

Rare Earth Elements Fund

Bloomberg: RAEELS SW | ISIN: CH0111943673

Investing in the whole value chain of the Rare Earth Elements sector

FUND DESCRIPTION

The Rare Earth Element Fund is a **niche fund under Swiss law*** that invests worldwide in companies with activity in exploration, production, refinement, manufacturing, trading and recycling of Rare Earth Elements. By respecting a **Mine to Market** concept the fund promises to benefit from the whole value chain.

WHY RARE EARTH ELEMENTS (REE)

1 Transport

Sector growth p.a.
2012-2018

+10%

REE are key element in NiMH batteries for Hybrid Electric Vehicles (HEV) and for neo-magnets to lighten vehicles.

2 Energy

Sector growth p.a.
2012-2018

+7%

REE in permanent magnets is a key component to optimize environmental friendly energy from wind generators.

3 High-tech

Sector growth p.a.
2012-2018

+4%

Tiny and High-strength Neo magnets allow miniaturization of numerous electrical and electronic components

4 Agriculture

Sector growth p.a.
2012-2018

+3%

REE play a promising and significant role in additives for animals and plants (fertilizer).

- ▶ Today due to the nature of technical applications, REE's are associated within the **"green metals"** category.
- ▶ Up to 30 Kg of REO are used in a hybrid car.
- ▶ REE are **indispensable to provide the most competitive products** and meet the changing needs of sustained performance, and invariant over time.

FUND'S OBJECTIVE

The objective of the fund is to offer a highly professionally and ethically managed investment vehicle (niche product) that allows investors to fully benefit from the economic growth of the REE sector as well as from the negative correlation of this natural resource bias sector with equities or bonds in the long term. The recommended investment horizon equals that of a regular equity commitment.

INVESTMENT UNIVERSE

The strategy of the fund management is to invest into 30 companies worldwide that promise to be part of the leadership in the emerging REE industry. Close attention will be paid to benefit from the whole value chain from "mine to market". As the REE universe is likely to undergo significant changes over the years ahead, a close monitoring procedure, supported by a scientific committee composed by three industry experts, is set up in order to anticipate new tendencies in the industry.

www.ree-fund.com

What are Rare Earth Elements?

Despite their relative abundance at the surface of our planet, REE are more difficult to extract compared to the layers of Transitional Metals. **Thirty elements** of the REE group are gathered within the series of **lanthanides and actinides**. REE are commercialized mainly as oxides (REO) with different degree of purity. Though, they can also be found in form of metals whose characteristics are very much wanted as they increase the performance of high tech components like **permanents magnets, lasers, catalysts, fuel cells, super conductors, secondary batteries** etc...

3 reasons to be bullish on the REE Sector for the coming decades

- 1** REE respond to the increasing demand for **new materials** with highly specific attributes, which are essential for shaping modern and future technologies applied to energy, transport, high-tech and agriculture industry.
- 2** REE will play a decisive role in **creating solutions to increasing environmental issues** and food shortage as a consequence of a growing world population.
- 3** REE are **strategic and critical metals** for all countries aiming to secure their own supply without dominant China, which is expected to absorb all of its REE production by 2015.

*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 for Qualified Investors.

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<i>Fund name</i>	Rare Earth Elements Fund (CHF)	<i>Asset Manager</i>	DOLEFIN S.A. - Nyon
<i>Legal structure</i>	Swiss contractual umbrella fund	<i>Geological Advisor</i>	LKCONSULT - Nyon
<i>Launch date</i>	July 2, 2010	<i>Administrator</i>	Caceis (Switzerland) SA - Nyon
<i>Currency</i>	CHF	<i>Custodian</i>	Banque Cantonale Vaudoise - Lausanne
<i>Subscription</i>	Weekly cut-off Wednesday 17h00	<i>Management fees</i>	1.5 % p.a. (payable quarterly)
<i>Redemption</i>	Weekly cut-off Wed. 7h00 +1 week	<i>Performance fees</i>	20 % p.a. with HWM / Hurdle rate 10 % p.a.

Sponsors

Dolefin SA - Asset Manager

Portfolio Management

LKConsult - Geological Advisor

Bottom-up analysis, geological appreciation (incl. visits)

Investment Committee

- **Dolefin SA**
- **LKConsult**
- **Scientific committee**

Three experts in the field of RE Mineralogy, Manufacturing and R&D (magnetic refrigeration)

Committee meeting on a quarterly basis

Contact

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