



Results analysis: BlackRock World Mining

BRWM's results point to a year of consolidation in the sector...

Update
11 March 2025

- BlackRock World Mining (BRWM) has reported a NAV total return of -10.7% for the financial year ending 31/12/2024, slightly trailing the reference index, the MSCI ACWI Metals and Mining 30% Buffer 10/40 Index, which delivered -9.9%. BRWM's share price total return was -12.7% due to a widening discount.
- Underlying commodity prices were generally positive, with average prices for copper 7.8% above 2023's and those for gold 22.9%. Copper was BRWM's largest exposure, and the pure play miners were its best performers. On the other hand, the equities of the gold mining companies didn't keep up with the metal, with cost inflation pressuring earnings and free cash flow.
- Iron ore was relatively weak, with average prices down 8.8% on 2023. This put pressure on the diversified miners Rio Tinto, BHP and Vale. The managers reduced exposure to all three over 2024, particularly Vale.
- The final quarter of the year was particularly tough. China's stimulus package disappointed markets, and investor attention remained on the AI story. However, the managers argue that supportive demand trends, strong balance sheets, limited supply growth and low valuations should underpin a recovery to positive returns in due course.
- Three quarterly interim dividends of 5.5p per share were paid and a final dividend of 6.5p has been proposed. This 23p would equate to a yield of 4.9% on the share price at the time of writing, although dividends are down 31.3% on 2023.
- Over the year the shares traded at an average discount of 5.2%. During the year, the company repurchased 165,000 shares at an average discount of 10.0%. Since the year end and up to 28/02/2025, a further 150,000 shares have been bought back. At the time of writing, the shares trade on an 7.6% discount.
- Net gearing was 12.0% at the end of the year. Over the course of 2024, gearing was kept lower than in prior years to minimize interest costs.

Analysts:

Thomas McMahon
+44 (0)203 795 0070



Kepler Partners is not authorised to make recommendations to Retail Clients. This report is based on factual information only.

The material contained on this site is factual and provided for general informational purposes only. It is not an invitation or inducement to buy, sell or subscribe to any product described, nor is it a statement as to the suitability or otherwise of any investments for any person. The material on this site does not constitute a financial promotion within the meaning of the FCA rules or the financial promotions order. Persons wishing to invest in any of the securities discussed in the website should take their own independent advice with regard to the suitability of such investments and the tax consequences of such investment.

- Charles Goodyear, chairman of the board, said: "We continue to be excited by the continued enthusiasm for the energy transition minerals, the emerging demand for the minerals and energy resources necessary to support the emerging artificial intelligence space, the continued efforts by China to find the right economic support to foster domestic demand and the positive outlook in the United States. All of these opportunities will require significant natural resources against a backdrop of continued declining grades and increasing project development timelines."

Kepler View

We think **BlackRock World Mining (BRWM)** is a highly attractive way to get exposure to one of the crucial sectors in the world economy. Two key trends of the coming years, the massive expansion of AI



and the transition to low carbon energy sources, require huge amounts of commodities. In the short term, there are issues weighing on the sector, chiefly concerns about growth in China and the potential impact of tariffs. We view this as a good time to be accumulating exposure to the sector, with the share price discount on BRWM's shares adding to the value opportunity and to the performance potential when the market turns. A narrowing discount and significant gearing have both helped deliver strong returns in past up-cycles.

BRWM also offers some exposure to unquoted investments, the managers taking advantage of the closed-ended structure to hold illiquid assets worth 8.4% of the portfolio at the end of the year. These include royalties and debentures as well as unquoted equity. Jetty Resources, which has developed a new catalyst which improves copper recovery from otherwise uneconomic primary copper sulphides, is one such unlisted company. Its technology is currently being trialled in a number of copper mines and 2025 should see a decision made whether its use will be approved at scale. This could be a source of alpha for BRWM, for which Jetty is a 2% position. The managers, Evy Hambro and Olivia Markham, have banked significant gains on the position, which remains held around 75% above the price it was acquired at. That said, the value of the position was written down by 19% over the 2025 financial year, to reflect longer contract negotiations and a slower roll-out of the technology, which has delayed revenue projections.

Evy and Olivia invest in a diversified group of commodities. The weighting to gold miners is 22% of the portfolio, and this should bring a very different return profile to the more cyclical industrial metals like iron ore. It is true that gold miners have been something of a disappointment overall in the recent gold rally. However, with the outlook for the metal positive and the prospect of low inflation and falling interest rates over 2025, we think gold miners could do well. Uranium is another exposure which should show differentiated behaviour to the more industrial metals, and was a positive contributor over 2024. The key overweight remains copper, which the managers note is critical to the electrification of the grid in the West and in China. They continue to add to their exploration and development names and exposure to copper grew over the year.

There are a number of strong secular drivers behind demand for mined commodities, with minerals and metals crucial to both the energy transition and the rollout of the infrastructure necessary for AI – data centres, power lines and energy production. We think this could make the sector less cyclical than it has been in the past, although sensitivity to growth in the global economy and in particular China's economy will remain a key risk factor. BRWM offers access to these themes in a highly active

manner. The use of gearing, the use of derivatives to boost the income and the investment in unquoted assets all set the trust apart, while the current discount to NAV offers another potential source of return. While the immediate outlook may remain uncertain, with a long-term view we think this is likely to have been a good time to accumulate shares, and we note that the NAV and the share price have both moved very fast in previous recoveries.

[Click here to read the FY report on RNS](#)

[Click here to read our latest research on BRWM](#)

[Click here to add BRWM to your watchlist](#)



Disclaimer

This report has been issued by Kepler Partners LLP. **The analyst who has prepared this report is aware that Kepler Partners LLP has a relationship with the company covered in this report and/or a conflict of interest which may impair the objectivity of the research.**

Past performance is not a reliable indicator of future results. The value of investments can fall as well as rise and you may get back less than you invested when you decide to sell your investments. It is strongly recommended that if you are a private investor independent financial advice should be taken before making any investment or financial decision.

Kepler Partners is not authorised to make recommendations to retail clients. This report has been issued by Kepler Partners LLP, is based on factual information only, is solely for information purposes only and any views contained in it must not be construed as investment or tax advice or a recommendation to buy, sell or take any action in relation to any investment.

The information provided on this website is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Kepler Partners LLP to any registration requirement within such jurisdiction or country. In particular, this website is exclusively for non-US Persons. Persons who access this information are required to inform themselves and to comply with any such restrictions.

The information contained in this website is not intended to constitute, and should not be construed as, investment advice. No representation or warranty, express or implied, is given by any person as to the accuracy or completeness of the information and no responsibility or liability is accepted for the accuracy or sufficiency of any of the information, for any errors, omissions or misstatements, negligent or otherwise. Any views and opinions, whilst given in good faith, are subject to change without notice.

This is not an official confirmation of terms and is not a recommendation, offer or solicitation to buy or sell or take any action in relation to any investment mentioned herein. Any prices or quotations contained herein are indicative only.

Kepler Partners LLP (including its partners, employees and representatives) or a connected person may have positions in or options on the securities detailed in this report, and may buy, sell or offer to purchase or sell such securities from time to time, but will at all times be subject to restrictions imposed by the firm's internal rules. A copy of the firm's Conflict of Interest policy is available on request.

PLEASE SEE ALSO OUR TERMS AND CONDITIONS

Kepler Partners LLP is authorised and regulated by the Financial Conduct Authority (FRN 480590), registered in England and Wales at 70 Conduit Street, London W1S 2GF with registered number OC334771.

