

Comment November 2021

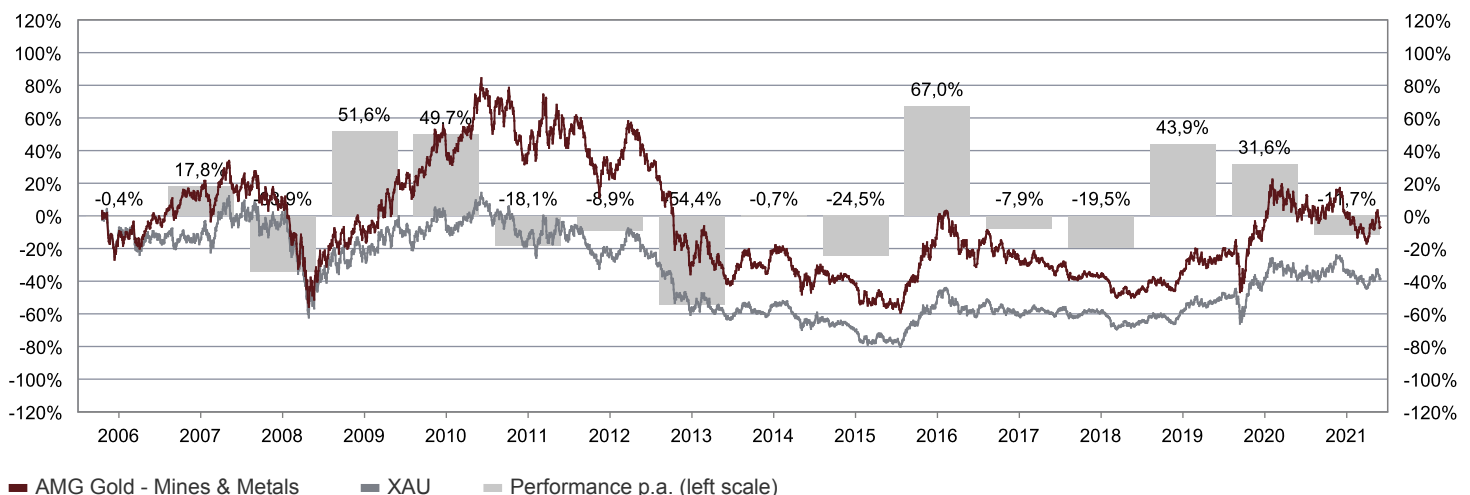
We are pleased with how the AMG Gold portfolio performed in November. Despite the setback in gold and silver prices from their monthly highs, precious metal stocks held up quite well. Rising interest rates were responsible for the setback in precious metal prices. The "real" 5-year US interest rates reached a new high for the year in November, as inflation expectations in particular declined. However, we remain confident that the gold price will sooner or later continue the constructive upward movement of the first half of November. We have been forecasting for years that it is the loss of confidence in governments that drives the gold price up. We also assume that investors will continue to increase their gold allocation in the coming quarters.

In the portfolio, individual gold producers performed very well in November. **SSR Mining** (SSRM), which merged with Alacer Gold a year ago, presented us with very strong earnings figures in Q3. With a production of around 750k ounces of gold for the full year 2021, they will generate over USD 400m in free cash flow (FCF). Of this, they will pay a dividend of USD 44m and plan a USD 150m share buyback, giving a dividend yield of just under 5%. With a resource base of 27 million ounces, this company's mines will run for many years to come. In the second week of November, we had Dr. Mark Bristow, CEO of **Barrick Gold** (GOLD), visit AMG Funds. Barrick's share price has not been convincing so far this year, but Bristow's comments and plans for the next 10 years have been. The focus is on the profitability of the ounces produced. The principles he used to have at Randgold Resources have been integrated into the Barrick organisation: Focus on Tier 1 assets, efficiency and cost control, discipline in dealing with the balance of growth and capital returns to shareholders. We like the fact that, without acquisitions, the company has enough projects in its portfolio to develop in the coming years. We further reduced **Kirkland Lake Gold** (KL) and **Hecla Mining** (HL) during November. We continued to add to **Yamana Gold** (AU), as the company remains undervalued despite good management decisions.

Top 10 positions

Yamana Gold	6.5%
Harmony Gold Mining	5.4%
Gold Fields	4.8%
Barrick Gold	4.0%
SSR Mining	4.0%
Wheaton	3.8%
Argonaut Gold	3.8%
B2Gold	3.8%
Kinross Gold	3.8%
Osisko Mining	3.4%

Performance since launch Tranche A



Key figures

Net Asset Value Tranche A	CHF 111.66
Number of units	226'467
Net Asset Value Tranche C	CHF 116.62
Number of units	1'084'606
Net Asset Value Tranche H FX-hedged	CHF 115.01
Number of units	394'157
Total Net Asset Value	CHF 197.1m

Performance Tranche A

Duration	Fund	XAU
1 month	1.2%	1.8%
3 months	-0.3%	-1.9%
12 months	-6.4%	-1.2%
3 years p.a.	22.6%	23.2%
5 years p.a.	4.0%	8.2%
since inception p.a.	-0.5%	-3.1%
Year		
2021	-11.7%	-5.5%
2020	31.6%	23.1%
2019	43.9%	48.7%
2018	-19.5%	-16.2%
2017	-7.9%	3.7%
since inception	-7.0%	-38.9%

Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	35.3%
Sharpe ratio (-0.72% Risk free rate)	0.67
Beta (vs. XAU)	1.05

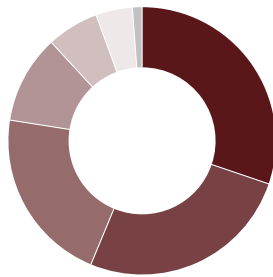
Exposure

Long Position	98.8%
Cash	1.2%

Top 3 performers in November 2021

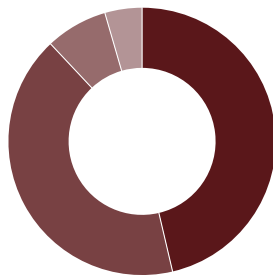
Company	Perf.
Gold Fields	22.2%
Rupert Resources	21.1%
SSR Mining	19.1%

Breakdown by sectors



■ Seniors	30.2%	■ Intermediates	26.0%
■ Silver Stocks	21.2%	■ Explorers	10.7%
■ Juniors	6.3%	■ Royalties	4.4%
■ Cash	1.2%		

Breakdown by currencies



■ USD	46.4%	■ CAD	41.7%
■ AUD	7.5%	■ GBP	4.5%
■ CHF	-0.2%		

Sustainability

Applied ESG characteristics

- Exclusion Criteria
 Reporting
 Integration
 Benchmark

This is a financial product within the meaning of Art. 8 of Regulation (EU) 2019/2088 (Disclosure Regulation).

Investment philosophy

The fund invests mainly in gold mining companies, with a selection of silver mining companies supplementing the fund composition. Precious metals can round off the investment portfolio. Exposure to gold is gained through the purchase of physical gold bars. The fund is actively managed along the market cycles in gold and silver. This is based on the results of AMG Fonds' own fundamental and technical analysis. The top-down approach results in a concentrated portfolio of mining companies and precious metals.

Fund facts

Domicile of fund	CH
Legal form	Contractual investment fund
Investment universe	Precious metal shares global & precious metals
Investment manager	AMG Fondsverwaltung AG, Zug
Management company	LLB Swiss Investment Ltd, Zurich
Custodian bank	Bank J. Safra Sarasin Ltd, Basel
Launch date	18.04.2006
Recommended investment horizon	5 years
Reference currency	CHF
ISIN / Bloomberg-Ticker (respective Tranche)	A: CH0024686773 / AMGGMMF SW C: CH0197484386 / AMGGMMC SW H (FX-hedged): CH0420487941 / AMGGMMH SW
Distributions	distributing (Dividend & Capital Gain)
Subscription and redemption	daily (cut-off 13.00 CET)
Performance Fee	8% over 5% Hurdle, with High Water Mark
High Water Mark and Hurdle	CHF 226.74
Tax transparency	CH, AT
Tax status Germany	Equity fund pursuant to InvStG with partial exemption
Registered for public distribution	CH

Fee structure

Subscription and redemption fee	none
Management fee p.a.	Tranche A: 1.50% Tranche C: 1.00% Tranche H (FX-hedged): 1.00%
Total expense ratio p.a. (per 30.06.2021; TER, before profit sharing)	Tranche A: 1.69% Tranche C: 1.19% Tranche H (FX-hedged): 1.21%

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