



**Monthly Report November 2018**

The economic and financial environment is entering a new era. Rising interest rates and quantitative tightening in the US are likely to spell the end of 10 years of easy gains in many asset classes. Consumer, corporate and national debt levels have climbed significantly, which will magnify the coming financial stresses of higher rates and overall tighter liquidity. These factors will be critical in making 2019 a watershed year for economic growth as well as equity and financial markets.

We have prepared a detailed market comment examining these issues and potential outcomes, which takes the place of the normal monthly newsletter.

The comment also discusses how gold and commodities stand to benefit from these changes. It then delves into the gold equity sector, highlighting some surprising valuations, and analyses the past quarter trends and performance for both the overall sector and the fund.

We hope the market comment will provide food for thought on the global macro environment, financial markets as well as gold, miners and the Craton Capital funds ([Market Comment](#) | [Chartbook](#)).



Source: Bloomberg, Craton Capital; data in USD

Fund Performance — Benchmark

The Craton Capital Global Resources Fund offers investors the opportunity to invest in companies and issuers which have direct exposure to natural resources and/or are active in the exploration, development, production, processing, transportation and distribution of natural resources or provide services to the natural resources sectors.

**Fund Facts**

Fund structure:	UCITS V
Base currency:	USD
Target return:	Long-term capital appreciation. Specifically, the aim is to generate alpha of 5-8% annually over a 3 years rolling period versus the index.
Management fee:	1.6% p.a. A class 1.1% p.a. E class
Performance fee:	10% of outperformance relative to benchmark (high watermark)
Benchmark:	25% MSCI World Metals and Mining 25% MSCI World Energy Index 25% MSCI World Materials Index 25% DJ UBS Commodity Index
Subscription:	Daily, until 3pm CET
Bloomberg ticker:	CRGRESA LE
ISIN:	LI0043890743 (A units, retail) LI0116308821 (E units, institutional)
Inception date:	1 December 2008
Investment horizon:	3-5 years
AuM:	USD 4.21m
NAV:	USD 71.33
Fund domicile:	Liechtenstein
Fund advisor:	Craton Capital Ltd.
Administrator:	LLB Fund Services AG, 9490 Vaduz www.llb.li, +423 236 9400
Fund auditors:	PricewaterhouseCoopers AG
Registration:	Austria, Germany, Liechtenstein, Singapore*, Sweden, United Kingdom, Luxembourg *for qualified investors only

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Return History (in US Dollars)	1M	3M	YTD	12M	2 Years	3 Years	4 Years	5 Years	Since Inception	CAGR
Craton Capital Global Resources Fund	-3.6%	-9.1%	-29.1%	-21.3%	-14.7%	48.1%	-15.4%	-31.2%	-28.7%	-3.3%
Benchmark	-2.3%	-7.6%	-12.5%	-7.7%	1.7%	20.2%	-11.4%	-19.2%	20.8%	1.9%

Past performance only. Past performance is not a reliable indicator of future results.

Source: Craton Capital; Bloomberg

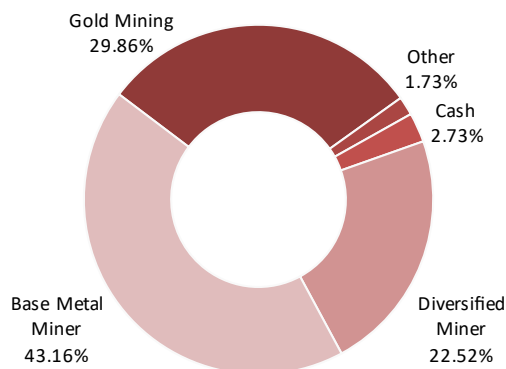
## Top 10 Holdings

ANGLO AMERICAN PLC  
 EVOLUTION MINING LTD  
 GLENCORE XSTRATA PLC  
 HUSBAY MINERALS  
 LABRADOR IRON ORE ROYALTY CO  
 OSISKO MINING CORP  
 RIO TINTO PLC  
 TECK RESOURCES LTD-CLS B  
 TOREX GOLD RESOURCES INC  
 TREVALI MINING CORP

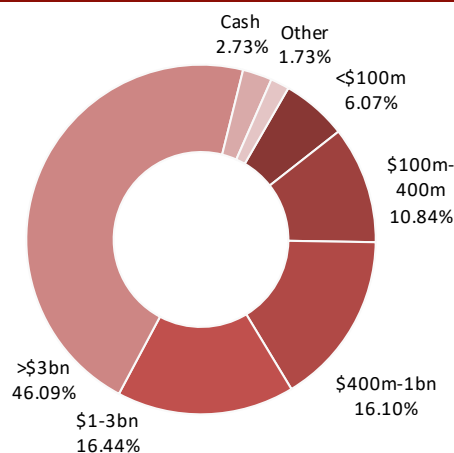
## Geographic Exposure (by assets)

Cash	2.73%
South America	18.72%
Global	12.52%
Europe	2.11%
Asia/Oceania	17.46%
North America	30.83%
Other	1.73%
South Africa	2.58%
Africa (ex. RSA)	11.32%

## Sector Breakdown



## Market Cap Range



## Key Risk Metrics (3 years)

	Standard Deviation	Sharpe Ratio	Sortino Ratio
Fund	35.36	0.55	0.72
Peer group	20.27	0.43	0.46

## Disclaimer

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*considered, consistent, value-driven*