

AICA Member Profile:

Merk Investments

Merk Investments is an investment management firm founded in 1994 by Alexander “Axel” Merk, who serves as the firm’s President, Chief Investment Officer, and Portfolio Manager. Based in Menlo Park, CA, Merk Investments’ mission is to help its clients achieve superior risk-adjusted portfolio performance. The firm also advises on liquid global markets, including domestic and international equities, fixed income, commodities, and currencies.

After a brief, early focus on technology, Merk Investments expanded into precious minerals and is now fully engaged in gold and gold mining investment opportunities. Gold and gold mining is a unique space with different segments characterized by outsized “major” companies that build and operate gold mines, and smaller “junior” players involved in early-stage mineral exploration. Both offer different risk profiles and diversification options.

The firm’s founder and namesake has grown Merk Investments into a \$1.3 billion business, with support from a small-but-accomplished team of portfolio managers and financial advisors. As a bottom-up investment firm, the team regularly consults with the junior gold mining companies in which it invests and makes regular site visits to key operating assets.

Merk Investments is engaged in two gold-focused investment strategies: It sponsors the VanEck Merk Gold Trust, an exchange-traded product, and manages ASA Gold and Precious Metals Limited, a closed-end precious metals and mining fund.

ASA

ASA Gold and Precious Metals Limited is a professionally managed, diversified precious minerals closed-end investment company with the NYSE ticker symbol ASA. The fund was founded in South Africa in 1958 and later reincorporated in Bermuda in 2004. Merk Investments took over management of the fund in 2019, modernizing it by making it less dependent on index tracking and more focused on the junior mining space. ASA has an independent board of directors and is the last closed-end fund of its kind operating as a foreign investment company investing in the United States.



“The closed-end fund space is uniquely suited to the junior mining space because you don’t have the same level of investor flows that the open-ended space has, and with that you can help finance some of these junior mining companies”

Axel Merk, President, Chief Investment Officer, and Portfolio Manager, Merk Investments

By investing in the junior mining space, ASA seeks to accelerate the lifecycle of smaller, exploratory firms so the ones that succeed more than make up for the ones that fail. Structured as a closed-end fund, ASA allows for longer-term investments than a standard mutual fund and is more capable of maintaining a diverse pool of liquid and illiquid assets.

Q&A with Axel Merk

Do you find that prospective investors are skeptical of the gold and gold mining space?

Because ASA is a closed-end fund, some investors tend to be exclusively interested in the discount. However, we encourage investors to learn about the unique dynamics of the gold mining space ... and why they may want to consider ASA in

contrast to, or as a supplement to, whatever else they’re doing in that space.

How do you educate investors about ASA and gold and gold mining opportunities?

We believe that we do more public communication than others in this space. It’s very important to us that investors understand this fund, and one of the things we’ve done is to publish all of ASA’s holdings on a monthly basis, which is unusual for a closed-end fund. I believe that the more one communicates, the more the share price can reflect the underlying net asset value because investors better understand the fund’s overall strategy.

Where do you see Merk Investments and ASA in three years?

While ASA is focused on precious metals, we’re currently exploring the idea of

providing services on critical minerals in the future. On the other end of the spectrum, with our experience investing in technology and our business, we believe we have the capacity to manage substantially more money in a whole variety of products, so we're always on the lookout for new opportunities, whether acquiring other companies or closed-end funds.

Why did you decide to join the Active Investment Company Alliance

To expand our ability to communicate with the public about ASA and to help investors evaluate it.

Who inspires you?

I get inspired when something in the market ticks me off, for instance when I see value opportunities mispriced. And I get inspired when I see the Federal Reserve mess up the power of currencies. These types of events inspire me to provide services to the public.

Learn more about [Merk Investments](#), its founder [Axel Merk](#), [gold mining investing](#), and [ASA](#).

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