

PRECIOUS METALS CHAMPIONS FUND



PMC Factsheet

Fund objectives

The fund aims to generate long term capital growth by primarily investing in equities from companies offering exposure to the precious metals market.

Fund facts

Investment manager

Independent Capital Group AG

Fund name

ICG Umbrella Funds -
Precious Metals Champions Fund

Legal status

Liechtensteiner UCITS contractual fund

Base currency

USD

NAV calculation

Daily

Inception date

02. June 2020

Fund size

USD \$5m

Benchmark

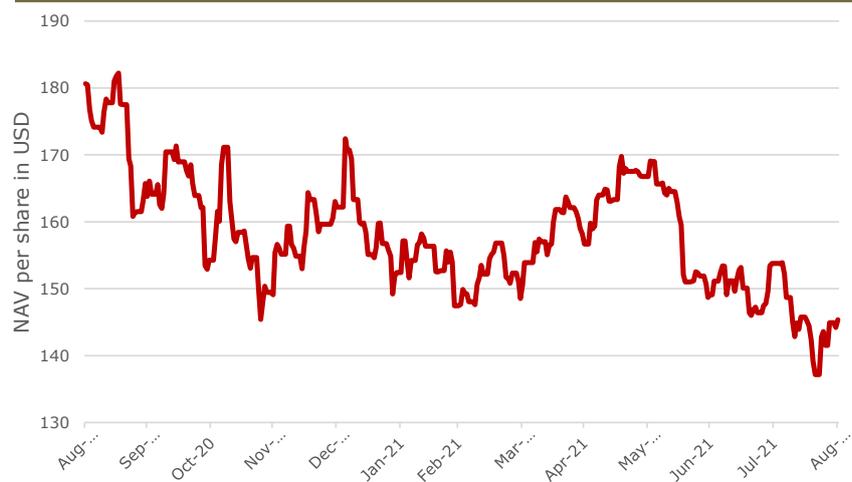
NYSE Arca Gold Miners Index

Custodian

LLB Liechtensteinische Landesbank AG

August 2021

Performance over 1 year **-19.5%**



Cumulative performance in USD

	NAV 31.08.2021	August 30.07.-31.08.2021	YTD	CY2020*	Since Inception
Class A	145.4	-5.5%	-10.4%	8.1%	-3.1%
Class B**	138.8	-5.5%	-7.5%		-7.5%

*CY20 since inception 02.06.2020 / **Inception 08. February 2021

Fund administration

Accuro Fund Solutions AG

Codes

Share classes

- A Institutional USD class, acc.
- B Retail USD class, acc.

Bloomberg ticker

- A PRCMCF A LE
- B PRCMCF B LE

ISIN

- A LI0445625085
- B LI0445625093

Dealing & prices

Management fee p.a.

- A 0.60%
- B 1.20%

Trading frequency

Daily

Minimum subscription

- A USD \$1m
- B One share

Monthly comment

Gold has dropped this year as progress in battling the pandemic eroded demand for haven assets and prompted central banks including the Fed to prepare to taper stimulus programs. Chair Jerome Powell said last week the US central bank could begin reducing monthly bond purchases this year, with the labour market making clear progress. In a speech to the Jackson Hole economic conference, Powell signalled the US central bank will remain patient and repeated that he wants to avoid chasing transitory inflation and potentially discouraging job growth in the process – a defence in effect of the current approach to Fed policy. According to analysts, an underperformance in job gains may support the stance for lower-for-longer rates, potentially translating to strength for gold.

On the company side, South Africa's Impala Platinum lifts pay-out on record profit. The company announced a fourfold increase in its dividend after surging platinum-group metals prices yielded a record profit. Impala follows Anglo American Platinum and Sibanye Stillwater in boosting pay-outs to investors. The final dividend of \$680 million brings the total pay-out for the year to an equivalent of about 50% of free cash flow. This completes a turnaround for Impala, which just two years ago was on the verge of cutting jobs and closing operations. Supply shortfalls for the platinum-group metals are continuing to buoy prices, even as automakers, the largest consumers of the metals, slow down on some operations due to shortages of semi-conductors. According to the company, the medium-term automotive demand outlook for PGMs remains robust, with tightening emissions standards and rising production volumes from a COVID-19-depressed base, likely to support firm demand through the middle of the decade. The CEO of Impala also said that the company is studying plans to refurbish an old base metals refinery in Zimbabwe to ease bottlenecks at its main plant in South Africa. The additional processing capacity could also help lift the company's nickel and copper output and make it easier to participate in new projects. The precious metals champions fund offers its investors exposure to the attractive PGM-market and holds 5 top-producer in the space. The 5 positions have an average FCF-yield in 2022E of almost 20%, EBITDA Margin 2022E of 54% combined with low P/CF of only 5.2x and an average net debt to equity of 19%.

PMC Factsheet

Exposure

Gold equities	80%
Metals physical	20%

Financial statistics*

Number of holdings	25
Market cap	\$11bn
P/B ratio	2.4x
P/cash flow	6.2x
EV/EBITDA 2022E	4.9x
FCF yield 2022E	15.5%
Dividend yield	4.0%
Net debt/equity	5%

Operating statistics in gold-eg.*

Production	2'188 koz
Reserve life (2P reserves)	17 years
Cash costs	\$788/oz
AISC**	\$765/oz
Reserve valuation (EV/2P)	\$336/oz

Market cap. segmentation*

Small	< \$3bn	40%
Mid	\$3 - 10bn	25%
Large	> \$10bn	35%

Top 5 commodity exposure of equities*

Gold	75%
Silver	8%
Palladium	6%
Copper	3%
Rhodium	3%

Top 5 country exposure (production)*

Russia	11%
Canada	9%
South Africa	9%
Brazil	9%
United States	7%

Top 5 equity holdings

SSR Mining	4.4%
Yamana Gold	4.4%
Dundee Precious Metals	4.4%
Endeavour Mining	4.3%
Robex Resources	4.3%

ESG transparency	PMC	Universe
CO2/Koz	0.08	0.96
GHG/Koz	0.68	0.98
Waste/Koz	47	62
Women on Board	22.7%	12.4%
Fatalities	0.09	0.07

Contact

Independent Capital Group AG
 Waldmannstrasse 8
 8001 Zurich
 +41 44 256 16 16
<http://www.independent-capital.com>

August 2021

Why commodities

Commodities have been key in the economic development of the world. The industrialisation and urbanisation of the developing world is far from complete. Urban population is expected to grow globally from 52% to 66% by 2050. Urbanisation drives per capita wealth increase and with it the demand for natural resources. The increase in average income is happening on an unprecedented scale and speed. During the next 20 years the world population is expected to grow larger and on average younger. Middle class expands on a global basis, more than doubling by 2030 to reach >5 billion people. India and China show the largest increases with each reaching more than 1 billion middle-class citizens, China alone has the potential for 250 million people to urbanise in the next 10 years. By 2030, global middle-class consumption is expected to be more than \$63 trillion vs \$35 trillion in 2015. Demand for commodities remains continual, while they are becoming scarcer.

Why natural resource equities and the Precious Metals Champions Fund

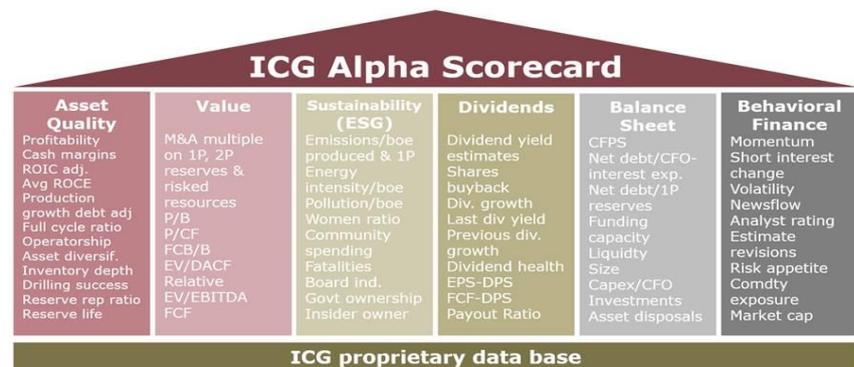
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund offers the investor the opportunity to participate in an actively managed portfolio of natural resources companies active in the attractive precious metals sector and this in a pragmatic sustainable way. This means considering sustainability criteria without losing sight for return.

ICG Investment Process

Our investment process is based on a quantitative approach to find the best-in-class companies. The consistent methodological process, which has been backtested successfully, is non-predictive with >90% of the analysis based on historical data. Our process has a portfolio view and helps to create a balanced portfolio instead of single stock bets or market cap weightings. To properly analyse natural resource related companies, the ICG Investment team makes use of standardised data. We developed a proprietary data base to better analyse financial and operating figures. Extensive data is used (>170'000 data points) to analyse trends across the industry and pinpoint sector champions.

ICG Alpha Scorecard

To better measure the relative attractiveness of natural resource companies in a specific subsector we use sub-sector Alpha Scorecards to facilitate the investment decision. The ICG Alpha Scorecard is a quantitative and qualitative screening scorecard that pinpoints sector champions with strong economic «moat» based on different variables. The approach helps to identify companies with a relative good track record in different key financial and operational variables (statistically robust dependence of performance to scorecard variables). The majority of variables are based on historical figures from the last fiscal year or based on a 3 year average. The majority of variables are also dynamic. The Investment Management team selects the top 25 companies based on the ICG Alpha Scorecard ranking. All positions are equally weighted, however we may reduce the weight or even exclude a company on exceptionally events (e.g. oil spill, political risk). Monthly position update based on all instruments and rebalancing is only done if it makes sense. The Precious Metals Champions Fund consists of a unique combination of investments in the best gold companies but has a minimum gold investment strategy to protect the gold equity downside. The Investment Management team will apply a rule based systematic approach with a gold risk factor that helps to define the current gold environment and according to that adjust the gold equities vs. gold allocation target.



Investment Manager

The Precious Metals Champions 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.

*Equity portfolio based on weighted average and/or weighted average gold-equivalent numbers; **All-in sustaining cost

Disclaimer: The state of the origin of the Fund is Liechtenstein. In Switzerland, the Representative is OpenFunds Investment Services AG, Seefeldstrasse 35, 8008 Zurich, whilst the Paying agent is Helvetische Bank AG, Seefeldstrasse 215, 8008 Zurich. The Basic documents of the Fund such as the prospectus, the key investor information document (KIID), the articles of association as well as the semi-annual and annual reports may be obtained free of charge at the office of the Swiss Representative. The current document is intended for information purposes only and shall not to be used as an offer to buy and/or sell shares. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming shares. Past performance may not be reliable guide to future performance. This material has been prepared by Independent Capital Group AG, none of the administrator or the custodian and transfer agent of the Fund has independently verified any information contained herein and no party makes any representation or warranty as to the accuracy, completeness, or reliability of such information.