

Citywire

New fund to capitalise on 10-year gold bull market

by **Danielle Levy** on Dec 04, 2009 at 09:35

Charteris Treasury Portfolio Managers is planning to launch a gold fund to capitalise on what it sees as the next phase of the gold bull market, which it expects to last until 2019.

Managed by Citywire A-rated **Ian Williams** and Nick Taylor, the Ucits III long-only fund seeks to give investors access to rising gold prices. Williams and

Taylor believe there are still several years left to run in the gold bull market and that gold could go to 'several thousand' dollars per ounce.



Charteris is planning to launch the fund in February and will target gold mining companies and ETFs.

Williams, who is chairman and CEO of Charteris, said: 'We aim to put into practice what we have been doing for private clients over the past three to four years.'

He added: 'As far as gold is concerned, we believe the cycle that is of most interest to investors is the 40-year cycle – 20 years up and 20 years down. Gold last peaked at \$850 an ounce in January 1980 and bottomed almost 20 years later in September 1999. If this analysis holds good, the next major peak in gold will not occur until 2019.'

The fund will invest primarily in Canadian, US and Australian gold mining companies and Charteris will target stockbrokers, private client managers and IFAs with the new fund.

Williams said Charteris has already raised some seed capital and is currently in discussions with a number of ultra-high net worth individuals. It hopes this could result in an initial launch with around £20 million under management.

Williams currently manages the **City Financial Strategic Gilt fund**. It is ranked top out of 28 funds in the IMA UK gilt sector over the past 12 months, posting a 12.1% return to 28 November, while the FTSE British Govt All Stocks index was up 6.8%, according to Lipper.

Over the 35 months to the end of November, the fund has returned 24.9% while the index was up 20.6% over the same period.

Williams and Taylor also manage the **Elite Charteris Premium Income fund**, which invests in FTSE 100 companies and writes covered call options against the underlying portfolio. Over the three years to the end of November, the duo has posted a 4.4% return while the FTSE 100 was down 3.4%.