

GLOBAL RESOURCES

INVESTMENT TRUST

LSE: GRIT

September 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	–	35.40
Share Price	–	8.50p
Discount to NAV	–	(75.99)
Total Shares	–	39,570,012
Market Cap	–	£3.36m

Perform. - 1st Sept – 7th Oct

	1 Mo.	3 Mo.	Inception.
GRIT – NAV	(10.27)	(24.60)	(64.60)
– Price	(23.60)	(41.38)	(91.50)
FTSE 100	+1.25	(2.99)	(5.76)
Euro Global Mining Index	(0.17)	(17.93)	(43.53)
AIM Basic Resource Index	(1.32)	(11.90)	(36.54)
XAU Gold Spot Price (US\$)	+0.98	(2.32)	(14.34)

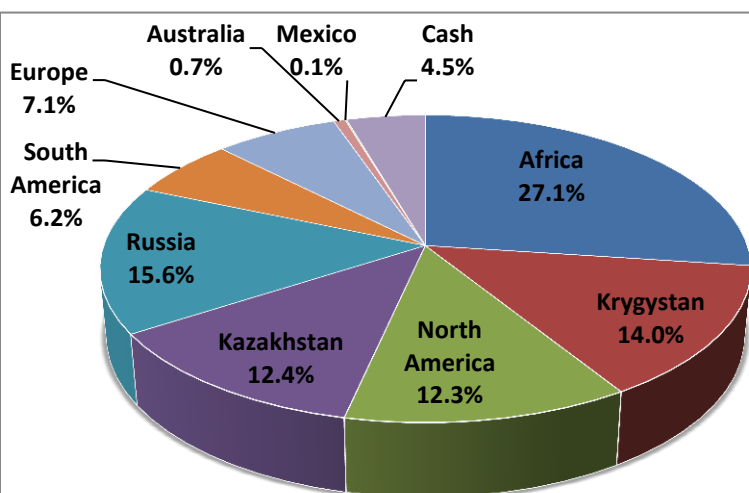
Top 10 Holdings 1st Sept – 7th Oct 2015

Percentage of Portfolio

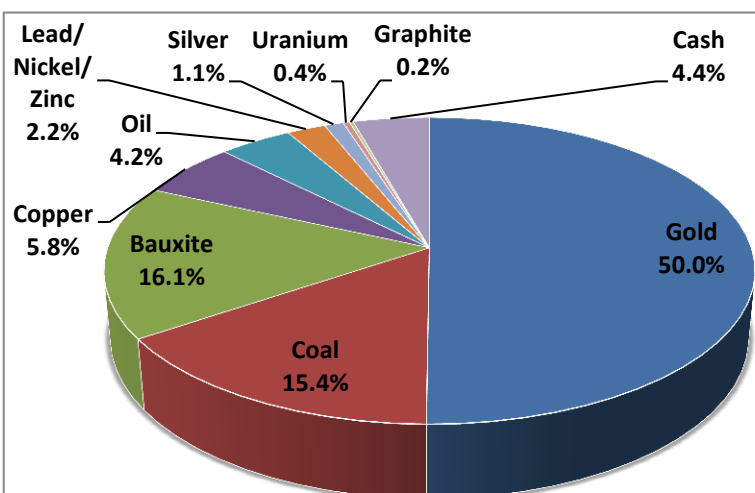
Arakan Resources – Loan Note	14%
Anglo African Minerals	13%
Alhambra Resources – Loan Note	13%
Siberian Goldfields – Loan Note	13%
Merrex Gold	11%
NuLegacy Gold	5%
Tirex Resources	5%
Anglo African Minerals – Loan Note	4%
Inca One Resources	4%
Arakan Resources	3%
Total	85%
Liquidity*	4.4%

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

Portfolio by Country – As at 7th Oct 2015



Portfolio by Commodity – As at 7th Oct 2015



Comment -

The China story continues to dominate the macro economic news with the manufacturing index falling to a six and a half year low. Reflecting this, and the fear of a downgrade of its debt rating, the share price of Glencore, fell almost 30% in a one day, which also prompted a knock on effect on the other majors such as BHP and Rio Tinto, with their share prices falling to new lows for the current cycle. Prices have since stabilised as selling pressure has eased, but it remains to be seen whether the “Glencore moment” has “set” the low for the major mining stocks.

While the base metal sector remains subdued, signs of life have returned to the gold market. The prospect of a rate rise in the US this year had been weighing on the gold price, but slower economic growth than expected has weakened the case for a rate rise. The gold price rose has recovered from below the \$1100 level to be trading in the mid \$1100 range on strong physical demand. So far this rise in the physical gold price has only impacted the gold producers which normally lead any recovery, followed by the developers.

The Fund is well exposed to several promising juniors who make up almost 50% of the portfolio. The largest listed gold holding, Merrex Gold, has continued to reported excellent results from the last phase of its 2015 drill programme. The results of this programme will be incorporated into a maiden resource estimate, due before year end.

IncaOne, which processes high grade gold ore from the artisanal miners in Peru, has made modifications to its mill and processing plant at Chala, which has increased operating margins from 25% to 40-50%. The company is embarking on an ambitious expansion programme looking to raise up to \$20m to increase production from 100 tonnes per day to 500 tpd, by acquiring additional plants from other areas in Peru. A significant increase in production is expected over the next 2-3 years.

Finally, NuLegacy Gold, has recently confirmed the completion of its earn-in to a 70% working interest in the Iceberg deposit from Barrick in the prolific Cortez trend in Nevada. The overall resource estimate of the deposit at this stage is 90-110 m tonnes at an average grade of 1g/t, which includes zones of higher grade material.

Subsequent to the month end, but reflected in the performance figures and other statistics quoted here, which are as at 7 October 2015, the NAV includes a number of downward revisions to the carry values of a number of the unquoted investments to reflect the particularly challenging market environment for junior resource companies at the moment. These adjustments have caused the Fund to breach the cover ratio undertaking related to the convertible loan notes. The cover ratio has since been restored within the ten day remedy period and the Board continue to closely monitor this situation.

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

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