

Monthly Market Insights, Review of May 2023

- Global equity markets were more stable in May than they had been in previous months, though many markets experienced notable declines. A dramatic drop in oil prices, combined with many economists revising their forecasts, had rippling financial effects across the globe.
 - The S&P 500 experienced very little movement in May, ending the month about 0.2% higher than where it started. The Dow Jones, on the other hand, had a bit more movement. The DJIA declining 3.5% before the end of the month.
- Global commodity markets generally declined, including a 9.6% decrease in Crude/Brent oil prices. This was triggered by several ongoing factors, including a stronger US Dollar, increased economic uncertainty and a drop in global demand.
- The Federal Reserve has promised a temporary pause from rate hikes in June, which has offered lenders and borrowers some relief. This comes following rates rising in May, bringing the benchmark rate over 5% for the first time in sixteen years. In Australia, the RBA has continued with increases placing the official cash rate at 3.85% in May, with additional hikes expected to occur over the course of the next few months.

Market Metrics for May vs YTD

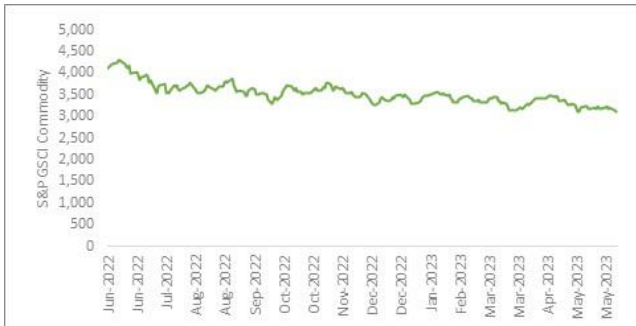
0.2% S&P 500 (May)	9.3% S&P 500 (YTD)	(3.5)% DJIA (May)	(0.7)% DJIA (YTD)	(5.4)% FTSE 100 (May)	(1.4)% FTSE 100 (YTD)	(3.0)% ASX 200 (May)	2.1% ASX 200 (YTD)
(6.5)% S&P GSCI (May)	(10.6)% S&P GSCI (YTD)	(3.9)% ASX200 Res (May)	(2.1)% ASX200 Res (YTD)	(1.8)% Gold (US\$) (May)	5.5% Gold (US\$) (YTD)	(9.6)% Crude/Brent (May)	(11.6)% Crude/Brent (YTD)

Source: Bloomberg, S&P Global Market Intelligence, Investing.com, Trading Economics, MarketWatch, NASDAQ, KME

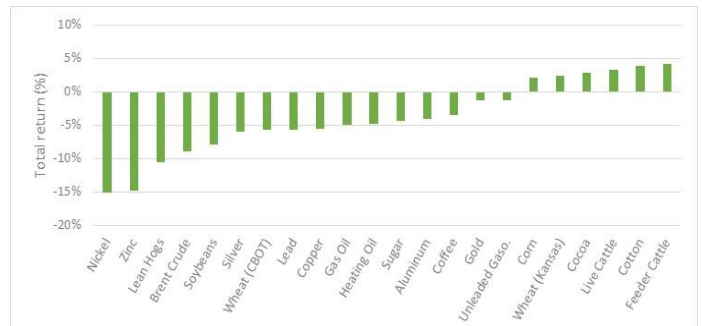
Commodity Highlights

- The S&P GSCI experienced a notable drop in May, falling by 6.5% and roughly doubling total losses for the year. Meanwhile, the ASX 200 Resources index experienced a smaller drop of about 3.9%.
- Despite a small 1.8% decline, gold maintained its positive YTD status and has generally outperformed other speculative commodities.
- Most other commodities performed somewhat poorly in May, including silver, which experienced a 6.2% decline and other metals, such as iron and nickel that each dropped more than 10% in value.
- Despite a general drop in commodity values, investors did find a few bright spots. Cattle and oat values both increased by more than 13%, reinforcing the need to create a diversified commodities portfolio.

S&P GSCI Performance, LTM



S&P GSCI and Constituents, Monthly Returns



Source: Bloomberg, S&P Global Market Intelligence, Investing.com, Trading Economics, MarketWatch, NASDAQ, KME

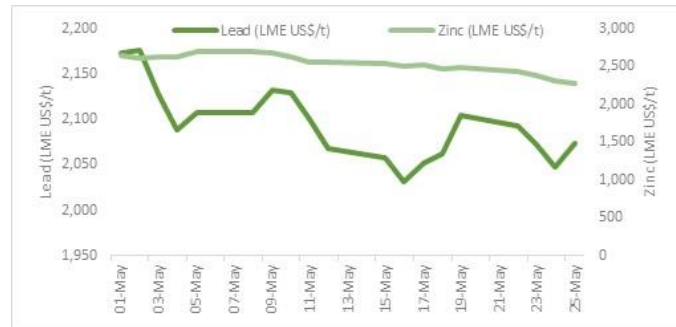
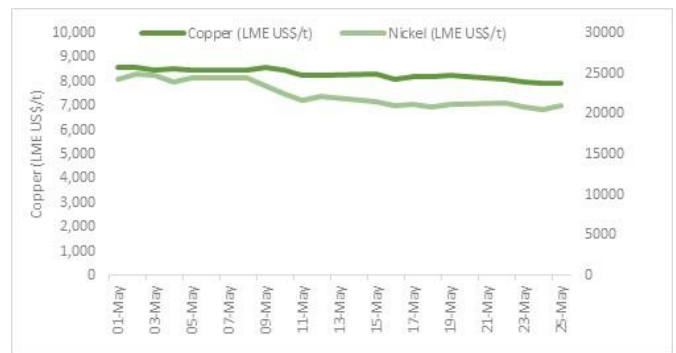
Precious Metals – gold, silver, palladium, platinum

- The price of gold dropped by nearly 2% in May as investors began considering other commodities to invest in.
- One of the primary drivers of the precious metals drop was the increased stability witnessed across the financial industry. Precious metals and traditional invest vehicles typically move in opposite directions.
- Holders of silver had an exceptionally difficult month, as the precious metal decreased by 6.2%.
- Palladium also experienced a dip in value, dropping from \$922 to \$886 between May 1 and June 1.
- The price of platinum matched its precious metal counterparts, dropping by just over 5%.



Base Metals – copper, nickel, lead, zinc

- Most base metals experienced minor to significant retractions this May:
 - Copper: -6.5% to US\$8,017/t;
 - Nickel: -15.6% to US\$20,433/t;
 - Lead: -7.5% to US\$2,011/t; and
 - Zinc: -15.1% to US\$2,248/t.
- Ongoing sanctions against Russia have caused some investors to look for alternatives to nickel, zinc and other base metals.
- Copper's unique uses and fundamentals have helped the metal endure relatively limited losses this month.
- Ongoing demand from China has also helped lead prices stay relatively stable.



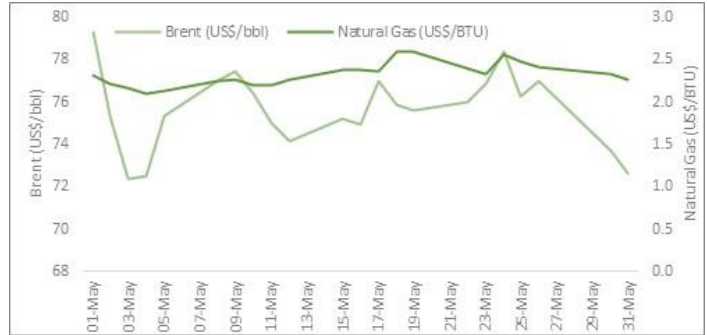
Bulks – iron ore

- The iron ore price (NYMEX 62% fines) remained almost unchanged throughout May, further cementing its status as a “go-to” bulk metal.
- A global construction boom has helped keep demand for iron ore high across all continents.
- Australia and Brazil continue to make major moves within the iron ore market, which is expected to increase by about 3.1% per year through 2028.



Energy – oil & gas

- The S&P GSCI Energy fell by about 6%, dropping from about \$253 to \$238 over the course of May.
- The most notable change in the energy industry was the sharp drop in Brent and other oil derivatives that occurred toward the end of the month.
- Normally, oil and gas prices spike in June and July. However, due to anomalies still existing in the industry, most speculators are unsure where these energy products will move.



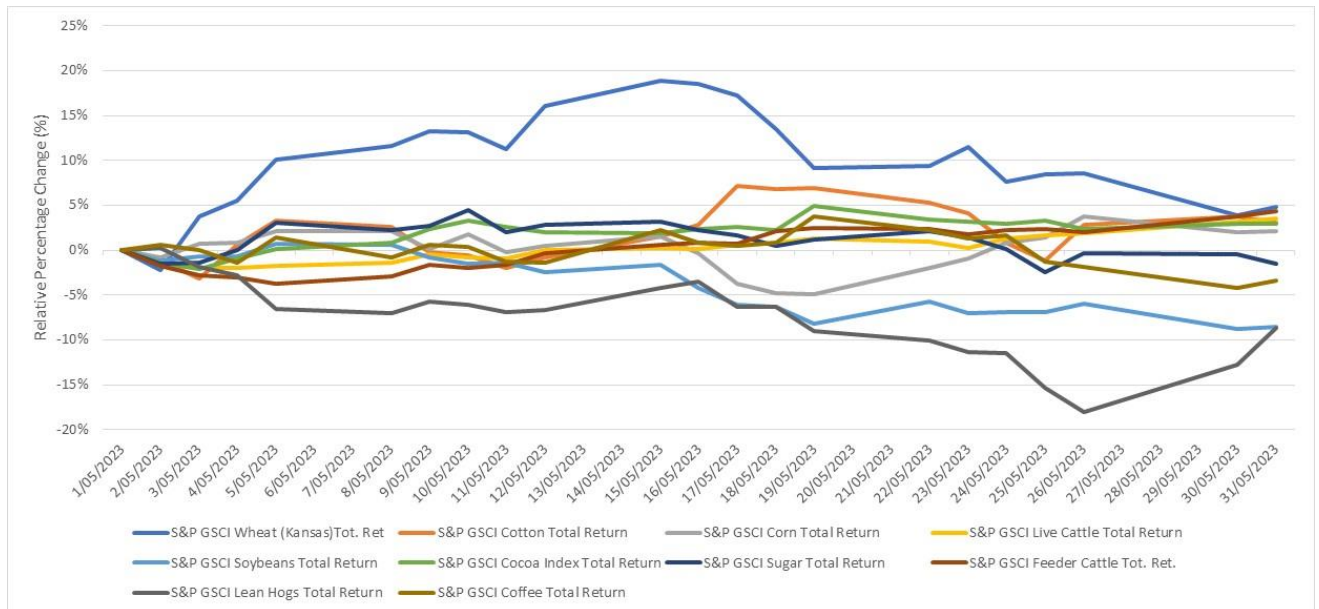
Agriculture

- Towards the beginning of the month, agriculture experienced a sharp increase. However, by the end of the month, these gains would be reversed, leaving AG slightly worse than where it started.
- Overall, agriculture declined by 2.2%, netting a 3.9% decline for the year.
- Livestock was one of the most productive agriculture commodities this month, increasing in value by 13.4%. That brings the yearly gain to an impressive 26.7%.
- Cotton was also a profitable crop, yielding an impressive 4% monthly gain, which pushed the commodity up to 2% on the year.



Source: Bloomberg, S&P Global Market Intelligence, Investing.com, Trading Economics, MarketWatch, NASDAQ, KME

Selected S&P GSCI agriculture product returns relative performance (May 2023)



Source: S&P Global Market Intelligence, Investing.com, Trading Economics, MarketWatch, NASDAQ, KME

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The Fund aims to achieve long-term growth by investing in equities in the global natural resources sector, incorporating the metals and mining, energy and agriculture sectors

ESG considerations are core to Eden's investment process, and potential investments which do not meet required ESG measures will be excluded from the Fund's investment universe. Eden employs a combination of negative/exclusionary screening, positive/best-in-class screening, ESG integration, and corporate engagement plus shareholder action

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