

SF Peterhouse Smaller Companies Gold Fund

March 2016 Fact Sheet



Fund Manager



Amanda van Dyke

Amanda van Dyke is a portfolio manager at Peterhouse Asset Management and mining equity and gold specialist. She has been previously with the mining teams of GMP, Pareto, and Dundee Securities, as an analyst and mining specialist sales person. She is also the Chairman of Women in Mining UK, and a member of the advisory board of Mines and Money London. She has authored numerous research reports as well as articles on the mining sector. She is a professional gemmologist, and holds an MBA and MA in International Economics, from SDA Bocconi and China Europe International Business School.



Stephen Watson

Stephen Watson is a portfolio manager at Peterhouse Asset Management running international multi-asset and equity portfolios. Previously he ran the 4* Morningstar rated international equity funds at Northern Trust with Stephen Dowds and was responsible for pan-European and Eurozone accounts at Northern Trust Global Investors. Before that he was a Director at Framlington Investment Management where he was head of European equities. Stephen has a BA Hons degree in Politics from Durham University.

Strategy and Outlook

Market Overview

The gold price continued to power ahead in March, pausing only for a mid-month dip before closing strongly to end the quarter close to year highs of \$1245. Valuation among gold companies and smaller gold companies in particular look especially attractive with companies like Keras, Noricum and Oban trading significantly below the value of their assets.

Outlook

Gold demand is expected to outstrip supply in 2016 with even successful larger global mining companies like Kinross and Yamana having to look further ahead for their new fields, west Africa in the case of Kinross and South America in the case of Yamana.

We remain convinced a new bull market in gold has begun and we believe December marked an important low in the cycle after a four and a half year bear. With the average bull market in gold historically of 49 months duration and the average gain 218% we believe that there is further to come. We believe that it is also time to look at silver, the performance of which has lagged initially in this cycle, but that historically follows gold and should revert closer to the historical long term gold/silver ratio of 60/1 vs the 80/1 it is presently trading at.

Portfolio Analysis

Asset Mix (%)

UK	51.0	<div style="width: 51.0%;"></div>
Canada	26.8	<div style="width: 26.8%;"></div>
Cash	7.4	<div style="width: 7.4%;"></div>
Ireland	5.5	<div style="width: 5.5%;"></div>
Netherlands	5.0	<div style="width: 5.0%;"></div>
US	4.4	<div style="width: 4.4%;"></div>

Top Ten Holdings (%)

B2Gold	6.5
Kinross Gold	6.4
Ovoca Gold	5.5
Centamin	5.1
Nord Gold	5.0
Noricum Gold	5.0
Caledonia Mining	4.6
Hecla Mining	4.4
Hummingbird Resources	4.2
Shanta Gold	4.2
Total	50.9

Total Number of Holdings 29

Fund Aim

It is the Company's policy to seek to invest at least 80% of its core investment portfolio in securities of companies which are predominantly involved in the mining, exploration, development and production of gold. Up to 20% of the Company's core investment portfolio may be invested in the securities of companies predominantly engaged in the mining, exploration, development and production of silver and other precious metals.

Fund Facts

Structure	UCITS OEIC
Domicile	UK
Dealing	Daily
Launch Date	7 September 2009
Sector	Lipper Global Equities: Equity Sector Gold & Precious Metals
Fund Size	£1.1m

Fund Price

A Class	27.26
B Class	TBC

Availability

Wrap Platforms
Life Office Bonds



Performance and Activity

Fund Performance

The fund had an excellent month in March, rising 4.8% (£) with strong performances from Australian miner Keras which doubled in value in the month, Georgia focused explorer Noricum, which rose 30% and Asa Resources up 50%, showing that even small production profiles can gain incredible traction in this rising gold market.

Fund Activity

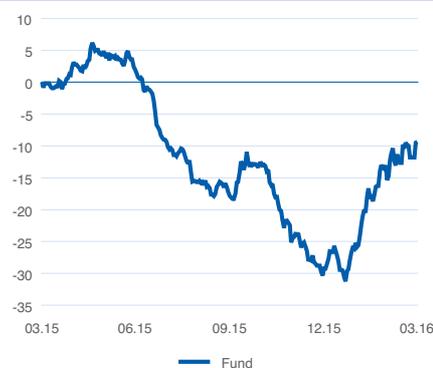
We continued to add to high quality mid-cap and interesting junior gold miners like Caledonia Mining, special situations like Oban and introduced silver exposure by buying into some top notch silver deposits via Hecla, the US's largest silver producer and one of the lowest cost producers in the world.

Theme - Stock Story

It's global low and negative interest rate policies that are pushing negative real returns. We believe the only true and consistent driver of the gold price is declining real rates. When inflation rises faster than rates, gold rises. That is what happened in the 1970s and in the mid-2000s. But this is far from the only reason gold will rise in 2016, there is a convergence of major macroeconomic factors that together form the bullish case for gold. For a number of fundamental and technical reasons we believe we are in the early stages of a bull market, and see the sector trending higher in the months ahead. From political uncertainty in the USA, refugee crises in Europe, Asian demand pushing gold demand to all time highs, the low correlation with traditional asset classes, the longer term effects of quantitative easing working their way into the market, and the international interest in adding gold to the currency basket, it really is gold's perfect storm.

Smaller gold companies with near term production that is mineable at present prices, as well as the optionality of a significant resource bank, are best poised to outperform in this environment. There are up to 1,000 overall that we screen from around the world and via a combination of quantitative analysis and bottom up qualitative research we sift down to around 100 resulting in a portfolio of around 25 or 30 positions, focused on high quality assets and security of either present or future cash flows.

Twelve Month Performance (%)



Cumulative Performance (%)

	YTD	1m	3m	6m	1y	3y	5y
Fund	28.1	4.8	28.1	10.3	-9.4	-58.4	-87.3

Discrete 12 Month Performance (%)

	31.03.15	31.03.14	29.03.13	30.03.12	31.03.11
Fund	-9.4	-16.8	-44.8	-49.9	-39.1

Source: Lipper, total return, mid to mid, excluding the effect of initial charge, income reinvested gross of UK tax, in GBP, to 31.03.16. Copyright 2016 © Lipper, a Thomson Reuters company. All rights reserved.

Important Information

Please remember if your investment falls in value you can lose money. Past performance is not a reliable indicator of future returns. If you are in any doubt as to the suitability of the investment, you should seek financial advice.

Literature

www.peterhouseam.com

Investment Manager

Peterhouse Asset Management Limited

ACD

Sharefunds Limited

Codes

	A Class
ISIN	GB00B3YQ8554
SEDOL	B3YQ855
	B Class
ISIN	GB00BNGMZG14
SEDOL	BNGMZG1

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