

PRECIOUS METALS CHAMPIONS FUND



PMC Factsheet

April 2022

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

Performance over 1 year **-5.9%**



Cumulative performance in USD

	NAV 29.04.2022	April 31.03.-29.04.2022	YTD	CY2021	Since Inception
Class A	148.9	-6.3%	5.5%	-13.5%	-0.8%
Class B*	141.6	-6.3%	5.3%	-10.4%	-5.6%

*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 PRCMCFA LE
- B PRCMCFB 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

According to Analysts, Gold has been hamstrung by expectations the U.S. Federal Reserve will now act quite aggressively to bring inflation under control. The prospect of further U.S. interest rate hikes adds to the relative attractions of the dollar over real assets like gold that have no yield. Gold investors are balancing searing inflation against more aggressive monetary policy tightening, while digesting the added complications of a weakening economic growth backdrop and elevated geopolitical risks. Higher inflation prints, geopolitical risk and recessionary fears, in isolation, should support prices, however, central bank tightening to rein in this inflationary juggernaut will likely take some shine off gold. Looking at silver, demand is expected to climb to a record level this year thanks to increasing use of solar panels as governments boost renewable energy to meet climate goals, setting the stage for years of supply deficits, an industry report said in April. Global silver demand is expected to rise to 1.1 billion ounces this year, up 5% from 2021, consultants Metals Focus said in an annual report compiled for the Silver Institute. On the equity side, miners face shrinking margins as inflationary pressures abound. Inflation is flowing through to labor, consumables, freight, diesel, power, and royalties, while easing COVID restrictions, rising by-product credits, and an appreciating U.S. dollar offer some potential reprieve. While prices for industrial metals have risen sharper this year than inflation, gold and silver prices remain flat by end of April. Independent Capital Group attended this year's European Gold Forum in April to get some insight into the industry, as gold mining companies still struggle with investors' attention in recent years due to bad management, overspending on acquisitions and projects and in general weak communication to the public. We want to highlight that the industry is still heavily undervalued, debt free and is rewarding its shareholders for their loyalty either with dividends, share buy-backs or a combination of both, which means that shareholder returns are steadily growing. Also, the value proposition of large-caps is starting to fade. Investors will start looking for great mid-tier companies which should drive share prices and speaks for diversification instead of a single stock pick. In addition, the industry stays extremely disciplined and keeping their budgets under control - while M&A is still on everyone's mind, an acquisition has to come at the right price. No one wants to pay high premiums anymore as many recent zero-premium acquisitions and mergers showed.

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Exposure

Gold equities	80%
Metals physical	20%

Financial statistics*

Number of holdings	25
Market cap	\$9bn
P/B ratio	1.8x
P/cash flow	7.9x
EV/EBITDA 2022E	5.9x
FCF yield 2022E	6.9%
Dividend yield	2.6%
Net debt/equity	1%

Operating statistics in gold-eg.*

Production	1'606 koz
Reserve life (2P reserves)	21 years
Cash costs	\$882/oz
AISC**	\$856/oz
Reserve valuation (EV/2P)	\$343/oz

Market cap. segmentation*

Small	< \$3bn	39%
Mid	\$3 - 10bn	37%
Large	> \$10bn	24%

Top 5 commodity exposure*

Gold	76%
Silver	7%
Palladium	4%
Rhodium	4%
Platinum	3%

Top 5 country exposure (production)*

South Africa	18%
Australia	15%
Canada	10%
United States	8%
Brazil	8%

Top 5 equity holdings

Yamana Gold	4.5%
Newmont	4.4%
SSR Mining	4.4%
Mandalay Resources	4.2%
Alamos Gold	4.2%

ESG transparency	PMC	Universe
Fuel/production	75	129
Water recycled	69%	61%
Womeen in mgmt	12%	5%
Women on Board	29%	14%
Disclosure score	59%	31%

Contact

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

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

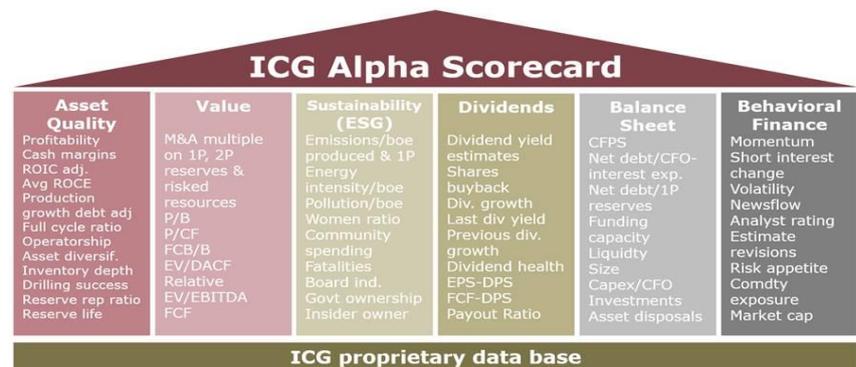
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund 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.