

## BAKERSTEEL Precious Metals Fund wins Lipper Fund Awards again, as the gold sector appears poised for outperformance

Baker Steel Capital Managers LLP

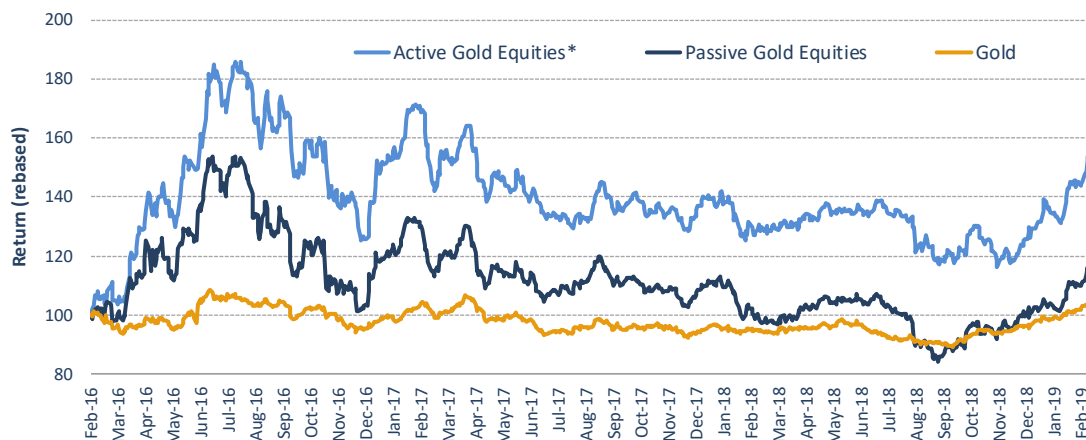
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**BAKERSTEEL Precious Metals Fund has been named “Best Fund, Equity Sector Gold and Precious Metals” over 3 years, 5 years and 10 years at the 2019 Lipper Fund Awards, by Refinitiv, for the UK, Germany, Switzerland, Austria and France.**

For the fourth consecutive year, the Lipper Fund Awards have recognised the consistent outperformance of BAKERSTEEL Precious Metals Fund (“the Fund”) relative to its peers over the short, medium and long-term and in all European jurisdictions where the Fund is registered for sale. The Fund’s success has been driven by its actively managed, value-based investment strategy and by the bottom-up investment approach undertaken by Baker Steel’s Investment Team, made up of Fund Managers David Baker and Mark Burridge and CIO Trevor Steel. Baker Steel’s Fund Managers have extensive technical expertise in the mining sector as well as multi-cycle investment experience.

The timing of this Award is of particular significance given the present positioning of the gold sector. Following two years of consolidation, gold and gold miners appear poised to begin the next phase of the sectors’ recovery, which began in 2016. Baker Steel’s team identifies a range of catalysts for the gold sector in 2019. The imminent end of the US Fed’s rate hike cycle implies real interest rates will remain low and perhaps fall further, a key supportive factor for gold. Furthermore, concerns over slowing economic growth, rising financial sector risk and potential equity market volatility are driving demand for portfolio diversification and safe-haven investments. Gold’s status as a safe haven was demonstrated in late-2018, as the metal rallied in the face of steep corrections in global equity markets. Likewise, as an asset class with low correlation to general equity markets, gold stocks also outperformed during this period. Expanding margins and reforms among gold producers, alongside an increased focus on shareholder returns, indicates a positive outlook for gold miners.

### Active management in the gold sector offers superior potential returns 3 Year Relative returns



Source: Bloomberg. Data at 28 February 2019. Data in Euro terms.

\*Active Gold Equities are represented by BAKERSTEEL Precious Metals Fund I2 EUR.

The success of BAKERSTEEL Precious Metals Fund demonstrates how an investment in an actively managed, concentrated portfolio of gold equities, with a focus on value and bottom-up stock selection can be attractive. Fund size has grown to around USD 265m and the Fund has achieved an annualised return of +10.6% since inception (A2 EUR class, at 28 February 2019). Alongside the Lipper Awards, the Fund has also been recognised by a number of institutions including Sauren Fund Research, a leading German fund selector, and Morningstar, which has given the Fund a 5\* rating. Fund Manager David Baker is rated AA on Citywire.

**“We see evidence of momentum returning to the gold sector, backed by supportive economic conditions including low real interest rates, the end of the US rate-hike cycle, high debt levels and ongoing geopolitical tension.”**

**David Baker, Managing Partner and Fund Manager**

**“A selection of gold producers have undertaken meaningful reforms in recent years, including improvements to capital discipline and cost controls, and show signs of a renewed focus on returns to shareholders and receptiveness to sensible M&A. As a result, we regard the outlook for gold equities to be more positive than for many years. Active management and picking the right producers will be key to generating superior returns.”**

**Mark Burrige, Managing Partner and Fund Manager**

Baker Steel Capital Managers LLP is a specialist investment manager focused on the natural resources sector. Alongside BAKERSTEEL Precious Metals Fund Baker Steel also manages the BAKERSTEEL Electrum Fund, a UCITS fund with a focus on speciality and precious metals equities, as well as the Baker Steel Resources Trust (LSE: BSRT), an LSE-listed investment company which invests in pre-IPO opportunities within the mining sector.

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