

# RESOURCE EFFICIENCY LEADERS FUND



## REL Factsheet

## March 2021

### Fund objectives

The fund aims to generate long term capital growth and to outperform the global equities Index MSCI World

### Fund facts

#### Investment manager

Independent Capital Group AG

#### Fund name

ICG Umbrella Funds -  
Resource Efficiency Leaders Fund

#### Legal status

Liechtensteiner UCITS contractual fund

#### Base currency

USD

#### NAV calculation

Weekly

#### Inception date

03. September 2019

#### Fund size

USD \$2.6m

#### Benchmark

MSCI World Net TR Index

#### Custodian

LGT Bank AG, Liechtenstein

### Performance over 1 year



### Cumulative net performance in USD

	NAV	March	YTD	1 Year	CY2020	Inception
	26.03.2021	26.02.- 26.03.2021				
Class R	192.9	1.2%	5.6%	65.7%	6.9%	28.6%
Class I	194.0	1.2%	5.6%	66.4%	7.3%	29.3%

### Codes

#### Share classes

- R Retail USD class, acc.
- I Institutional USD class, acc.

#### Bloomberg ticker

- R REEFLR LE Equity
- I REEFLI LE Equity

#### ISIN

- R LI0492927822
- I LI0492927756

### Dealing & prices

#### Mgmt fee p.a.

- A1 1.20%
- A2 0.80%

#### Min Subscription

- A1 One share
- A2 USD 250'000

#### Trading frequency

Weekly

### Monthly comment

According to Bloomberg, the UK government released a strategy to help protect jobs and investment in the country's energy sector, but that it could still ban new oil and gas exploration licenses. The UK energy minister said the country could eventually follow Denmark and stop offering new licenses and end production by 2050 and will instead work to attract investment in alternative energy, carbon capture, storage and hydrogen. The fossil fuel industry is talking more than ever about how to tackle its emissions according to a Bloomberg analysis of conference calls involving America's oil and gas behemoths, including Exxon Mobil and Chevron. The management teams of the industry's leading companies went from being almost able to avoid the topic entirely to devoting significant time discussing it. Also, Bloomberg BNEF expects EU carbon prices to hit EUR 100/t by 2030 vs. around EUR 40/t today. With higher carbon prices, it forces companies to be as emissions efficient as possible. If the price is sufficiently high, it might force the entire economy to decarbonize deeply. According to analysts, this will run through two channels: substitution of higher-carbon materials for lower-carbon, and where possible, innovations in production as well. Looking at wind energy, the Biden administration sought to kickstart the US offshore wind industry by setting a target of deploying 20 gigawatts of generation capacity from turbines operating in coastal water by 2030. This capacity is enough to power about 10 million homes for a year. The construction of offshore wind is 2-3x more copper intensive than onshore wind generation. The Biden administration also plans to slash the costs of solar by 60% within the next decade, an essential feature if they are to achieve the President's goal of 100% energy by 2035. In Asia, China is strengthening efforts to clean up one of the dirtiest corners of its economy, and now plans for its mammoth steel industry to reach peak emissions within 4 years. The nation aims to hit peak carbon emissions before 2025, and reduce them by 30% by 2030. On the electric vehicle (EV) news front, Angela Merkel wants to have as many as 10 million EVs on the road by 2030. This is twenty times the number of today and needs a significant upgrade to its energy grid to support them. On the other hand, EV manufacturing emits more carbon than internal combustion vehicles due to mining intensive battery packs. They produce lower emissions, however, through the life of an average vehicle. This depends heavily on how much coal generated electricity is used for charging though.

**REL Factsheet**
**Allocation**

Equities	99%
Cash	1%

**Exposure to Sector**

Energy Efficiency	19%
Waste Efficiency	20%
Raw Material Efficiency	21%
Emission Efficiency	20%
Water Efficiency	20%

**Financial statistics (weighted avg.)**

Number of holdings	30
Market cap	\$20bn
P/B ratio	4.1x
P/cash flow	13.4x
FCF yield 2021E	3.3%
EBITA margin	18.0%
Dividend yield	1.9%
Net debt/equity	56%

**Market cap. Segmentation**

Small	< \$5bn	11%
Mid	\$5 - 10bn	26%
Large	> \$10bn	63%

**Top 5 country exposure**

United States	32%
Japan	23%
England	14%
France	7%
Sweden	7%

**Top 5 holdings**

Commercial Metals	4.0%
LKQ	3.9%
Ebara	3.8%
Kingspan Group	3.8%
Rockwool	3.8%

**ESG transparency**

	REL	Universe
Disclosure score	38%	40%
CO2 emission*	429	4'055
GHG emission*	1'858	5'708
Total waste*	154	492
Fuel used**	35	70
Energy Intensity***	367	980
% Women in mngmt	6%	7%
% Women on board	27%	28%
% female exec.	16%	15%
Board avg. age	57	62

**Fund administration**

Accuro Fund Solutions AG

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**March 2021**
**ICG Investment Process**

The Resource Efficiency Leaders Fund actively invests in 30 stocks out of a universe consisting of companies in the five resource efficiency sectors energy, water, waste, materials and emissions.

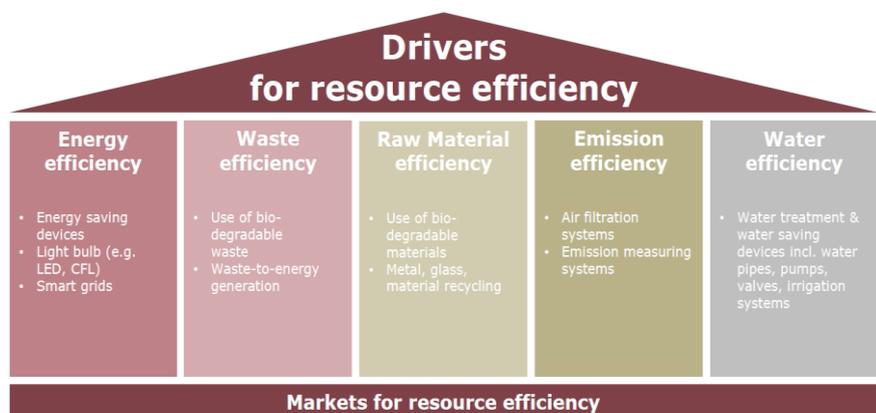
The stock selection in the Resource Efficiency Leaders Fund is based on systematic, unemotional processes which analyse fundamental as well as technical data in fixed time intervals and generate unambiguous investment decisions

All five resource efficiency sectors get the same portfolio-weight and consist of 6 equally-weighted single stock positions

The Resource Efficiency Leaders Fund specifically considers ESG criterias in its investment process

The fund was developed based on three investment beliefs:

- Resource efficiency is an important megatrend for the future
- Sustainable companies perform better in the longer term
- Combining sustainability criterias with ICG's proprietary stock selection models further enhances the risk-return characteristics of the portfolio


**Why invest in the Resource Efficiency Leaders Fund**

The Resource Efficiency Leaders Fund offers investors a true and efficient exposure to industries with a focus on ecological debts that offer above-average growth prospects (clean environment, efficient use of limited natural resources). This megatrend investment theme is driven by population growth, urbanization and the emerging middle class

As incomes rise, demand for resources increases and with it also its waste or related emissions. This provides a strong market potential for innovative companies providing resource efficiency products and services. Within the next 10 years up to 3 billion more middle-class consumers are expected by 2030 compared to 1.8bn today

The need for a clean environment is reflected in a massive rise in worldwide infrastructure spending, among others water solutions, waste recycling and anti-pollution solutions

Smart investors should invest in saving resources as a megatrend with strong growth prospects. They should focus on sustainable energy companies as well as companies, which develop and sell products and services to save energy and water, to produce less waste and keep the air clean and thus improve living conditions for a growing population

Markets for resource efficient technologies which help people and companies to save energy and water, to reduce waste and keep the air clean is growing at a high rate of 8-12% p.a. Governments globally, and particularly in emerging economies are investing trillions in resource efficient technologies to fight pollution and maintain healthy living standards in fast-growing cities

**Investment Manager**

The Resource Efficiency Leaders Fund is managed by Independent Capital Group AG, an independent asset management and investment advisory firm based in Zurich and Basel. Independent Capital Group AG has taken over the team of the commodities and energy investment boutique Gateway Capital Group in Basel in 2014. The experienced portfolio management team has a long proven track record in selecting natural resources investments and is responsible for other commodity investment solutions.

\*in thousand of metric tons; \*\*in thousands of cubic meters; \*\*\*megawatt hours of energy consumed per million of sales revenue

Disclaimer: This is an advertising document. The state of the origin of the fund is Luxembourg. In Switzerland, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Credit Suisse (Switzerland) Ltd., Paradeplatz 8, CH-8001 Zurich. The prospectus, the key information documents or the key investor information documents, the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.