

Rare Earth Elements Fund



Investment focus and suitability

The Rare Earth Element Fund is a **niche fund under Swiss law*** that invests worldwide in companies which are active in the business life cycle of strategic metals to provide specific raw materials, technologies, products, services and recycling solutions. Companies activities include: exploration, production, refinement, manufacturing, trading and recycling of Rare Earth Elements and associated critical metals.

By respecting a **mine-to-market** concept the fund benefits from the whole value chain.

The fund is suitable for long-term oriented equity investors who are convinced of the sustainable **role of materials for innovation and ecology efficiency.**



Fund's Objectives

The objective of the fund is to offer a highly professionally and ethically managed investment vehicle that allows investors to fully benefit from the economic growth of the sectors linked to **green energy and storage solutions, electromobility, lightweight materials, and industry 4.0.** The fund seeks to capture performance along the value chains of these key sectors where innovation and technology efficiency are key. The recommended investment horizon equals that of a regular equity commitment.



Investment Universe

The strategy of the fund management is to invest into a **diversified portfolio of listed companies worldwide** that promise to be part of the leadership in the emerging modern industry using rare earth elements and critical raw materials. Close attention will be paid to benefit from the **whole value chain from "mine-to-market"**. As the REE and critical raw materials universe is likely to undergo significant changes over the years ahead, a close monitoring procedure, **supported by a scientific committee** composed by industry experts, is set up in order to anticipate new tendencies in the industry.



ESG Factors Integration

The Fund is committed to the integration of ESG (environmental, social and governance) factors. We are convinced that taking ESG criteria into account results in better-informed investment decisions and is necessary to seize the dimension of risks and opportunities over a longer term. **The Fund exercises vigilance on securities according to CSR (corporate social responsibility) and/or for respect of ethical charter.**

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Reasons to be bullish on the REE and critical raw materials supply chain for the coming decades

1. REE and critical metals respond to the increasing demand for **new materials** with highly specific attributes, which are essential for shaping modern and future technologies applied to green energy, transport, infrastructures, high-tech and industry 4.0.

2. REE and critical metals will play a decisive role in **enabling alternative energy, transportation and infrastructure to reduce their carbon footprint** and to offering sustainable perspectives, as urbanization is expanding.

3. REE are **strategic and critical metals** for all countries aiming to secure their own supply, which is expected to absorb all of REE production over time.

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REEFund

*The Rare Earth Elements Fund has been approved in Switzerland by the supervisory authority, the Swiss Financial Market Authority FINMA and is only distributed in Switzerland.

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Sectors & Uses



Sector	Drivers	CRM's	Recycling rate	CAGR by 2020. p.a. %
Energy	Wind turbine; Batteries and accumulators; LEDs; FCC, Magnetic Refrigeration, solar panels	REE (La, Ce, Nd, Pr, Y); Li, Co, Ni, Pb, Ga, In, C (graphite)	REE 1% In 0.3% C (graphite) 0%	Wind turbine ¹ ~14% Portable Battery Pack ² ~17%
Transport	Electric & Hybrid vehicles (H&EV); Catalytic Converter, Maglev trains, aerospace.	REE (Nd, Pr, Dy, Tb, Sm) Ti, Li, Co, C (graphite)	REE 1% Co 16%	H&EV Vehicles ³ ~19% Aerospace industry ⁷ ~3%
High Tech	Printed Circuit Boards; portable electronics, smart grid utilization, data center, sensors, miniaturization, 3D-printing, Neo Magnets	Ga, Ta, Ge, Hf, In REE (Nd, Y, Dy, Tb)	Ge, Ga 0% In 0.3% Ta 4%	Global flexible electronics ⁶ ~20% Neo magnet ⁵ ~9%
Materials	High-value alloys, Photonics, including high-end optics, phosphors, robotics	REE (Eu, Tb, Y, Ce, Gd, La) Nb, Mo, Co, W, Mn, Zr, Sb	Nb 11% Sb 11% W 37%	Industrial Robotics ⁹ ~11% High strength steel ⁸ ~8% Global Construction ⁴ ~4%

1 www.gwec.net Global Wind Energy Council 2016 ; 2, 6, 8, 9 <http://www.marketsandmarkets.com> 2014, 2016; 3: Transparency Market Research (TMR) 2015; 4:MarketReportsStore.com 2015; 5, 7: <http://www.researchandmarkets.com/> 2016; 7: <http://aviationweek.com/> 2016 ;Ethore SA projections and estimates.; Report Ereon V5 2015

www.ree-fund.com

REEFund

Legal structure: Swiss contractual fund
Launch date: July 2, 2010
Currency: CHF
Subscription: Weekly cut-off Wednesday 17h00
Redemption : Weekly cut-off Wed. 17h00 +1 week

Investment Manager: Dolefin SA - Nyon
Technical Advisor: Ethore SA - Nyon
Administrators: Caceis (Switzerland) SA - Nyon
Custodian: Banque Cantonale Vaudoise - Lausanne
Management fees: 1.5 % p.a. (payable quarterly)
Performance fees: 20 % p.a. with HWM / Hurdle rate 10 % p.a.