PRIMEVEST CAPITAL

Primevestfund™ Manager Report **September 2026**

The third quarter delivered the broad-based metals move we have been positioning for. Gold pushed through $4,700/oz and copper traded above $6.50/lb, each at or within striking distance of record territory. Resource equities peaked in August before correcting by double digits in September, yet metals prices remained reasonably firm. That divergence is instructive. In June, a liquidity event pulled metals prices lower. This time metals held, because the advance has been led by supply rather than sentiment. The pressure was confined to equities due to a spike in rates and thin liquidity rather than any change in fundamentals. It also explains why a number of individual stocks contracted significantly late in the quarter.

Copper is the clearest example. Disruptions at two of the world's largest mines, Freeport-McMoRan's Grasberg complex and Ivanhoe Mines' Kamoa-Kakula operation, have removed an estimated 600,000 tonnes of expected 2026 production, swinging the market from a forecast surplus to a deficit for the year. That supply may return once operations are repaired, but higher copper prices cannot speed the process. Nor can price solve the wider shortfall. The structural deficit we have written about for several years is now compounding, as declining ore grades, aging pit infrastructure, and multi-decade permitting and construction timelines mean new tonnes cannot be called into existence on a timeframe that matters for the near-term gap.

A year ago, we articulated the view that Canada was entering an environment analogous to the early 2000s, and that a shift in federal policy direction under Mark Carney could meaningfully improve capital flows into the country. That thesis took a significant step forward this quarter. On September 14 and 15, the federal government hosted the first-ever Canada Investment Summit in Toronto, convening roughly 100 of the world's largest institutional investors from nearly 30 countries, including a substantial American contingent, in partnership with CPP Investments and PSP Investments. Attendees were presented a prospectus of Canadian investment opportunities, and PSP alone said it expects to increase its Canadian investments by 30–40%, which the government describes as an incremental $25 billion. Alongside the summit, Ottawa introduced the "Productivity Mega Deduction," making immediate expensing permanent for roughly two-thirds of capital investment and, notably for the mining sector, extending immediate expensing to Canadian development expenses for the first time. This directly improves after-tax project economics, enhances free cash flow characteristics, and likely reduces cost of capital for the development-stage companies at the core of our portfolio. These are the structural tailwinds we anticipated: a government actively courting long-duration capital at the same moment global investors are searching for exposure to critical minerals and energy infrastructure.

On the macro side, the Federal Reserve raised its policy rate 25 basis points in September, its first hike since 2023, as the energy shock stemming from the Iran conflict has proven stickier in the inflation data than officials had hoped. This is a reminder that the disinflation narrative many investors had comfortably priced in earlier in the year was never guaranteed, and it reinforces a theme we have returned to repeatedly: fiscal largesse, sovereign debt burdens, and now renewed inflationary pressure from geopolitical disruption all continue to support the long-term case for hard assets. Markets initially read the hike as a hawkish surprise, and resource equities gave back a meaningful portion of their August gains. Higher rates are a near-term headwind for development-stage equities, but they are also a symptom of the inflationary backdrop that underpins our long-term view.

As we look toward year-end, the portfolio remains positioned where our highest conviction lies: copper and precious-metals development assets trading well below the value we believe they will realize once the market fully absorbs the supply-side reality now playing out at Grasberg, Kamoa-Kakula, and elsewhere. The September correction has widened that gap. Much of the small- and mid-cap resource space has not yet caught up to the commodity moves of the past two quarters and now trades at an even larger discount to the metals prices it is leveraged to. That is exactly the kind of dislocation the Fund attempts to exploit.

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