

Overview

- Global equities fund invested in responsible gold producers (net socio-economic positive)
- Responsible investment focus with in-house ESG due diligence, engagement, and reporting
- Institutional-grade process and risk management with experienced research team
- Target returns of greater than 20%pa over a 3-5-year timeframe (beta of 1.5-2.5 to gold bullion)

Fund details

Strategy	Global equities
Base Currency	US dollars
Structure	Cayman Islands
Minimum Investment	US\$100,000
Trustee	Paradigm
Custodian	JPMorgan
Administrator	Apex
Auditor	EY
Liquidity	Monthly
Management Fees	1%/15%
Hurdle	GDM Index

Portfolio management



Roscoe Widdup

- Fundamental and ESG research, portfolio construction and direct company engagement
- Previously worked at Goldman Sachs and Rio Tinto



Dimitri Tsangalis PhD

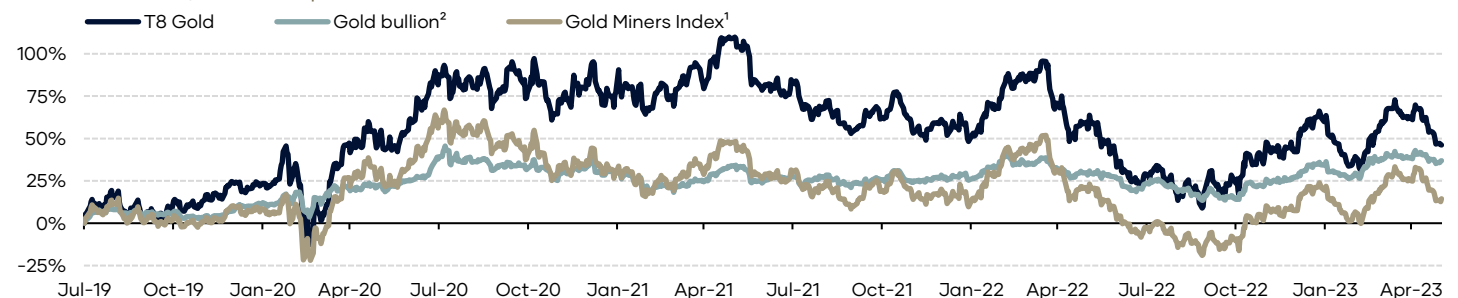
- Quantitative and macro research, portfolio construction and risk management
- Previously worked at JPMorgan based in Europe and Asia

Commentary

T8 Gold finished the month down 10.0% in a volatile month for gold bullion prices. After rallying to a 12-month high of US\$ 2,050 per ounce in early May, the price of gold tumbled to US\$ 1,941 (-5.3%) intra-month, setting up a challenging backdrop for gold mining equities. These extreme moves in gold were driven largely by strength in the US dollar (+2.6% on a trade-weighted basis) and a spike in US Treasury yields (10-year nominal yields moved up by 22 basis points and the real yield moved back above 1.5%). This was the result of investors shifting their focus back on the US Federal Reserve and expectations for further interest rate hikes after the debt ceiling negotiations had been resolved. The major producers bore the brunt of this volatility, retreating by 12.9%. Miners with critical by-products fell even further, with the highest quality silver producers down 16.4% as the price of silver retreated by 6.3% alongside gold. T8 Gold's performance reflected its diversified exposure comprising major producers, senior mid-caps, emerging mid-caps, and those producing critical by-products.

In our view, the pullback is a great entry point on the basis that there is no change to our view that the most significant upward catalysts for gold over the next 1-2 years are related to inflation and the risk that it remains persistent. There appears to be extraordinary complacency in the market's outlook for inflation (consensus assumes that it returns to 2% in the short to medium term). The preferred barometer of inflation expectations (the US Federal Reserve Bank of New York survey) has inflation falling to 2.7% over a three-year horizon (modestly below its 5-year average prior to the COVID-19 pandemic). An upward repricing of inflation expectations over this timeframe would be an extraordinary catalyst for gold. We believe that we are entering the second phase of a secular inflation cycle when we would expect gold to experience its strongest fundamentals (when interest rates, medium duration bond yields and the US dollar have peaked; and when investors begin adjusting inflation expectations over a three-to-five-year horizon).

Performance (US\$, since inception)



Investment thesis

- Gold has been the best performing asset class of the last 20 years. It possesses characteristics which make it a very attractive long-term investment through market cycles and it plays a critical role in our financial system as a highly liquid asset with zero-duration and intrinsic value (i.e. its value is not predicated on future cashflows and is materially supported by its replacement cost which increases with inflation).
- The world is in an energy and inflation crisis without peer since the oil/inflation shocks of the 1970s. Gold experienced powerful upward moves during these periods (e.g. +320% between 1972-74 and +160% 1979-80). We see the potential for a similarly significant move. T8 Gold is designed to deliver 1.5-2.5 beta to gold bullion (i.e. if the gold bullion price moves by one unit, we would expect T8 Gold to move by two units) by investing in gold producers which provide natural leverage to the gold bullion price via their operating margin and reserve ounces.
- Gold producers are significant socio-economic contributors to less developed economies and communities endowed with gold resources. We consider responsible gold producers to be those which conduct their gold mining operations with good governance as well as respect for the environment, human rights and the wellbeing of associated communities, employees and contractors.

T8 Gold's key attributes

Responsible Production



Responsible gold production is conducted with respect for governance, the environment, associated communities and workers

Socio-economic Positive



Socio-economic benefits accrue to host countries and communities through job creation, tax revenue and community investment

Inflation Hedge



The gold price is materially supported by its replacement cost which increases with inflation

Leveraged to Bullion



T8 Gold has a 1.5-2.5 beta to gold bullion (i.e. if gold bullion price moves by one unit, we would expect T8 Gold to move by two units)

Gold as Store of Value



Gold bullion has intrinsic value with zero-duration (i.e. its value is not predicated on future cashflows) making it a 'store of value'

T8 Gold's 'building blocks'

Major Producers

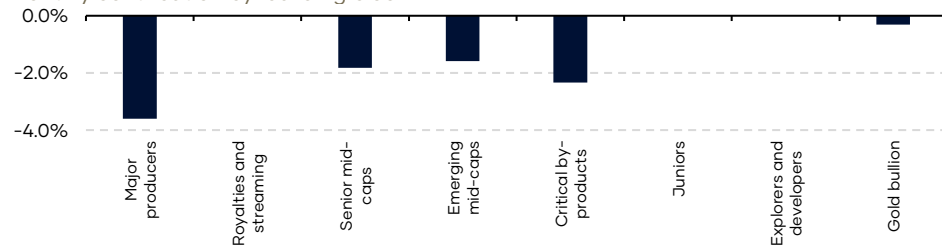
Royalties and Streaming

Senior Mid-caps

Emerging Mid-caps

Critical By-products

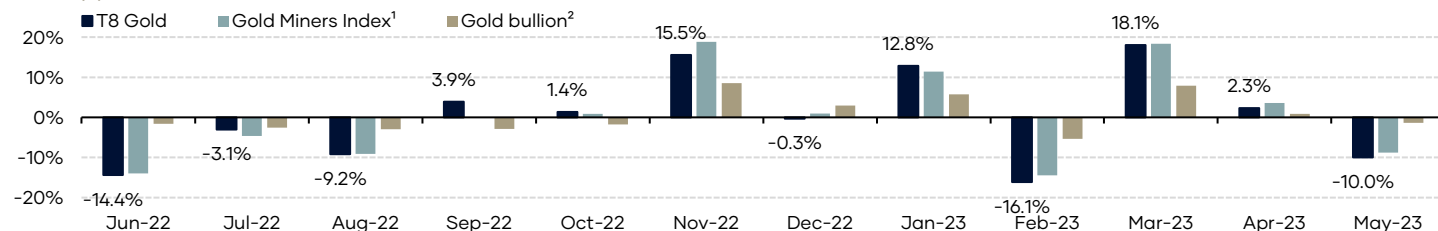
Monthly contribution by 'building block'



Key stock contribution (bps, last month)

Company	'Building block'	Contribution
Top-3		
GFI US	Senior mid-caps	+1
CDE US	Critical by-products	-9
AU US	Senior mid-caps	-16
Bottom-3		
NEM US	Major producers	-159
GOLD US	Major producers	-133
AEM US	Senior mid-caps	-110

Monthly performance (US\$, last 12 months)



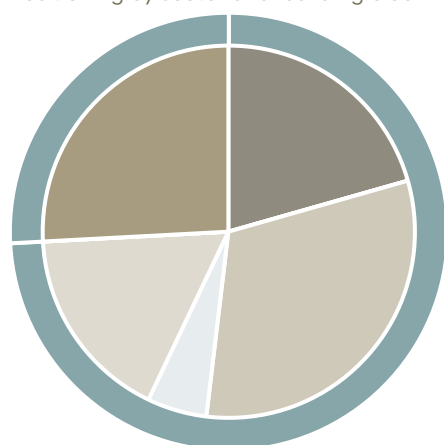
Monthly performance (US\$, since inception)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Gold Miners Index ¹	Gold bullion ²
2019								15.1%	-11.2%	10.8%	-0.5%	10.1%	24.1%	10.2%	7.3%
2020	-0.5%	-0.3%	-17.7%	39.8%	5.6%	7.5%	16.6%	-0.6%	-4.9%	-0.1%	-7.2%	10.6%	46.7%	22.5%	25.1%
2021	-2.8%	-5.3%	2.7%	4.3%	16.7%	-14.1%	2.0%	-8.1%	-8.5%	4.7%	-1.2%	1.1%	-11.4%	-11.1%	-4.1%
2022	-6.2%	10.9%	10.3%	-7.6%	-9.0%	-14.4%	-3.1%	-9.2%	3.9%	1.4%	15.5%	-0.3%	-11.8%	-10.5%	-0.3%
2023	12.8%	-16.1%	18.1%	2.3%	-10.0%								2.8%	6.5%	7.5%

Performance and risk metrics

Returns (US\$)	Benchmarks			Risk metrics (12 months)	Benchmarks		
	T8 Gold	Gold Miners Index ¹	Gold bullion ²		T8 Gold	Gold Miners Index ¹	Gold bullion ²
1 month	-10.0%	-8.8%	-1.3%	Volatility	39%	39%	16%
3 months	8.7%	11.8%	7.4%	Sharpe Ratio	-0.2	-0.1	0.4
6 months	2.5%	7.6%	10.6%	Gold Correlation	0.9	0.9	1.0
12 months	-6.0%	-3.7%	6.5%	Gold Beta	2.1	2.2	1.0
Year to Date	2.8%	6.5%	7.5%	Up-capture	186%	205%	100%
Since Inception	46.3%	14.4%	36.9%	Down-capture	257%	270%	100%
Annualised	10.4%	3.6%	8.5%	Up/Down Ratio	0.7	0.8	1.0

Positioning by sector and 'building block'



Sector	'Building block'
Materials	Major producers
	Royalties and streaming
	Senior mid-caps
	Emerging mid-caps
	Critical by-products
Other	Gold bullion

Top holdings (by contribution to risk)

Company	'Building block'	Risk weight
NEM US	Major producers	11.6%
AG US	Critical by-products	11.0%
GOLD US	Major producers	10.7%
AEM US	Senior mid-caps	10.5%
GLD US	Gold bullion	9.8%
KGC US	Senior mid-caps	9.1%
PAAS US	Critical by-products	8.7%
SSRM US	Critical by-products	6.1%
GFI US	Senior mid-caps	5.2%
EGO US	Emerging mid-caps	5.2%

Portfolio characteristics

	T8 Gold	Gold Miners Index ¹	Gold bullion ²
Earnings growth rate (3-year est. CAGR)	25%	20%	n/a
1-year est. P/E (Median)	17	19	n/a
Dividend yield (Median, trailing 12 months)	2.3%	1.8%	0%
1-year est. leverage ratio (Net Debt/EBITDA)	0.4	0.6	n/a
Market cap (Weighted average)	US\$23B	US\$15B	n/a
Number of holdings	14	52	n/a

ESG dashboard (year-to-date)

Company meetings (one-on-one)	
GROY US, FCX US, WPM US, FIL CN, LUN CN, TFCM CN, RGLD US	
Shareholder meetings (ballots cast)	
PAAS US, AUY US, GOLD US, DPM CN, AU US, NGD US, PAAS US, KGC US, CDE US, AG US, GFI US, EGO US	
ESG assessments (new or updated)	
PAAS US, GROY US	
Direct company engagement	
FCX US	

About T8

Triple Eight Capital (T8) manages unique investment products.

We are dedicated to responsible investment and believe that positive environmental and social benefits can be achieved without sacrificing investment returns. T8's responsible investment policy is available [here](#).

Our process combines fully-independent research of fundamental, ESG (environmental, social and governance) and macro factors.

Our Advisory Board oversees our research process and investment decisions and provides deep industry insights.

Investment management



Roscoe Widdup
Portfolio management



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Timothy McIntyre
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Industry technical analysts



Alex Zadnik
Engineering

Advisory Board



Jim Askew
Gold mining



Leigh Clifford AC
Engineering

Distribution

Andrew Aitken – Daruka Capital
Noel Corley – Daruka Capital
Adam Wright – Investor relations and distribution
Rob Tandy – Foundations
Leighton Thomas – International
Hamish McDougall
William Morgan

Operations

Martine Fraser – Accounting
Maddison Stewart-Rice – Accounting

Footnotes

¹NYSE Arca Gold Miners Net Total Return Index (GDM Index) ²Gold bullion as tracked by the SPDR Gold Shares (GLD US)

References to responsible gold production refer to the term as defined by the World Gold Council, whereby responsible gold mining is conducted with good governance as well as respect for the environment, human rights and the wellbeing of employees, contractors and members of associated communities. These issues are addressed using the World Gold Council's Responsible Gold Mining Principles which, together with the Mining Association of Canada's Towards Sustainable Mining standard, set out frameworks and expectations as to what constitutes responsible gold mining. T8 has integrated these standards into its ESG assessment methodology. T8 believes that responsible gold production creates socio-economic benefits for host countries and associated local communities through job creation, tax revenue and community investment. Please email info@t8cap.com for more information.

Important notice

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