

# GLOBAL RESOURCES

## INVESTMENT TRUST

LSE: GRIT

June 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

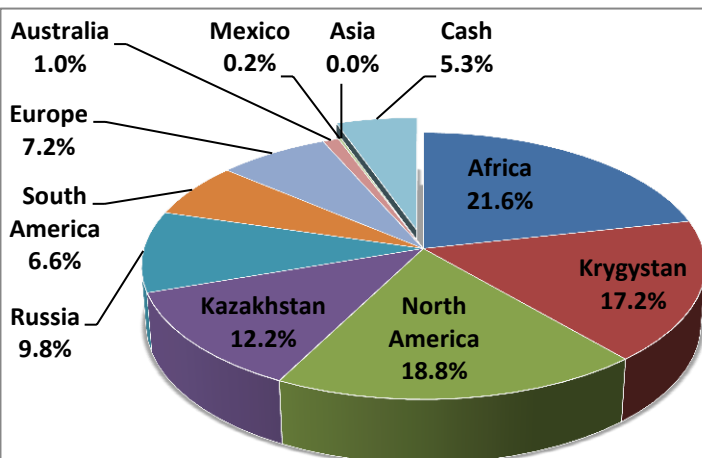
### Key Information

|                 |   |            |
|-----------------|---|------------|
| NAV             | – | 46.95      |
| Share Price     | – | 15.00p     |
| Discount to NAV | – | -67.83     |
| Total Shares    | – | 39,570,012 |
| Market Cap      | – | £5.93m     |

### Performance 1<sup>st</sup> – 30<sup>th</sup> Jun

|                            | 1 Mo.  | 3 Mo.  | Inception. |
|----------------------------|--------|--------|------------|
| GRIT – NAV                 | +0.70  | -2.70  | -53.10     |
| – Price                    | -3.30  | -6.50  | -85.50     |
| FTSE 100                   | -6.60  | -3.70  | -2.90      |
| Euro Global Mining Index   | -10.30 | -8.30  | -31.20     |
| AIM Basic Resource Index   | -6.80  | +16.00 | -28.00     |
| XAU Gold Spot Price (US\$) | -1.30  | -0.80  | -12.30     |

### Portfolio by Country



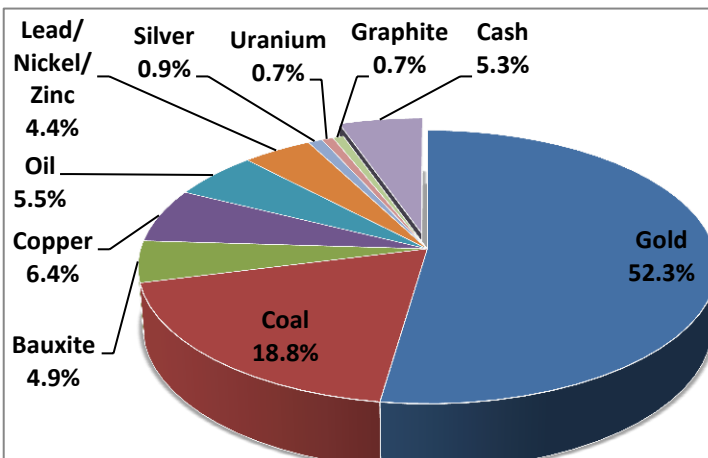
### Top 10 Holdings 30<sup>th</sup> June 2015

### Percentage of Portfolio

|                                 |              |
|---------------------------------|--------------|
| Merrex Gold                     | 14.60        |
| Arakan Resources – Loan Note    | 13.56        |
| Alhambra Resources – Loan Note  | 12.93        |
| Siberian Goldfields – Loan Note | 10.38        |
| NuLegacy Gold                   | 6.18         |
| Tirex Resources                 | 5.44         |
| Inca One Resources              | 5.35         |
| Anglo African Minerals          | 5.19         |
| Arakan Resources                | 4.57         |
| Saturn Minerals                 | 3.40         |
| <b>Total</b>                    | <b>81.60</b> |
| Liquidity*                      | 5.3          |

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

### Portfolio by Commodity



## Comment -

The dominant influence in all world markets in June was the slump in the Shanghai index, which saw over \$2trillion wiped off the Chinese market. This had a depressing effect on the bulk commodities, base metals and precious metals. The energy complex did not escape either, as perceptions of a deal on Iran's nuclear programme heightened the possibility of increased oil production, further depressing the oil price.

In such volatile conditions few resource stocks were able to respond, although most are already extremely depressed, trading at or close to all-time lows. The majors continue to try and sell off non-core assets in order to reduce debt, rationalise operations and strengthen their balance sheets. Merger and takeover activity has been particularly active in the small to mid-size gold sector, as companies look to consolidate operations, build critical mass, and reduce costs. In the first half of 2015 there have been over fifteen gold company deals, eight among producers and seven among developers. In the current market it is easier, and in some cases cheaper, to acquire ounces in the market, than through exploration.

The gold price continues to be depressed by the strong Dollar, although it appears that a disproportionate amount of activity is taking place in the futures (paper) markets. Despite the turmoil in financial markets and the problems within the Euro and Greece, the net long position in the gold market is the lowest since 2006, when gold was less than \$600. In contrast, the short position is at a record high of 10.8m ounces, or 306 tonnes – this is more 10% of world new mine production! At some point these positions will have to be covered, setting the stage for a sharp rally. Our two largest gold positions, Merrex and IncaOne, are holding up well as their respective projects are progressing positively.

In the current economic and resource environment performance is likely to remain muted. The pruning of the portfolio continues where possible as we increase emphasis on fewer core holdings that have real growth potential.

Kjeld Thygesen & David Hutchins  
RDP Fund Management LLP  
21 July 2015

### **Important Information**

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