Monthly Performance

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2014	-	-	-	-	-	-	-	0.68%	-15.90%	-17.00%	3.86%	3.59%	-24.39%
2015	23.77%	-7.69%	-10.25%	0.63%	2.58%	-7.51%	-14.44%	3.47%	-2.55%	7.25%	-5.61%	0.43%	-14.13%
2016	1.66%	27.89%	3.66%	26.18%	-5.68%	19.65%	11.75%	-11.73%	0.07%	-5.52%	-15.01%	-2.04%	49.02%
2017	10.47%	-3.39%	1.98%	0.98%	-0.32%	-4.57%	-4.23%	3.95%	-4.26%	1.84%	7.24%	-4.30%	4.14%
2018	-4.59%	-5.23%	3.17%	4.14%	1.58%	0.22%	-5.69%	-11.89%	-2.54%	-2.47%	-0.29%	18.56%	-7.65%
2019	3.74%	0.40%	-0.57%	-10.04%	4.58%	11.12%	7.53%	14.14%	-11.98%	4.97%	0.23%	9.26%	34.47%
2020	1.27%	-14.15%	-12.62%	42.43%	16.65%	2.16%	15.78%	-3.31%	-6.71%	-3.82%	-9.33%	9.30%	28.38%
2021	-3.87%	-8.88%	-3.01%										-15.04%

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