

From Inflation Denial to Inflation Panic

Stockholm (HedgeNordic) – Ahead of its shift in focus from precious metals to “green” metals, **Atlant Precious** turned in a solid performance in May. The precious metals-focused fund managed by Mattias Gromark advanced 10.7 percent last month to bring its 2021 performance into positive territory at 5.5 percent.

“The market has shifted from inflation denial to inflation panic, or at least worries, so the fund had a strong run driven mainly by gold- and silver-related assets,” Gromark tells HedgeNordic. “Also, some of our new copper-related holdings had a good run,” he continues. The price of gold climbed above \$1,900 a troy ounce from under \$1,800 at the end of April, while the price of silver reached \$28 a troy ounce from under \$26 on the last day of April. “Other metals were quite flat during the month,” says Gromark.

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“Our best position in May was a new holding from April, Western Copper & Gold, a company developing a new copper-and-gold mine called Casino in Yukon, Canada,” Gromark tells HedgeNordic. Western Copper & Gold recently announced a strategic investment by global mining group Rio Tinto to advance the copper-gold Casino Project. “The mine is one of the most promising copper mines in the region and as you know, copper will soon be short in supply due to the electrification trend,” explains Gromark. The shares of Western Copper & Gold advanced 76.8 percent during May.

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“The second-best holding was the old American silver company Hecla Mining that gained 50 percent and in third place, we had another copper-related company – Josemaria (Lundin family) – that is active in the same region as Filo Mining (also Lundin) that had some very good results the past month,” says Gromark. “We also had some tailwind from our short position in the U.S. dollar (USD) against the Swedish krona (SEK) that gained 2 percent. Our short position in VIX lost 15 percent.”

Shift in Focus Underway

In mid-April, Swedish asset manager Atlant Fonder announced the decision to change the name of Atlant Precious into Atlant Green Tech Metals and shift its focus from precious metals to “green” metals. “The investment focus is changed so that the fund has a clear focus on metals used in the transition to renewable energy and the wide-ranging action to reduce carbon dioxide emissions,” Gromark told HedgeNordic. The shift in focus is already underway, according to the fund manager.

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“During the period we continued to shift to green metals in the portfolio and invested in some new companies, including European Metals (tin & lithium), Solgold (copper & gold), Standard Lithium (lithium), Taseko Mines (copper), Boliden (zinc, copper, lead, nickel, gold, silver & smelters), Lunding Mining (copper, zinc, gold & nickel),” Gromark tells HedgeNordic. “The aim is to invest in the whole life cycle of green metals, from exploration, mining, processing but also recycling.” Atlant Precious will change its name and strategy towards the end of June. As previously told by Gromark, only companies that meet sustainability standards set down in the EU Taxonomy will be eligible for the fund. “High ESG standards is a must for all our investments and there will be the new EU Taxonomy leading the way forward.”