Monthly Review February 2022 torck capital management

Exponential Opportunities Energy Revolution Fund

Performance Data as of February 28th, 2022

Unit Class	NAV	Monthly Performance	QTD Performance	YTD Performance	Since Inception*
Class A USD	107.75	7.02%	4.06%	4.06%	7.75%
Class A CHF	106.15	5.45%	4.75%	4.75%	6.15%
Class A EUR	102.48	6.81%	5.36%	5.36%	2.48%
Class B CHF	104.50	5.37%	3.22%	3.22%	4.50%

* Class A USD & Class A CHF: 30.09.2021 / Class A EUR: 20.10.2021 / Class B CHF: 22.12.2021

Market Review

The war in Ukraine drove up the price of uranium. Front-month futures closed 12.75% higher at $48.70. The market is really nervous as Russia plays an important role in the global supply chain and the impact of the sanctions is not yet fully clear.

Copper advanced 3%, closing the month at $4.45. The price is still in a consolidation phase after its huge run from March 2020 to May 2021. A monthly close above $4.75 would trigger a further price increase.

Lithium front-month futures continue to rise to new all-time highs, reaching $62.75 per kg, a whopping 50% increase from the January close.

Nickel continued to gain, also under the influenc of the current crisis, and closed the month about 10% higher at $1852.

Exponential Opportunities Energy Revolution Fund

For February, the fund is up 7.02% for the A-USD class, 5.45% for the A-CHF class, 6.81% for the A-EUR class and 5.37% for the B-CHF class.

The fund’s exposure profile remains stable compared to the previous month, with uranium still representing the largest exposure with 59%. Copper is still the second largest exposure at 11%, while we are slowly increasing our lithium exposure again, currently at 6.5%. Nickel exposure remains around 3.25% and polymetallic/zinc exposure at 3%. We invested in a graphite exploration company, representing currently 2% of the portfolio. The remainder is cash.

Largest contributor to the fund’s performance was the strong upmove in uranium after the start of the war in the Ukraine. The imposed sanctions on Russia are causing a lot of uncertainty in a market already short supply. Russia is a huge player in the uranium market, providing about 40% of global uranium enrichment services. The potential change in western energy policy (especially Germany) could have a long-lasting positive impact on uranium.
While lithium itself is running from all-time-high to all-time-high, a broad basket of lithium miners has lost about 30% over the last 3 months. We see those miners now as undervalued relative to lithium and will therefore increase the exposure.

Based on performance and subscriptions/redemptions, assets under management increased by 7% from $4.4m to $4.7m in February.