

# BAKER STEEL GOLD FUND (INSTITUTIONAL)

SEPTEMBER 2019 REPORT

## OBJECTIVE

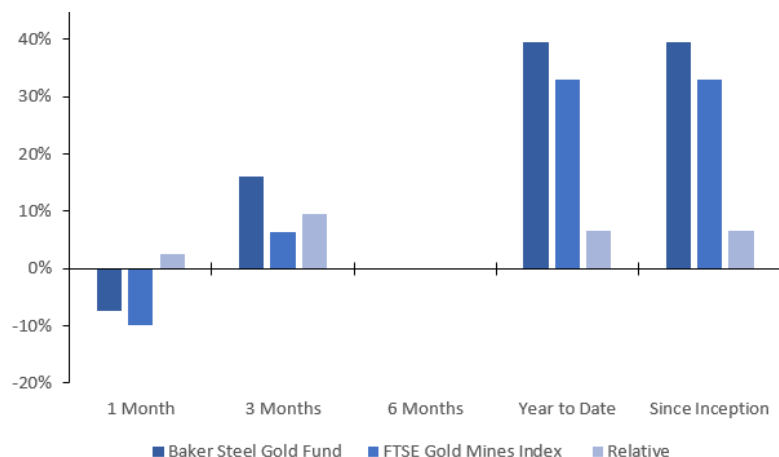
The fund aims to provide capital growth by being exposed to a portfolio consisting principally of globally listed gold and precious metal equities and their related instruments and outperform the FTSE Gold Mines Index expressed in AUD and after management fees and expenses over rolling 5 year periods.

This is a professionally managed specialist investment fund, which principally invests into the BAKERSTEEL Precious Metals Fund ("BSPM"). BSPM holds an actively managed portfolio of globally listed gold and precious metals equities, with a mid-to-large-cap focus. The core strategy is to invest in and hold good value precious metals equities.

## MONTHLY COMMENTARY

The Baker Steel Gold Fund ("The Fund") outperformed the FTSE Gold Mines Index during September. Despite a negative month for the sector, gold is currently trading at around \$1500/oz and momentum appears to be returning, backed by supportive macroeconomic conditions. Profits are rising among gold producers, yet the sector remains far off its highs seen during the last bull market cycle. Alongside improved profitability, key current themes for gold miners include a growing recognition of the importance of returns to shareholders increased investment in cost-saving technologies and improved focus on environmental, social and governance ("ESG") factors.

## MONTHLY PERFORMANCE



## SECTOR ALLOCATION (% NAV)

Gold: 76%	Silver: 16%	Cash: 4%	PGM: 3%	Diversified: 1%
-----------	-------------	----------	---------	-----------------

BAKER STEEL GOLD FUND PERFORMANCE	1 Month	3 Months	6 Months	Year to Date	Since Inception
Baker Steel Gold Fund (Net of Fees in AUD)	-7.28%	16.00%	-	39.48%	39.48%
FTSE Gold Mines Index (expressed in AUD)	-9.78%	6.47%	-	32.97%	32.97%
Relative	2.50%	9.54%	-	6.51%	6.51%

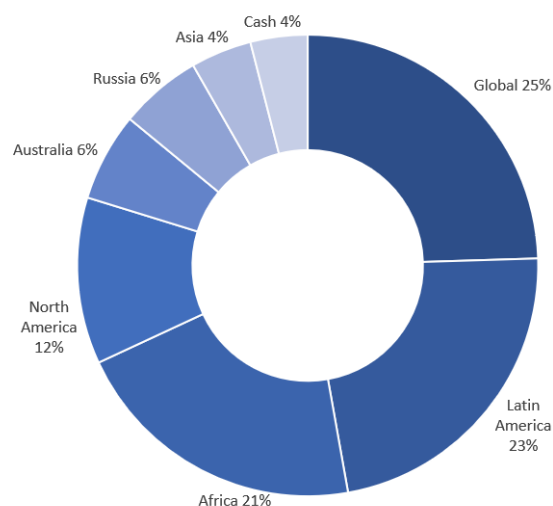
Returns as on 30.09.2019 in AUD  
Past performance is not a reliable indicator of future performance.

## KEY INFORMATION

Inception Date:	27/10/2003
Benchmark:	FTSE Gold Mines Index (expressed in AUD)
Number of Holdings:	31
Management Costs:	1.53% p.a. of the NAV of the class
Performance Fee:	10.25% on any outperformance over the benchmark over the relevant 6 month period, with the protection of a 'high water mark'
Buy / Sell Spread:	0.25% / 0.25%
Distributions:	At least annually (end of June), and unless you choose otherwise, distributions are automatically reinvested
Minimum Investment:	\$1,000,000

TOP 10 HOLDINGS	SECTOR	WEIGHTING
Barrick Gold	Gold	5.9%
Harmony Gold	Silver	5.3%
Pan American Silver	Gold	5.0%
Yamana Gold	Gold	4.4%
Kinross Gold	Gold	4.4%
Centerra Gold	Gold	4.4%
Alacer Gold	Gold	4.2%
St Barbara Mines	Gold	4.2%
Resolute Mining	Gold	4.1%
Oceanagold	Gold	4.0%

## REGIONAL ALLOCATION



## INVESTMENT APPROACH

Using a well established, fundamentals based research process, BPSM focuses on emerging gold and precious metal producers with strong management teams and opportunities where Baker Steel considers the investment offers good value and above average growth potential, according to its research and investment models. Baker Steel's investment approach has the following key features:

- A well-established value-oriented and bottom-up research process, enhanced by research visits to companies and projects across the globe.
- An in-house valuation database that covers over 500 gold deposits and 200 gold mining companies to evaluate worldwide opportunities.
- A team-based stock selection and investment decision-making process with carefully monitored investment and position limits.

## FUND INFORMATION

Investment Manager:	Sanlam Private Wealth (Pty) Ltd. ABN 18 136 960 775
Portfolio Manager:	Baker Steel Capital Managers LLP
Responsible Entity:	Equity Trustees Limited ABN: 46 004 031 298 AFSL: 240975
Fund Regulator:	Australian Securities and Investments Commission
Fund Domicile:	Australia
Fund Administrator:	Mainstream Fund Services Pty Ltd
Custodian:	Mainstream Fund Services Pty Ltd
Other available share classes:	Retail
Initial Charge:	None
Exit penalties:	None
Currency:	Australian Dollar (AUD)
Dealing Times:	9am – 5pm daily AEST
APIR	SLT0006AU

## MANAGING PARTNERS AND FUND MANAGERS

### DAVID BAKER



David is a managing partner based Baker Steel's Sydney office. Prior to founding Baker Steel in 2001, David was part of the award-winning Merrill Lynch Investment Management (MLIM) natural resources team. They managed the highly successful Mercury Gold Metal Open Fund - the largest precious metals fund in Japan, from its launch in 1995 until his departure in 2001. Before joining MLIM in 1992, David was a gold and mining analyst for James Capel Stockbrokers in London from 1988 and held a similar role at Capel Court Powell in Sydney from 1986 to 1988. David started his career in 1981 as a metallurgist at CRA Broken Hill, Australia. He holds a degree in mineral processing as well as a masters degree in mineral production management from Imperial College London.

### MARK BURRIDGE



Mark is a fund manager based in London. He joined Baker Steel in 2017 as a managing partner in the business. Mark has over 25 years experience in the international metals and mining industry, including technical roles at Barrick Gold. Additionally, Mark has held several executive and board roles, most recently as Chairman of Aquila Resources. As a CFA Charterholder, Mark spent 5 years at Merrill Lynch as a gold equities analyst. Afterwards Mark helped launch Hatch Corporate Finance, a corporate finance boutique backed by Hatch, where he was managing director. He has been involved in several billion dollars worth of transactions. Mark holds a degree in mining geology from the Royal School of Mines at Imperial College London.

## IMPORTANT INFORMATION

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Baker Steel Gold Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This document has been prepared to provide you with general information only. In preparing this document, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Equity Trustees nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should consider the Product Disclosure Statement ("PDS") before making a decision about whether to invest in this product. The PDS can be obtained by visiting [www.eqt.com.au/insto](http://www.eqt.com.au/insto) or request a copy by calling the Investment Manager Sanlam Private Wealth (Pty) Ltd on +61 2 8245 0501 or emailing them at [operations@privatewealth.sanlam.com.au](mailto:operations@privatewealth.sanlam.com.au). Past performance is no indication of future performance.

## PRIVATE Wealth

Sanlam Private Wealth is a trading name of **Sanlam Private Wealth (Pty) Ltd.** ABN 18 136 960 775  
Registered Office: Level 2, 33 York Street, Sydney NSW 2000

Email: [operations@privatewealth.sanlam.com.au](mailto:operations@privatewealth.sanlam.com.au)  
Website: [www.sanlamprivatewealth.com.au](http://www.sanlamprivatewealth.com.au)  
Phone: +61 (2) 8245 0501