



# SF PETERHOUSE SMALLER COMPANIES GOLD FUND

30 June 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.

## Market Review

The UK's decision to vote in favour of leaving the European Union in a nationwide referendum on 23rd June – or 'Brexit' – has significantly boosted prospects for both gold and silver. The Brexit vote has led to a significant increase in economic and political uncertainty just in the UK, but also within the Eurozone. There are early signs of contagion to the rest of Europe. Populist parties in a number of other EU countries are already calling for referenda of their own. As the EU is the single largest economy in the world this uncertainty is weighing heavily in world markets. JP Morgan economists among others have suggested that Brexit has probably shaved a quarter of a percentage point off of world growth which has been stuck between 2-3% for the last 6 years. Given this, it is not surprising that the price of gold has performed strongly since the referendum, reflecting both its traditional role as a global safe haven and the further scaling back of expectations for US interest rates. What's more, the price of gold has risen in dollar terms despite the broad-based strength of the US currency itself.

We are wary of becoming carried away. The initial panic in the wake of the shock result has faded. UK equities have rebounded. This is a mixed backdrop for gold. Safe-haven demand is likely to fade if the worst fears over the impact of Brexit are proved wrong. However, an extended period of ultra-low interest rates would clearly be favourable. Indeed, government bond yields are now negative in much of Europe and in Japan, increasing the relative appeal of gold.

In the near term, the markets have probably gone too far in expecting the Fed to leave US interest rates on hold for at least the next twelve months. The reality is that, so far, the global financial system has weathered the Brexit shock pretty well. Meanwhile, the US economy is gathering pace again and domestic wage and price pressures are building.

## Portfolio Analysis

### Asset Mix (%)

UK	38.5	<div style="width: 38.5%;"></div>
Canada	44.8	<div style="width: 44.8%;"></div>
Cash	10.8	<div style="width: 10.8%;"></div>
Australia	5.3	<div style="width: 5.3%;"></div>
US	4.3	<div style="width: 4.3%;"></div>
Commitments	-3.7	<div style="width: -3.7%;"></div>

### Top Ten Holdings (%)

Rye Patch Gold	8.2
Kinross Gold	5.3
Osisko Mining	4.9
Hummingbird Resources	4.9
Shanta Gold	4.9
Endeavour Mining	4.7
Hecla Mining	4.3
Centamin	3.9
Lundin Gold	3.7
Condor Gold	3.7
<b>Total</b>	<b>48.6</b>

**Total Number of Holdings** 35

## 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	£2.1m

## Fund Price

A Class	39.31 pence
B Class	112.91 pence

## Availability

Wrap Platforms  
Life Office Bonds



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## Portfolio Activity and Outlook

### Activity

We added Rye Patch Gold to the portfolio in June. Rye Patch now has two significant assets in Nevada, where it recently concluded a deal with the mine next door which was in administration, it was an extremely value accretive deal, and should be back into production by year end to produce over 80koz pa, and their original property which is right next door has over 2m oz of resource and will likely supplement the production on the original mine in short order. All of our portfolio holdings have performed both in line with the rising gold price or exceeding the gold price rises by 2-3x. We anticipate news from several companies in the coming months including but not exclusive to Dalradian Resources, Terrax and Noricum Gold.

### Outlook

Gold has once again demonstrated its value as a safe haven. This is important and means that any pull-backs are likely to be temporary. Indeed, other potential shocks lie ahead, including the prospect of a fresh bout of political uncertainty ahead of (and perhaps after) the US Presidential election in November. There is also still a significant risk that contagion from Brexit to the rest of Europe will prompt a resurgence of the debt crisis in the southern economies of the euro-zone, or even speculation that other countries will break away from the EU too.

What's more, even if safe-haven demand does fade, the downside for gold should be limited by a renewed focus on the risks of higher inflation after years of exceptionally loose monetary policy. Demand from central banks and households in key emerging markets, including China, is likely to remain strong. Our year end target for gold has now increased from 1400 to 1500. Medium term bullish factors for gold are contagion in Europe, a deadlock on Brexit, monetary easing in Japan the UK and Europe, bearish factors would be a favourable fast Brexit deal and or a rate rise in the US. Longer term regardless of all of these factors, a devaluation of the US currency to address the US trade balance will likely be employed by whichever candidate wins the presidency, and that will be very good for gold indeed.

### Twelve Month Performance (%)\*



### Cumulative Performance (%)

	YTD	1m	3m	6m	1y	3y	5y
Fund	84.7	22.9	44.2	84.7	28.1	-9.1	-77.8

### Discrete 12 Month Performance (%)

	30.06.15	30.06.14	28.06.13	29.06.12	30.06.11
	30.06.16	30.06.15	30.06.14	28.06.13	29.06.12
Fund	28.1	-10.3	-20.9	-53.4	-47.7

\*SF appoints Peterhouse as Investment Manager on 20 January 2016.

Source: Lipper, total return, mid to mid, excluding the effect of initial charge, income reinvested gross of UK tax, in GBP, to 30.06.16. 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](http://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

### Issued by

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