

TERRACAPITAL NATURAL RESOURCE FUND

APRIL 2018

	1M	3M	6M	FYTD	1Y (rolling 12mths)	3Y (p.a.)	Inception (p.a.)	Inception (cumulative)
Terra Natural Res. Fund	1.3%	-2.0%	10.8%	30.7%	24.4%	30.1%	24.3%	451.0%
ASX All Ords	3.2%	0.0%	3.6%	8.9%	6.4%	6.2%	9.0%	96.6%
ASX 300 Mining	9.1%	4.0%	16.2%	32.9%	33.7%	13.5%	1.9%	15.6%
ASX Small Res.	6.9%	3.0%	20.1%	44.4%	46.7%	17.4%	-5.4%	-35.5%

Unit Price

\$3.1569

Terra Capital Natural Resource Fund movements are shown net of (after) fees. Inception: 1st July 2010

Performance & Overview

The Fund returned 1.33% after fees for the month of March 2018. Since inception (July 2010) the Fund has returned +451.0% after fees vs. the small resources accumulation Index -35.5%.

The Unit Price is currently \$3.15

Markets

During the month of April the Australian market (+3.2%) finished the month in the black following three straight months of losses.

Resources were broadly strong in the large diversified miners, but smaller companies struggled in what has become the typical April, May tax loss selling period.

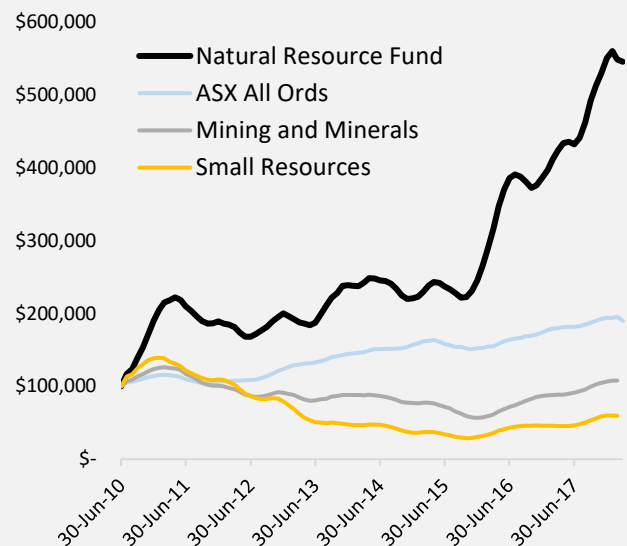
Anecdotally, having attended the RIU Sydney Resources Round-Up this week we were impressed by the largest turn out of mining and energy investors, brokers and companies we've seen in years.

Commodities

Commodities were mixed in April, both across and within classes as geopolitical issues took centre stage. Base metals were mixed, but the biggest gainers were aluminium (13.4%) and nickel (2.5%), impacted by rising tensions between the US and Russia.

The price of crude oil rose to levels not seen since 2014 with WTI rising 5.5% to US\$68.5/bbl. Geopolitical tensions in April moved the price higher as the US coordinated strikes against Syria in retaliation to suspected chemical weapon use. This has led our global oil and gas strategists to increase their crude oil forecasts with WTI rising to \$65/+\$15 in 2018, \$51/+\$2 in 2019 and \$62/+\$5 in 2020.

Value of \$100,000 invested at inception



Iron ore (1.2%) was higher, but unable to recover all of the previous month's losses.

Portfolio

During the month our portfolio benefitted from mineral sands companies with one of our holdings; Mineral Deposits Limited being bid for by French Company Eramet. We bought a small basket of mineral sands businesses two months ago as the looming supply deficit for zircon was brought to wider attention via the declaration of a force majeure. A labour dispute escalated at Rio Tinto's Richards Bay deposit where it is unclear at this stage the exact state of operations, but the longer it remains in force majeure, the higher premium zircon prices are likely to go in our view.

Otherwise we are buoyed by general sentiment in the resources market and look forward to updating all investors on the Fund's progress in the coming months.

TERRA CAPITAL

NATURAL RESOURCE FUND

APRIL 2018

Natural Resource Fund Strategy

The Fund is a global, long only mining and energy fund established in July 2010. The Fund's strategy is fundamentally driven, high conviction, high concentration and we pride ourselves on our relationships with our investors. Terra Capital's research driven process and true active management is complimented by a focus on risk management.

The objective of the Fund is to deliver superior absolute returns over the medium to long term by investing in small to medium-sized companies in the mining and resources sectors.

Fund Details

NAV		\$3.1569
Entry Price		\$3.1648
Exit Price		\$3.1490
Fund Size		\$79.1
APIR Code	TER001AU	
	Terra NRF	Small Res. Index
Sharpe ratio (3Y)	1.08	0.56
Sortino ratio (3Y)	1.30	0.64
Std Deviation (3Y)	25.19%	26.08%
Positive Months (3Y)	61.11%	58.33%

Fund Exposure

Cobalt	19%	Oil & Gas	6%
Cash	15%	Fertilizer	3%
Gold	15%	Coal	2%
Lithium	11%	Iron Ore	2%
Other	10%	Diamonds	1%
Nickel	8%	Uranium	1%
Copper	6%	Silver	1%

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