

# EuroPac Natural Resources Separate Account

## INVESTMENT OBJECTIVES

The investment objective of the EuroPac Natural Resources Separate Account is to seek long-term capital appreciation. To achieve this objective, the Manager will invest the majority of the portfolio (typically over 80%) in global businesses that produce natural resources.

## INVESTMENT PROCESS HIGHLIGHTS

The investment process employs two core elements.

First, the manager constantly focuses on building in diversified, global exposure to all natural resource industries so that the portfolio has a broad-based exposure to natural resources overall. While the manager may overweight one sector over another, based on their overall outlook, they will still maintain a diversified exposure to all sectors overall.

Secondly, and most importantly, the manager employs a bottom-up research process to select what are viewed as the highest quality businesses with a strong record of historical performance, and strives to purchase those businesses at a discount to fair value. Especially in the resources space, a close focus on investing only in the highest quality enterprises can help to avoid those businesses and management teams that make bad or untimely decisions, and destroy book value or at least limit its growth over time.

## SECTOR SELECTION

Sector selection is primarily focused on building a portfolio with global diversified exposure to all natural resource sectors. However, from time to time the manager may overweight one sector versus another in order to take advantage of opportunities that may present themselves. In all cases however, the investment process ensures a broad diversified exposure to all natural resource sectors is maintained.

### SECTOR DIVERSIFICATION\*\* AS OF 12/31/2023 (% OF TOTAL PORTFOLIO)

Diversified Materials	36.0%	Agriculture	4.5%
Precious Metals	27.0%	Aquaculture	4.5%
Energy	18.0%	Cash & Other	3.3%
Information Technology	6.8%		

\*\*Diversification does not protect against loss.

## SECURITY SELECTION

The Manager focuses on three main characteristics to select individual securities:

**HIGH BUSINESS AND MANAGEMENT QUALITY** – The Manager focuses on selecting securities with strong management teams and a history of generating consistent returns and value for shareholders.

**FINANCIAL STRENGTH** – The Manager selects securities with strong balance sheets to reduce capital risk and earnings volatility.

**ATTRACTIVE VALUATION** – Rather than focus solely on cheap securities, the Manager looks for value using a number of quantitative and qualitative factors applied over a universe of potential investments.

The Manager's portfolio will typically be comprised of stocks as well as commodity ETFs. The strategy does not utilize any derivatives such as options or futures, nor does it use leverage.

### TOP 10 HOLDINGS\* AS OF 12/31/2023 (% OF TOTAL PORTFOLIO)

TotalEnergies SE	2.25%	Agnico Eagle Mines Ltd	2.25%
BP PLC	2.25%	Yara International ASA	2.25%
Exxon Mobile Corp	2.25%	Leroy Seafood ASA	2.25%
BHP Group Ltd	2.25%	Mondi plc	2.25%
Boliden AB	2.25%	Hamamatsu Photonics KK	2.25%

\* Portfolio holdings are subject to change due to ongoing management of the strategy

\* Holdings, Sector Diversification, and Geographic Allocations reflect the Natural Resources Separate Account model portfolio holdings as of December 31, 2023. These holdings are subject to change at any time without prior notice, and individual account holdings may vary. The specific securities shown do not represent all the securities purchased, sold or recommended for clients over the period, and do not constitute a recommendation with regard to those securities outside a managed account. There is no assurance that any investment strategy will be successful.

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PERFORMANCE	THROUGH DECEMBER 31, 2023				Since Inception		
	1 Month	3 Month	6 Month	YTD	1 Year	Annualized	Cumulative
EuroPac Natural Resources Separate Account	3.88%	9.64%	5.63%	6.85%	--	7.50%	6.85%
S&P Global Natural Resources Index	3.81%	3.44%	7.11%	-3.14%	--	-3.42%	-3.14%

Inception Date: February 1, 2023.

- Euro Pacific Asset Management, LLC (“EPAM”) is a privately-owned firm headquartered in Dorado, Puerto Rico and registered as an investment advisor with the SEC. This information has been obtained from sources believed to be reliable, but its accuracy and completeness are not guaranteed. Opinions, estimates and projections constitute the judgment of EPAM and are subject to change without notice. This commentary is for educational purposes only and is not intended as an offer, recommendation or solicitation for the sale of any financial product or service or as a determination that any investment strategy is suitable for a specific investor. Investors should seek financial advice regarding the suitability of any investment strategy based on the investor’s objectives, financial situation and particular needs. The investments or investment strategies discussed herein may not be suitable for every investor.

- **Performance results** for client accounts are reported beginning with the first day of operation. Performance results reflect time-weighted total returns, and are presented net of transaction costs, EPAM management fees and other fees (net of fees). The currency used to express this performance is the U.S. dollar. To be included in the composite, an account must be a fully discretionary, fee-paying account under management. Accounts no longer with the company are included in the composite until the date of closure. The composite is open to both taxable and tax-exempt accounts managed by EPAM directly on a separate account basis. Effective on October 1, 2023, the composite was modified to include separate accounts of the same strategy located in Canada and the European Union. Previously, these accounts were not included in the composite as they were deemed to be so small as to not impact the performance of the composite overall. EPAM advises similar strategies for other clients on specific platforms, such as broker-dealer “wrap” programs. These strategies vary somewhat in history, implementation, and results. A complete list and description of all composites maintained by EPAM, and the related performance results, are available upon request.

- Investing involves risks and you may incur a profit or a loss. Past performance is no guarantee of future results. Foreign investments present additional risks due to currency fluctuations, economic and political factors, lower liquidity, government regulations, differences in securities regulations and accounting standards, possible changes in taxation, limited public information and other factors. The risks are magnified in emerging market countries, since these countries may have relatively unstable governments and less established markets and economies. Precious metals and natural resources securities can be volatile and may be subject to sharp fluctuations in prices, even during periods of rising prices.

- The **S&P Global Natural Resources Index** is a modified market cap weighted index, rebalanced annually in August. The index is designed to represent exposure to commodities via companies that are involved in the value chain of extraction and processing of those commodities, and includes the largest publicly-traded companies in natural resources and commodity businesses in the three primary commodity related sectors : agribusiness, energy and metals and mining.

## INVESTMENT ADVISOR AND PORTFOLIO MANAGEMENT

### INVESTMENT ADVISOR

Euro Pacific Asset Management, LLC is the Strategy’s Advisor and Jim Nelson, CFA is the Portfolio Manager of the strategy.



**PETER SCHIFF** is an owning member of Euro Pacific Asset Management, LLC. Peter began his investment career as a financial consultant with Shearson Lehman Brothers, after having earned a degree in finance and accounting from the University of California, Berkeley in 1987. A financial professional for over twenty years he joined Euro Pacific Capital, Inc in 1996 and served as its President from January 2000 until December 2018. EPC Advisors Group (formerly Euro Pacific Capital) is a division of A.G.P. / Alliance Global Partners, a registered broker-dealer and investment advisor and a separate, unaffiliated entity from Euro Pacific Asset Management. In 2007, Peter authored the bestselling book *Crash Proof* in which he warned of the coming economic downturn. He has also appeared frequently as a guest commentator on Fox News, Fox Business, CNBC, CNN and other financial and political news outlets.

**JIM NELSON, CFA**, is the Managing Member of Euro Pacific Asset Management, LLC and a Portfolio Manager of the EuroPac Natural Resources Separate Account. Prior to Euro Pacific Asset Management, Jim created Euro Pacific Capital’s Registered Investment Advisory (RIA) division after originally joining their Capital Markets division, where he spent time in both research analyst and investment banking roles. Jim was previously a research analyst at ROTH Capital Partners, where he gained extensive experience in analyzing the market opportunities of both domestic and foreign companies. Jim served as a commissioned officer in the United States Air Force, where he acted as a financial controller. In this role, he directed finance and accounting activities for a number of acquisition programs. Jim received his B.S. in Management from the United States Air Force Academy and his M.B.A. from California State University, Long Beach. He is also a CFA Charterholder.

**RAFAEL SANTIAGO, CFA**, is a Portfolio Manager of the EuroPac Natural Resources Separate Account. Prior to Euro Pacific Asset Management, Rafael was an Investment Analyst for Liberty Group, a hotel and real estate investment company. Rafael also worked as an Economic Analyst for Puerto Rico’s largest media company, GFR Media. Rafael holds two Master’s Degrees in Economics and Finance, with a specialization in Monetary Policy and Banking.