

RESOURCE ACCOUNTS

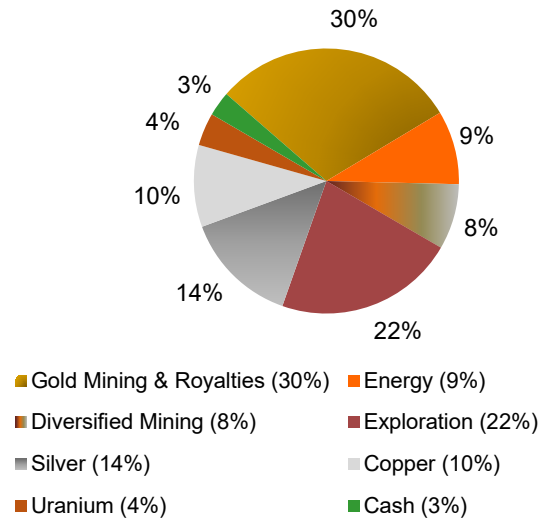
Resources are an essential component of life. Everything we use is either grown or mined. Our Resource Accounts can invest in the broad range of resources. At most times, the emphasis will be on producers of the metals, as well as quality exploration companies. Because of the cyclicity of resource markets, at various times, different commodities may dominate an account. Many companies, both producers and explorers, are active in more than one commodity.

There is a secular trend towards higher demand, with growth in Asia and other “emerging” areas. China is a dominant consumer of many commodities, including oil and copper (#1 in the world in both). Demand can be volatile, however, while supply can be particularly erratic.

Because of both supply and demand patterns, resources are extremely cyclical, providing for significant gains as well as risks. An investor should be prepared for considerable volatility which is inherent in this sector.

Outsized gains can only be achieved if one is prepared for this. The long-term factors remain intact. There remains a paucity of major new projects for many metals. Now, as China finally opens after COVID lockdowns, demand has picked up again, with an emphasis on resource required both for infrastructure, and for electrification (of the power grid and of vehicles). We are emphasizing these resources, particularly copper, nickel and silver, in addition to gold. We are also building positions in oil & gas. The longer-term fundamentals for most resources remain positive and we shall use the current weakness to build positions.

Account Allocation* 10/2023



Top Holdings

representative as of October 2023

Franco-Nevada	Orogen Royalties
Wheaton Precious Metals	Lara Exploration
Altius Minerals	Nova Royalties
Pan American Silver	Southwestern Energy
Freeport Copper	Sprott Physical Uranium Trust

*NOTE: This “allocation sheet” is intended to provide an idea of what a new account in this category might look like, based on current largest holdings and what we are currently buying. The 10 stocks listed are not necessarily our current largest holdings, nor would a new account necessarily include all these positions. The composition of the portfolios will vary for individual clients and is subject to change at any time at the manager’s full discretion. Prepared on October 5, 2023 for potential clients.

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