

GLOBAL RESOURCES

INVESTMENT TRUST

LSE: GRIT

July 2015

“Single access point to multiple global resource projects, an opportunity for investors to spread exposure”

GRIT is an investment fund specializing in the natural resources industry. The fund primarily invests in small and medium sized listed companies that have been identified by our investment team as being undervalued. GRIT was listed on the LSE on 7th March 2014

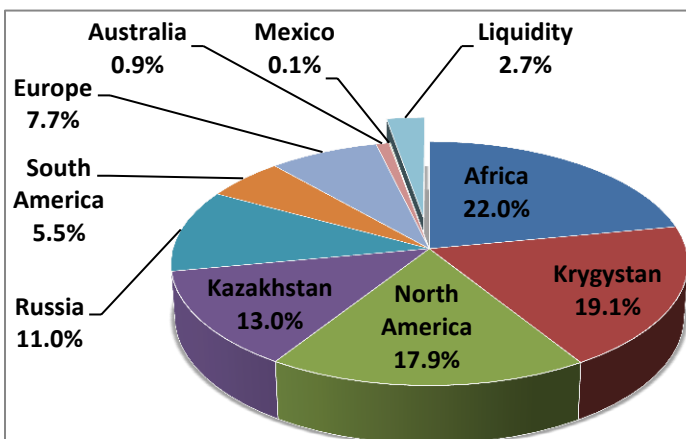
Key Information

NAV	–	41.06
Share Price	–	12.75p
Discount to NAV	–	(68.95)
Total Shares	–	39,570,012
Market Cap	–	£5.04m

Performance 1st – 31st Jul

	1 Mo.	3 Mo.	Inception.
GRIT – NAV	-12.50	-17.20	-58.90
– Price	-12.10	-20.30	-87.30
FTSE 100	+2.70	-3.80	-0.20
Euro Global Mining Index	-13.20	-25.60	-40.30
AIM Basic Resource Index	-6.90	-2.30	-33.00
XAU Gold Spot Price (US\$)	-6.80	-7.40	-18.20

Portfolio by Country



Top 10 Holdings 31st July 2015

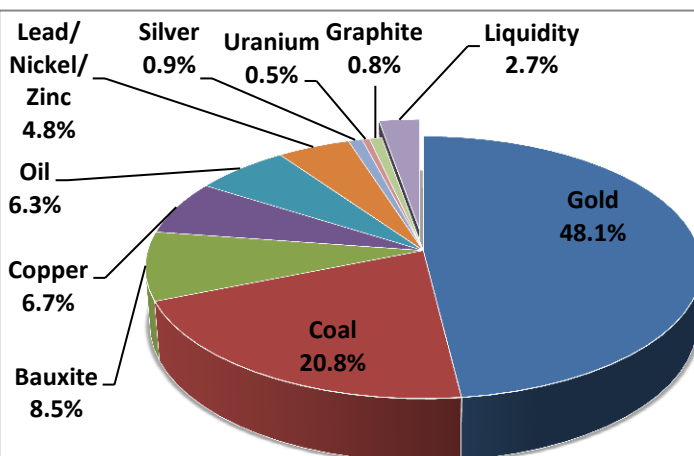
Percentage of Portfolio

Arakan Resources – Loan Note	14.70%
Alhambra Resources – Loan Note	13.37%
Siberian Goldfields – Loan Note	11.26%
Merrex Gold	10.29%
NuLegacy Gold	6.39%
Tirex Resources	6.00%
Anglo African Minerals	5.60%
Arakan Resources	4.96%
Inca One Resources	3.88%
Saturn Minerals	3.23%
Total	82.68%

Liquidity* 2.7%

**Liquidity = net current assets including cash held as 12 months interest accrual per terms of the convertible loan note instrument*

Portfolio by Commodity



Comment -

Simply put, July has been another bad month for commodities, with the feature undoubtedly being the unexpected break in the gold price. Having recently found solid support just below \$1200, an abnormally large sell order on the Shanghai Gold Exchange in the early hours of Asia trading caused the sharp break. On an exchange not normally known for high volume gold trading, gold to the value of \$2.7bn was aggressively sold, causing the price to slump from \$1150 to \$1090, a level where it currently appears to have stabilised. Initially, the report that China's official gold reserves had only increased by 600 tonnes over the past six years, to 1658 tonnes, or 1.6% of total foreign exchange reserves, was seen as highly disappointing. Several other explanations were put forward, about which we can only speculate.

Against this background, gold shares have fallen to their lowest level for over ten years as measured by the XAU Index, an index of producing gold and silver companies. The gold/XAU ratio at 24 touched the lowest ever level, compared with a level of 10-12 only three years ago. This shows that gold shares are now at their lowest level ever relative to the gold price. While profitability is under severe pressure, meaningful progress is being made to reduce costs and this is helped by lower energy and other input costs. The juniors had declined ahead of the producers, but the Fund's primary holdings in Merrex, IncaOne and Nulegacy have held up relatively well, with Merrex's recent drill results putting it within ten per cent off its all-time high.

Elsewhere, things were not much better, with the Bloomberg Commodity Index hitting a six-year low, with base metals under pressure and oil weakening on the US/Iran sanctions deal. The slowdown in China has had a significant effect considering that the country now consumes +40% of the world's base metal production. Production cuts are being implemented and some marginal mine closures are being affected, but the benefits are only likely to be felt in 2016. On a positive note the likelihood of a period of protracted low energy prices will be beneficial for the Western world economies.

Kjeld Thygesen & David Hutchins
RDP Fund Management LLP
11 August 2015

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