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We Remain *Fully Committed* to Our Precious Metals Positions



Jonathan M. Wellum
Founder, President & CEO

Dear Clients,

The precious metals sector has experienced sharp and unsettling volatility in 2026. This level of volatility tests the patience of even long-term investors. Gold has pulled back from its highs amid a stronger U.S. dollar and a market that is pricing in further interest rate increases by the Federal Reserve in an effort to tame inflation. These moves have pressured gold and silver prices and, with them, the share prices of the companies we own. None of this has changed our conviction. We will not be shaken from the positions we have been methodically building since the inception of Rocklinc, 17 years ago.

Our largest and most important holdings remain the highest-quality businesses in the sector: Agnico Eagle, Franco-Nevada, Gold Royalty, Wheaton Precious Metals, OR Royalties, Royal Gold, Sprott Inc., and Altius Minerals. These are the best-capitalized, lowest-risk ways to own precious metals. With the exception of Agnico Eagle, the world's highest quality gold miner, our emphasis has been and continues to be on royalty and streaming companies. These businesses provide leveraged upside to gold and silver prices without the operational, capital spending, and political risks that pure-play miners face. They generate strong free cash flow, maintain fortress like balance sheets, and compound value across all cycles including the present one. Agnico Eagle earns its place through disciplined capital allocation, long-life assets in the best jurisdictions, and a management team that has consistently delivered the best returns of any major gold mining company over the past 25 years. Sprott Inc. and Altius Minerals add specialized asset management expertise and diversified royalty exposure that further strengthens the quality of our overall holdings. These are not speculative trades. They are core, multi-year holdings selected for resilience and long-term compounding power based on the economic and political realities of the world we live in.

The Long-Term Fundamentals Remain Intact and Are Improving

The reasons we have articulated for investing in precious metals for almost two decades continue to hold, and in many cases have only strengthened. Global debt levels are unsustainable. Total global debt exceeds $350 trillion, with many major economies carrying total debt (including off-balance-sheet obligations) well above 300% of GDP. In the United States, their index adjusted entitlements added to their current interest on their $40+ trillion national debt already consume more than 100% of federal receipts, and the gap between their escalating liabilities and their tax base continues to widen. Post-2008 policy choices, massive deficit spending, monetary expansion, and the political inability to address structural deficits, have left governments with few options other than continued currency debasement.

Gold and silver are the ultimate monetary insurance against this process. Unlike fiat currencies, which can be expanded at will, gold has a finite above-ground stock that grows only slowly through mining. It carries no counterparty risk. Over the past 25 years it has compounded at a higher rate than the S&P 500 total-return index, a fact that surprises many who view it only as a "non-yielding" asset. Central banks continue to accumulate it as a neutral reserve asset, and the slow process of de-dollarization, visible in rising gold holdings among non-Western nations and increasing discussion of gold settlement for trade imbalances, supports underlying demand.

Interest rate increases and a temporarily firm U.S. dollar do not diminish these fundamentals. Higher nominal rates raise the opportunity cost of holding non-yielding bullion in the short run, and a stronger dollar can weigh on the dollar-denominated price. Both effects are real and can produce the kind of price declines we have seen. They are also temporary relative to the intractable structural problems facing all the major economies in the world, especially the US. The sheer scale of public and private debt means that elevated real rates quickly become politically and financially unbearable. History shows that governments and central banks ultimately respond with financial repression, holding rates below inflation, or with outright monetary expansion (printing money). Either path is positive for real assets, particularly gold, and to a lesser degree silver. A strong dollar today does not reverse the multi-decade erosion of fiat purchasing power; it merely delays the next phase of the debasement trade. The longer policymakers attempt to defend the status quo with higher rates, the more acute the eventual pressure on currencies becomes. This is setting us up for some dramatic moves in many of our investment positions if we remain focused and vigilant.

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>
> JONATHAN M. WELLUM

Volatility Is Par for the Course

Precious metals have always been volatile. Sharp corrections within a multi-year bull market are normal, not evidence that the thesis has broken. We have experienced similar episodes multiple times since we began building these positions in 2010. Each time, the underlying drivers, debt accumulation, monetary expansion, and eroding confidence in fiat currencies continued. The companies we own have used periods of weakness to strengthen their balance sheets, acquire high-quality royalties, and extend mine lives. Their free cash flow at current metal prices remains robust, and many still trade at valuations that do not fully reflect the cash-flow power they would generate if prices simply stabilized at these levels.

We size these positions with the expectation of volatility. Our overall precious metals allocation has grown over the years precisely because the macroeconomic backdrop has deteriorated, not because we chase short-term price moves. The largest holdings are the ones we are most comfortable owning through drawdowns because their business models are the most durable and weaker market conditions provides them with greater opportunities to deploy capital.

Staying the Course

The fundamentals for gold and silver are getting better, not worse, with each passing year given the out-of-control spending of governments around the world. Central bank buying, constrained mine supply growth, industrial demand for silver, and the slow realization that debt cannot be grown indefinitely all support the long-term case. Our preference for the highest-quality royalty companies and the best-run miner(s) gives us leveraged exposure while minimizing the risks that destroy capital in this sector.

We have owned many of these businesses for the better part of two decades. We have added on weakness and held through strength. We will continue to do so.

Temporary rate increases and a firm dollar are noise. The long-term debasement of fiat currencies and gold's enduring role as the ultimate form of monetary collateral is what ultimately matters. That reality has only grown clearer with time. We remain fully committed.



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