IXIOS ENERGY METALS

Monthly report - 30/09/2024

INVESTMENT OBJECTIVE

IXIOS ENERGY METALS is a sub-fund seeking long-term performance through exposure to shares on diversified non-precious metals & minerals mining companies. The sub-fund's objective is to outperform the MSCI ACWI Select Metals & Mining Producers ex Gold & Silver IMI NTR (Net Total Return) over an investment period of 5 years. The sub-fund promotes environmental, social and governance (ESG) characteristics and invests at least 90% of the portfolio in companies based on internal ESG rating.

HISTORICAL PERFORMANCE

Cumulative Performance (net of fees)	1 Month	YTD	1 Year	Since inception	Since inception relative
Ixios Energy Metals I - USD	10,77%	19,09%	23,65%	30,46%	6,73%
Benchmark - USD	11,20%	2,32%	13,81%	23,73%	-

Fund benchmark is MSCI ACWI Select Metals & Mining Producers ex Gold & Silver IMI NTR (M1WDS1PI)

Cumulative Performance (net of fees)	1 Month	YTD	1 Year	Since inception	Since inception relative
Ixios Energy Metals S - USD	10,80%	19,43%	24,12%	32,81%	5,97%
Ixios Energy Metals I - USD	10,77%	19,09%	23,65%	30,46%	6,73%
Ixios Energy Metals P - USD	10,66%	18,67%	23,02%	28,67%	1,34%
Ixios Energy Metals I - EUR	9,13%	17,20%	16,63%	40,53%	5,98%
Ixios Energy Metals P - EUR	9,74%	17,44%	16,69%	38,95%	0,49%
Ixios Energy Metals R - EUR	9,73%	17,23%	16,42%	-9,04%	-17,27%
Benchmark - EUR	10,29%	1,27%	7,97%	34,55%	-
Ixios Energy Metals I - CHF	9,96%	19,40%	14,06%	3,60%	-1,78%
Benchmark - CHF	10,56%	2,55%	4,95%	5,38%	-

Past performance is not an indication of future performance. It may vary over time. Reported performance is net of fees.

RISK PROFILE SRI

Lower Risk Potentially lower return — 1 2 3 4 **5** 6 7 — Higher Risk Potentially higher return

SUB-FUND FACTS

Fund inception date: 26/02/2021
Recommended investment: > 5 years
Fund domicile: France
Management Company: Ixios AM
Custodian: Société Générale
SFDR Status: Article 8

SHARE-CLASSES FACTS

ISIN Codes :
- S Class: FR0014001BS2
- I Class: FR0014001BT0
- I - EUR Class: FR0014001BU8
- I - CHF Class: FR0014002KJ0
- P Class: FR0014001BV6
- P - EUR Class: FR0014001BW4
- R - EUR Class: FR0014001BX2

Minimum Subscription :
- S Class: USD 15,000,000
- I Class: USD 100,000
- I - EUR Class: EUR 100,000
- I - CHF Class: CHF 100,000
- P & P-EUR & R-EUR Classes: 1 share

Fixed Management Fees :
- S Class: 1.00%
- I & I - EUR & I - CHF Classes: 1.35%
- P & P-EUR Classes: 2.00%
- R - EUR Class: 2.30%

Performance Fees:
15% over benchmark with High Water Mark absolute

MAIN RISKS

The main risks of the UCITS are:
Discretionary management risk;
Equity risk; Liquidity risk;
Credit risk;
Exchange rate risk;
For more information on the risks, please refer to the prospectus of the UCITS.

MANAGEMENT TEAM COMMENTARY (1/3)

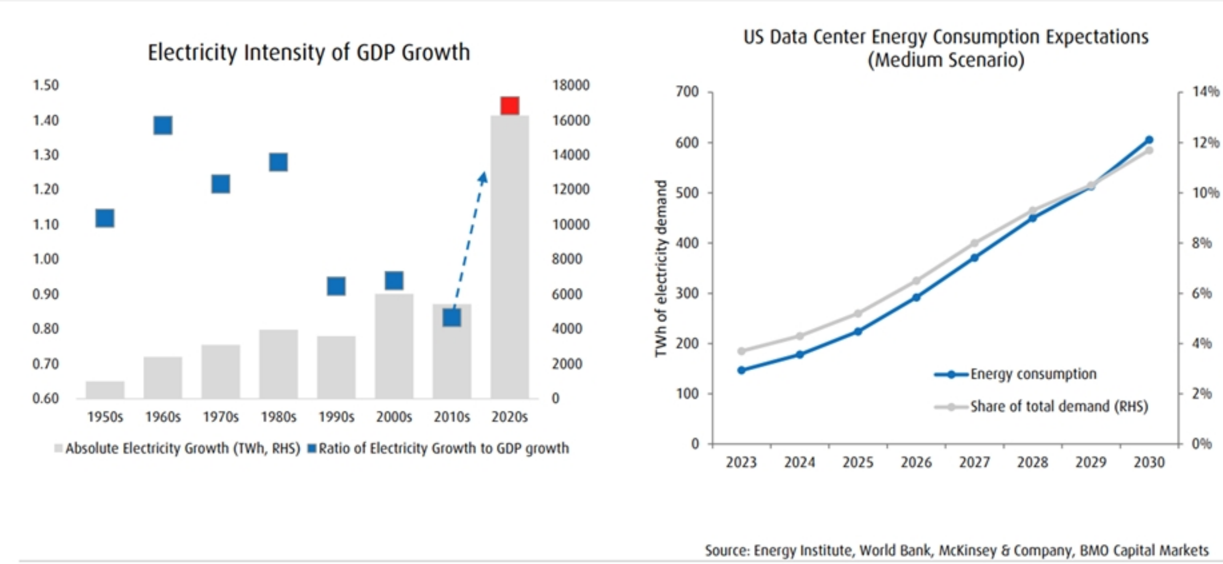
In September your fund rose by 10.7%. Base metals recovered from the summer swoon with Copper rising 6%, Nickel and Tin by 4%, Uranium by 1% and Lithium - finally showing some signs of life towards the end of the month - up 5%. Rate cuts in the US and rate cuts plus a stimulus plan in China boosted a depressed metals market where speculative shorts had been in charge for some months.

There seems to be a slowly awakening awareness in Western political circles of the strategic importance of securing the supply of metals in an increasingly fragmented geo-political landscape. The US government has floated the idea of building a national metals stockpile while Mario Draghi's recent report to the European Commission contains a damning diagnosis of the EU's huge dependence on China for both the raw materials and hardware needed to effect the Energy Transition and sustain industrial competitiveness in general.

The recommendations of the Draghi report include shortening permitting timelines and creating a mechanism for states to share some of the financial risk of sourcing supplies of metals through new mine construction. All good ideas, we shall if and when they are put into practice…

MANAGEMENT TEAM COMMENTARY (2/3)

The availability of electricity is of vital importance as GDP growth has become much more electricity intensive. Without a concerted investment in generation and transmission capacity the West is set to fall further and further behind China and the lack of power availability will be become the major constraint on growth.

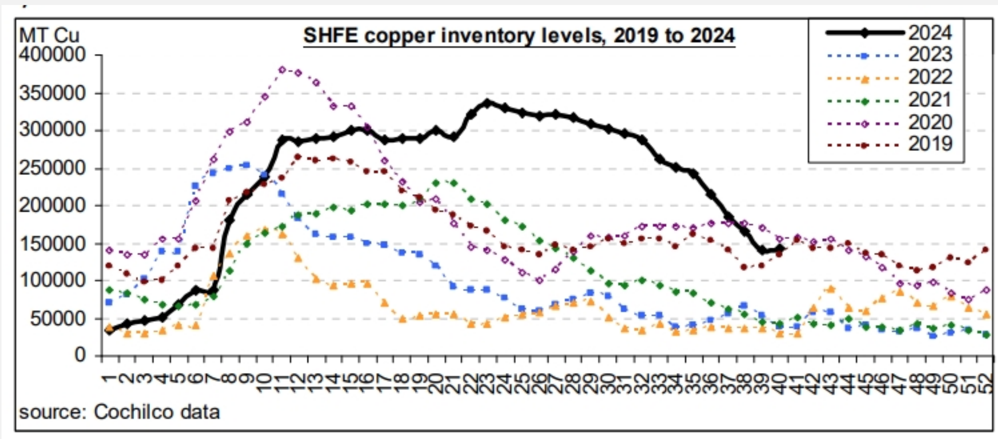


While the Uranium price was quite muted during the month the Uranium mining stocks performed well, recovering from the steep correction of the past few months. The discount on the Sprott Physical Uranium trust narrowed from 15% to zero and UEC, our largest Uranium holding rallied by 30%. News of the Microsoft financing for the restart of the Three Mile Island nuclear power station in the US captured the market's imagination and highlighted the role of nuclear in meeting the ever increasing power needs of the AI revolution. The Uranium market remains in a primary deficit while the situation in Kazakhstan, which produces 40% of the world's Uranium, continues to give cause for concern with talk of an impending nationalization of Kazatomprom going the rounds.

Lithium stocks also made a strong recovery. As mentioned here recently the signs of a bottom have been present for a month now with mine closures (due to the low price) being announced. The Chinese stimulus plan and interest cuts also gave some hope that the already massive penetration rate of EVs in China will further accelerate in the coming months. Over the weekend we also have confirmation that Rio Tinto is in discussions to launch a bid for Arcadium – a lithium brine company, listed in the US.

Tin was also a good market with rumours circulating of a huge landslide in Myanmar's tin producing district and a big shortage of concentrate for China's smelters across the border in Yunnan. Alphamin, one of our two tin holdings, came out with an extraordinary set of results as the ramp up of its mine extension starts to impact production and profits. The company doubled the dividend and the shares now yield 10% on an annualized basis. It trades on 3x EV/EBITDA, has no debt and is now producing 6% of the world's tin supply.

Copper was the strongest of the base metals markets over the month and the shares of copper producers were a strong market. China's exchange stocks of copper are now being drawn down very quickly and we would expect the stimulus plan to accelerate this process.



MANAGEMENT TEAM COMMENTARY (3/3)

We do not expect to see a large scale residential building program in China but we do expect developers to be given the credit facilities to finish the construction of an estimated 14m apartments whose completion has been stalled for some years – leaving buyers who have paid deposits out of pocket and out of a home. Completions are the bullish phase of construction for copper as wiring and air conditioners are usually added right at the end of the construction process.

Last week BHP published its annual review of the copper market and outlook. It makes some interesting points.

“Take China for example, despite its enormous appetite for copper over the past two decades, it still only has half of the copper accumulated stock-in-use per capita (e.g. buildings, machinery, vehicles) compared to developed economy, at around 100 kilograms per capita. India, the other major economy with over one billion people, also has a compelling copper story. India’s electricity consumption per capita currently stands at around one-seventh of Japan’s and one-fifth of China’s, and we expect its copper demand to grow five-fold over its pre-Covid volumes in the coming decades as electricity is made more accessible.

This traditional demand provides a solid foundation, but it does not account for the rapid acceleration of growth expected in the decades to come. That will be driven by the ‘Energy Transition’ and ‘Digital’ trends.”

Annual copper demand should be running at around 50m tonnes per annum by 2050– that compares with 30m tonnes today. Where this copper will come from is a moot point. While there are some mega projects available in the world the capex necessary to put them into production is daunting. Robert Friedland, the Chairman of Ivanhoe Mines, has estimated that incentive price to get these projects started is USD15,000/t vs today’s price of USD10,000/t.

We believe that the global race for commodity supply is only just getting underway. As the US and Europe wake up to the coming shortage and their fragile supply chains we do expect to see heightened competition for resources leading to higher prices and a huge wave of M&A across the mining industry. There is no better time to get positioned for this Supercycle.

David Finch - Vincent Valldecabres

IXIOS ENERGY METALS

Monthly report - 30/09/2024

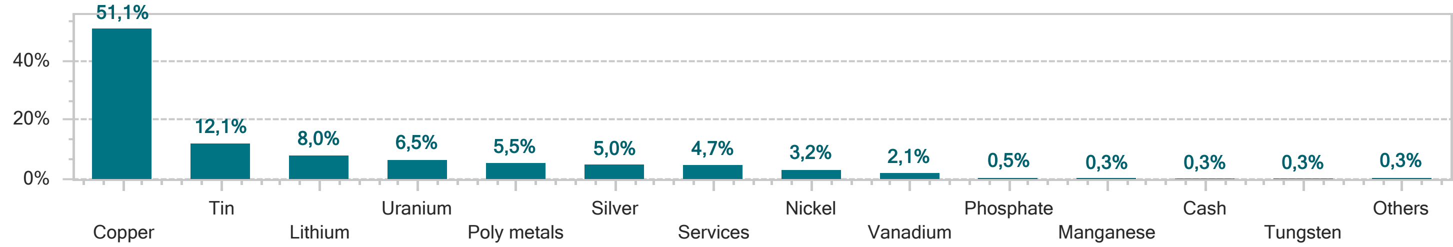
IXIOS Asset Management | Label ISR | Signatory of: PRI Principles for Responsible Investment

Ixios Energy Metals Monthly Performances

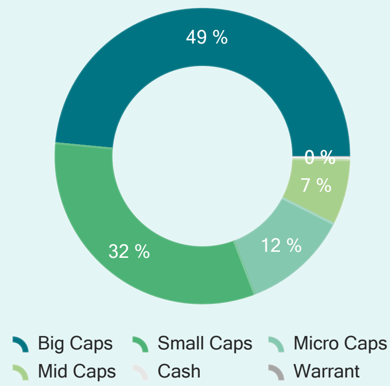
Year	I Class USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	ITD
2024	I Class	-5,77%	-3,02%	8,03%	9,93%	7,15%	-9,60%	0,99%	1,26%	10,77%	-	-	-	19,09%	30,46%
	Benchmark*	-5,61%	-3,59%	5,96%	2,41%	2,68%	-5,66%	-1,93%	-1,92%	11,20%	-	-	-	2,32%	23,73%
2023	I Class	12,16%	-5,08%	-0,95%	-1,12%	-8,41%	8,96%	4,24%	-8,73%	-4,05%	-8,63%	4,99%	8,25%	-1,36%	9,55%
	Benchmark*	12,90%	-8,07%	0,17%	-3,38%	-8,65%	9,15%	7,78%	-6,85%	-0,88%	-6,51%	8,92%	9,25%	10,88%	20,93%
2022	I Class	-3,32%	10,03%	11,66%	-8,20%	-6,57%	-25,20%	1,83%	-0,15%	-8,52%	2,89%	14,15%	2,96%	-14,29%	11,06%
	Benchmark*	0,00%	12,26%	7,74%	-10,53%	0,56%	-19,58%	2,90%	0,51%	-7,59%	3,45%	20,65%	-1,03%	3,31%	9,06%
2021	I Class	-	-	-3,71%	14,98%	8,72%	-7,59%	3,12%	-1,70%	-3,45%	15,91%	-2,63%	5,46%	29,58%	29,58%
	Benchmark*	-	-	-1,64%	9,20%	4,29%	-4,01%	5,24%	-3,55%	-10,12%	3,04%	-4,12%	8,94%	5,57%	5,57%

* Fund benchmark is MSCI ACWI Select Metals & Mining Producers ex Gold & Silver IMI NTR (M1WDS1PI)

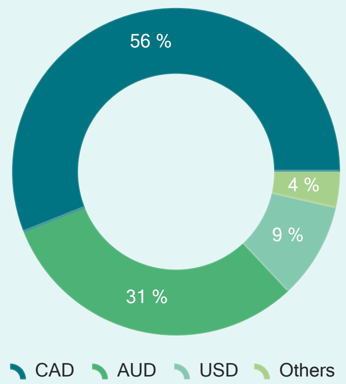
EXPOSURE BY METALS



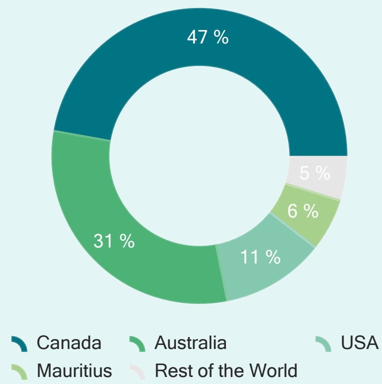
MARKET CAP BREAKDOWN



CURRENCY BREAKDOWN



COUNTRY BREAKDOWN



Micro Caps < $100M <= Small Caps < $500M <= Mid Caps < $1B <= Big Caps

ESG INDICATORS

ESG Indicators	Fund		Universe	
	Score	Coverage Ratio	Score	Coverage Ratio
Board Independence (%)*	**64%**	**95%**	**29%**	**100%**
Female Executives (%)*	**14%**	**95%**	**6%**	**100%**
Code of Business Ethics (Y/N)	89%	95%	40%	100%
Carbon Intensity (tCO2 / M$ sales)	66	13%	1,446	27%
UN Global Compact Signatories (#)	4	95%	99	100%

* Indicator with Engagement

RISKS INDICATORS

Risk Indicators	1 Year	Since inception
Volatility I - USD	24,23%	27,89%
Volatility - Benchmark	18,49%	23,69%
Tracking Error	14,38%	
Information Ratio	0,68	

ESG factors are fully integrated into the investment process of Ixios Gold fund. ESG reporting is available on our website for more information.

Source: Ixios AM