

## **Summary: Financial investment inorganic materials and mineral raw materials/inorganic base chemicals**

**Current situation:** The area of inorganic materials and mineral raw materials/inorganic base chemicals is hardly covered and if (e.g. UBS Equity Global Materials), there is a lack of expertise and the investment is just in the most capitalized companies.

**Idea:** We are planning a financial product that focuses on mineral raw materials/inorganic base chemicals as a growing industry segments.

The product is supposed to be actively managed. We're still looking for some distribution partners.

We would work together with an external expert (Ph. D in inorganically chemistry and analyst in this sector), who is already involved in consulting in the area for many years.

In order to yield above-average performance, we regard it as crucial that the investment focuses on the bottlenecking factors in the related industry segments.

Other than for organic raw materials - which are based on crude-oil, natural gas and biomass - availability in the earth crust is usually not the limiting factor for minerals and inorganic raw materials. Availability is rather determined by mining- refining- and production capacities.

Further, there is and (will be) an increasing cost of energy and efforts in avoiding CO<sub>2</sub> and other (environmental) harmful substances, which will spur development and use of light weight construction materials, in the area of transportation. For the same reasons the use of catalysts will increase, as well as the use of hydrogen as an energy carrier.

Industries/Products and the respective mineral and inorganic raw materials, which we identified to be interesting include:

- Agriculture (fungicides, fertilizer, insecticides)
- Energy production
- Textiles
- Semiconductors
- Screens
- Illuminating
- Gas production (cooling)
- Paints & Coating
- Automobile (battery, catalysts, tyres, their inorganic fillers)
- Light weight construction (light weight materials to be used in transportation and energy production)
- Construction materials, (glass, diamonds, ceramics, cement, steel, and refractory materials used in the production process as well as polymeric materials, catalysts used in their synthesis and flame retardants and other additives that are used in their formulation)
- Textiles
- Rubber (e. g. additives silicium dioxide, carbon black)
- Superconductor
- Microelectronics (medical techniques)
- light-wave cable (signal amplifier)
- Gas companies for cooling systems (helium), hydrogen as an energy carrier and in the refining segment, and oxygen in raw material processing

The life science area (Biochemistry) is not covered, since it is already well covered by other investment products.

As in the area of mineral raw materials and inorganic base chemicals there are hardly any good financial investment products available, and we think for a good portfolio diversification a professional selection of the relevant companies with attractive valuation (high margins, advanced technologies, stable cash flows) with an experts from the industrial as well as the financial side, is crucial for the success for any investments in this area.

We think that with the systematic analysis of this area, we can provide real added-value on the portfolio performance- (alpha-effect) and the diversification side (beta-effect) as well for institutional and private investors.



Wealth Management, Workshops, Consulting

**Planned product style:**

Indicative **benchmark:** MSCI World Materials

Indicative investment style: Mutual fund, that invests in the companies (long only), can hold cash (max. 30%) or commodities (max. 20%), according to the outlook of the fund management regarding the industry perspectives.

**Indicative investment restrictions:** No position (except cash max. 30%) shall exceed 10 % of the fund's volume.

**Currency:** tbd (USD/EUR/CHF)

For initial investors we are also willing to adapt the product style to your needs.

Should you be interested in investing or cooperating, please do not hesitate to contact us.

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