

# GLOBAL RESOURCES

## INVESTMENT TRUST

LSE: GRIT

FSE: 26G

October 2014

*“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 stocks that have been identified by our investment team as being undervalued.

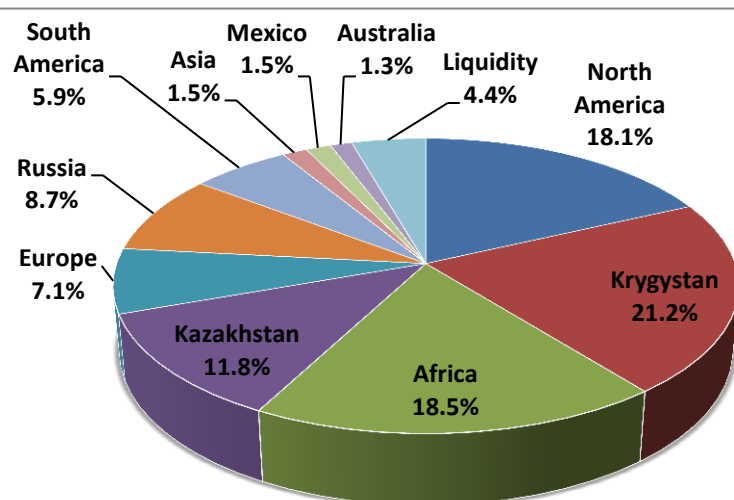
### Key Information

NAV	–	54.70
Share Price	–	30.50
Discount to NAV	–	-44.24
Total Shares	–	39,570,012
Market Cap	–	£12.07m

### Performance 1<sup>st</sup> - 31<sup>st</sup> Oct.

	1 Mo.	3 Mo.	To Date.
GRIT – NAV	-10.70	-15.30	-45.30
– Price	-6.20	-12.90	-69.50
FTSE 100	-1.20	-2.70	-2.50
Euro Global Mining Index	-5.40	-24.20	-19.70
AIM Basic Resource Index	-8.10	-20.90	-29.30
XAU Gold Spot Price (US\$)	-3.00	-8.60	-12.40

### Portfolio by Country



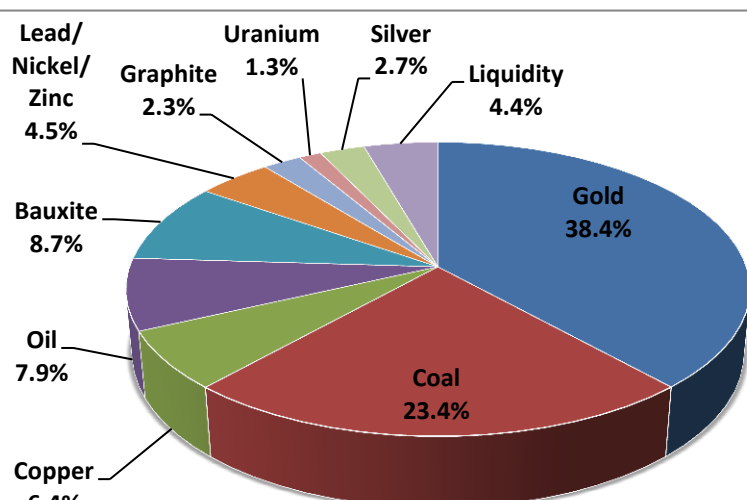
### Top 10 Holdings 31<sup>st</sup> October 2014

### Percentage of Portfolio

Arakan Resources – Loan Note	13.8%
Alhambra Resources – Loan Note	12.4%
Anglo African Minerals	9.1%
Siberian Goldfields – Loan Note	9.0%
Arakan Resources	8.4%
Merrex Gold	5.7%
Tirex Resources	5.4%
NuLegacy Gold	3.9%
Inca One Resources	3.3%
Saturn Minerals	3.2%
<b>Total</b>	<b>74.2%</b>
Liquidity*	4.4%

\*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 decline in the NAV for October largely reflects the weaker gold price and the decline in gold stocks held in the fund. Against a background of an improving US economy, a strong stock market and firmer dollar, the gold price broke below the support level of \$1180-1200. This had a negative effect on our prior better performers such as Merrex and Inca One. As measured by the XAU Gold/Silver mining index, gold equities are at their lowest ratio to the gold price for over five years.

However, physical demand for gold is reported to be strong. Imports into India have risen sharply, China has been acquiring undisclosed amounts of gold, and Russia reported it had increased its reserves by 37 tonnes in September to a record 1,150 tonnes. The market may receive support depending on the outcome of the Swiss referendum later this month. The Swiss will vote whether or not to increase their official reserves to 20%, from the current 7%. Should there be a Yes vote the Swiss central bank will be forced to buy the equivalent of half the world's annual new mine supply.

Overall the resource sector remains weak. The GRIT NAV over the past three months has declined 15% whereas the Euro Global Mining Index and the AIM Basic Resource Index declined 34% and 21% respectively, illustrating the malaise in the sector. Notwithstanding this, there are some positive developments with some of our investments. Anglo African Minerals announced a maiden resource statement of 43m tonnes inferred, for its FAR bauxite deposit in Guinea. This was compiled by SRK Consulting in compliance with the JORC ore reserve code. A scoping study is expected by end 2014. Apogee Silver has signed a definitive agreement with Prophecy Coal where by Prophecy will acquire the Pulacayo Paca silver deposit in Bolivia. PCY will issue 60m new shares to Apogee and take on the financing and development of the 70 m ounce project.

Although valuations of many of the development companies are highly attractive, it may still be some time before there is any reasonable recovery as the market enters the Canadian tax loss selling season. In the meantime we continue to work with many of our investee companies to assist with ongoing development and funding.

Kjeld Thygesen & David Hutchins  
November 6<sup>th</sup> 2014

### **Important Information**

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