

December 2017

NAV = 114.0

(+3.37%)

December Monthly Strategy Update

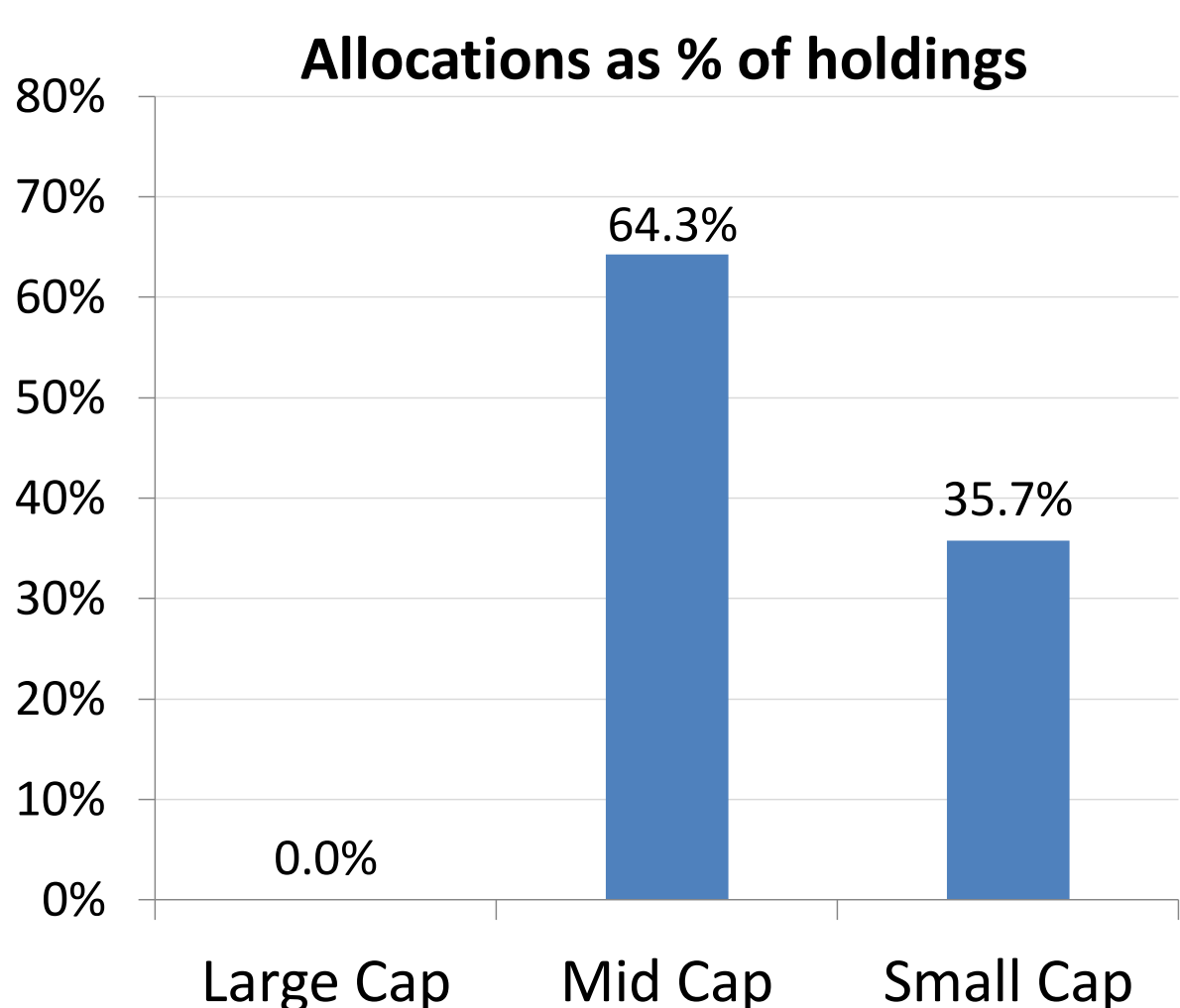
At the end of November, we reported that natural resources stocks “were likely to continue enjoying gains in December,” which clearly was the case. In December the Natural Resources portfolio gained +3.37% compared to the +5.13% gain in the benchmark. In the last four months, the portfolio is up +14.04% whereas the IGE benchmark gained +12.26%. Because of concerns that the oil and gas market closed 2017 in a temporarily over-bought state, we sold full positions in most Oiler stocks, taking solid profits.

The portfolio has been reduced from 20 to 10 holdings of which 7 are in mining and now just 3 in oil and gas. For the Oilers, our profits came from Callon (CPE +28.3%), Carrizo (CRZO +41.0%), Devon (DVN +30.7%), Gulfport (GPOR +0.1%), Helmerich & Payne (HP +48.3%), Murphy (MUR +25.2%), Newfield Expl. (NFX +19.1%), Pioneer (PXD +20.7%), and Sanchez (SN +9.3%). We also closed our position in HudBay Minerals (HBM +19.0%). Because of the larger size of PXD and DVN, the market cap of these 10 sell-offs averages \$7.85 Billion versus \$1.89B for the 10 we still hold; however, we anticipate the average market cap of our holdings in 2018 to be in the \$4B range, each company to be well financed and profitable by year-end. In 1Q2018, we shall return to HBM, which is our primary copper interest as well as many of the Oilers we sold. We also expect to actively trade the precious metal miners, eliminating a couple of them. Overall, we believe that 2018 will be an excellent year for natural resource investment as revenues, cash flow and earnings continue to improve, and more investors recognize the inherent value.

Portfolio Data

Number of Holdings	10
Currency	USD
Wgt Avg Mkt Cap (Mln)	\$1'886
Dividend Yield	2.20%
Price/Earning Ratio	41.2
52-Week High & Low	114.0 & 100.0

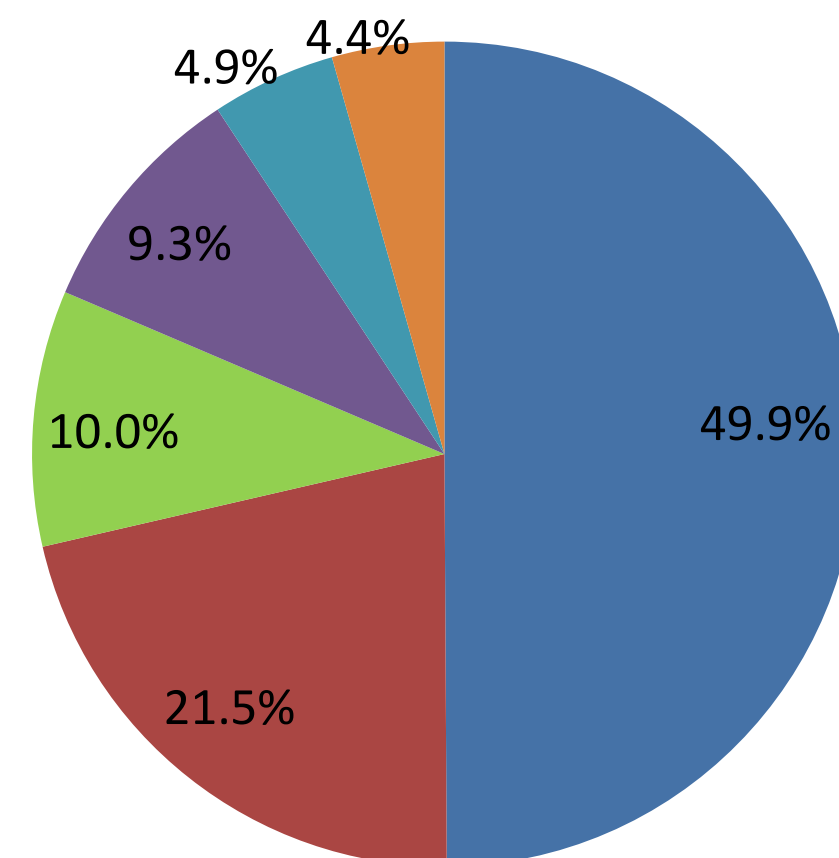
Market Capitalizations



Sector Weightings

Sector	%
Cash	49.9
Silver Mining	21.5
Gold Mining	10.0
Oil & Gas Explor & Prod	9.3
Uranium Mining	4.9
Oil & Gas Services	4.4

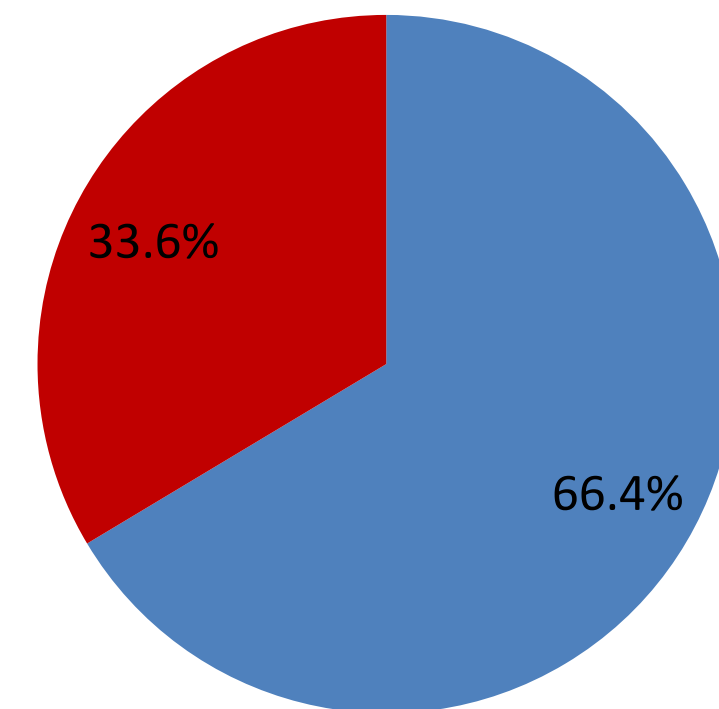
Sector Weightings (%)



Country Weightings

Country	%
Canada	33.3
U.S.	16.8

Country Weights (%)



Historical Performance

Risk Characteristics

	Annualized Volatility	Beta	Sharpe Ratio
WMA Cara Natural Resources	13.5%	0.71	0.74
S&P Natural Resources Index	12.5%	1.00	0.69

Price Return

as of 12/30/2017

	YTD	Since 2017
WMA Cara Natural Resources	14.0%	14.0%
S&P Natural Resources Index	12.3%	12.3%

WMA Cara Natural Resources Portfolio

