PRODUCT NEWS

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Shock in the market, gold-mining companies hit

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KEY TAKEAWAYS:

- *A new bout of turmoil with gold pulling back and mining stocks being doubly penalized*
- *Unfavourable short-term factors, while long-term fundamentals remain solid*
- *Rising production costs are not a cause for concern — we take this opportunity to add selectively to certain positions*

A large-scale shock

The attack on Qatar's gas facilities by Iran has had an impact across the board and triggered a new **sell-off in risky assets**. During these periods of broad-based selling, gold is also sold in order to meet liquidity needs. **Gold-mining equities are taking a double hit**: falling gold and share prices. In this occasion, the move is being amplified by the strong performance in 2025 (Gold +65%, NYSE Arca Gold Miners index +165%) and in 2026: as of 27 February, CM-AM Global Gold was up 32%. Investors are taking profits in those segments of the market that have risen the most. Moreover, after a month of war, the price of oil surged, putting pressure on all the world's economies. **The current volatility in the sector is not unusual** in this type of context. On the day of Trump's ultimatum (07/04/2026), gold and the gold companies index were still up 7.7% and 10.7% in USD since the beginning of the year.

Focus on our gold trend indicators

In the short term, some indicators are **less favourable**: the potentially inflationary environment has reduced expectations of additional rate cuts, particularly by the Fed, while the US dollar is showing strength. In the short term, sales of gold ETFs and unwinding of positions on COMEX* are weighing on prices. A few **central banks are taking advantage of high prices** and drawing on their gold reserves to fund some spending (e.g. Poland and Russia).

However, after the shock**, physical demand over the medium to long term should pick up again as prices decline**. Indeed, the sharp rally at the end of 2025 and beginning of 2026 curbed physical gold purchases, especially in jewellery, which is the most price-sensitive segment. The same applies to central banks: in early January, Poland's central bank stated that it intended to continue its purchases (+15 tonnes planned in 2026) before backtracking on this statement at the end of February.

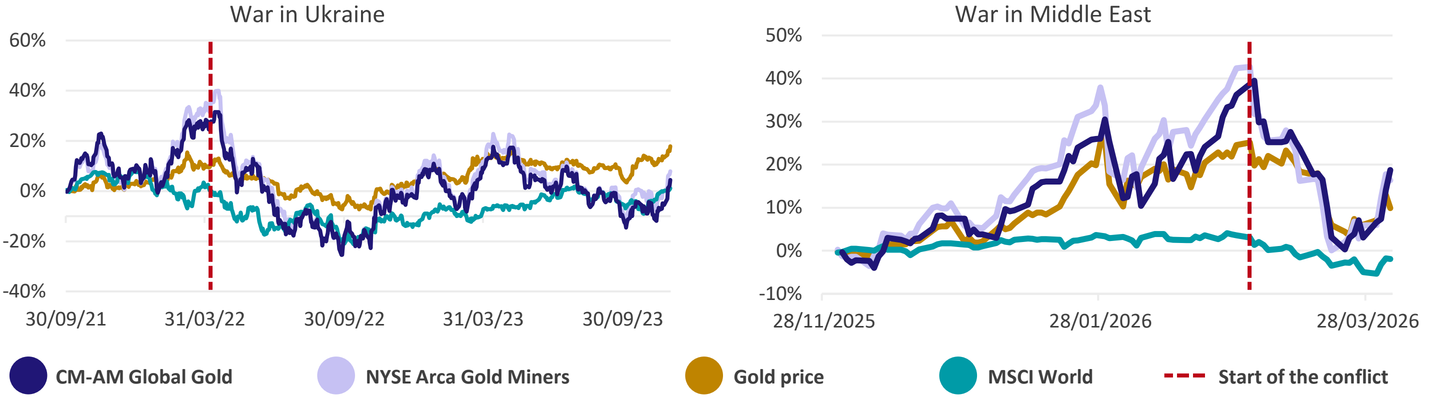
Long-term drivers such as the de-dollarisation of the global economy remain in place. The war against Iran and the "battle for the Strait of Hormuz," now dragging on, are generating geopolitical instability, economic risks (stagflation, recession, disruption of energy supply chains, etc.) and financial instability — all of which are supportive for gold and safe-haven assets – with the outcome and timing of this war remaining uncertain.

To illustrate the point, here are **charts showing the performance** of gold, the MSCI World, CM-AM Global Gold and its gold-mining index (NYSE Arca Gold Miners) during the last two crises:

*Commodities Exchange, a market specialising in energy and precious metals.

Source: Crédit Mutuel Asset Management, 08/04/2026.

Historical market trends are not a reliable indicator of future market behaviour. This data is shown for illustrative purposes only. Depending on the publication date, the information presented may differ from the updated data.



Sources: Crédit Mutuel Asset Management, as of 08/04/2026. Historical market trends are not a reliable indicator of future market behaviour. These data are provided for illustration purposes only. Depending on the publication date, the information presented may differ from the latest available data. Past performance is not a guide to future performance. Performance is not guaranteed and may fluctuate both upwards and downwards. For data calculated by the producer, please refer to the fund report, which is the sole authoritative source.

CM-AM Gold fund positioning

The impact of higher energy prices varies between mines, with energy used in the production process generally coming from the country's power grid. For 2026, we had forecasted a production cost (average in our portfolio) of between $1,700 and $1,800 per ounce (versus $1,540/ounce in 2025), thus factoring in the potential impacts of energy and reagent (chemical products) prices.

Given the context and the high volatility of gold and mining companies, we had a significant **cash** position in March (up to 8 %), which we recently reduced by taking advantage of the sharp drop in prices. In particular, we have:

- reweighted royalty companies (Franco Nevada, Wheaton Precious), a segment less sensitive to production costs and therefore more defensive
- strengthened positions in growth companies (Orla Mining, Equinox Gold)
- invested in new companies we recently met with

We remain optimistic on the outlook for gold and on gold mining companies successfully executing their business plans, which should drive growth in earnings and *free cash flow* generation.

The reference to certain securities or financial instruments is for illustrative purposes only. It is not intended to promote direct investment in those instruments.