

PRECIOUS METALS CHAMPIONS FUND



PMC Factsheet

July 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 \$4.3m

Benchmark

NYSE Arca Gold Miners Index

Custodian

LLB Liechtensteinische Landesbank AG

Performance over 1 year -22.7%



Cumulative performance in USD

	NAV	July	YTD	2 Years	Since Inception
	29.07.2022	30.06.-29.07.2022			
Class A	118.7	-1.7%	-15.9%	-35.7%	-20.9%
Class B*	112.7	-1.7%	-16.2%		-24.9%

*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 rose to the highest level since early July as investors braced for a stormy period in US-China relations with House Speaker Nancy Pelosi heading for Taiwan. The precious metal often benefits from bouts of geopolitical turbulence, and the Pelosi trip only adds to tailwinds that have helped gold rebound from a 15-month low. Growing fears about the global economy have also aided bullion's rise to a four-week high. Helping bullion's recovery could also be an end to outflows from gold-backed ETFs after 21 days of uninterrupted withdrawals, according to Commerzbank AG analyst. On the equity side, Gold Fields investors may be softening their opposition to the company's planned acquisition of Yamana Gold, CEO Chris Griffith said at a mining conference. Gold Fields in May agreed to buy Yamana Gold for ~\$7b in an all-share deal that would make the South African miner the world's No. 4 gold producer. Griffith has previously acknowledged investors' concern, particularly over the 34% premium being offered. Gold Fields is trying to show investors that acquiring single assets would be much less value-accretive and much more expensive. Also, Gold Fields announced a more generous dividend policy and plans to list in Toronto as the miner seeks to convince investors to support its bid. Looking at the incoming quarterly reports, there was no surprise that gold miners are grappling with higher costs of labor, energy and supplies in the 2nd quarter. According to Newmont, the world's largest gold producer, the company has observed cost pressures, including the impact from Russia's invasion of Ukraine and increasingly competitive labor markets over the past eight months. In general, earnings season has just started for gold miners and with precious metals equities selling off alongside the broader market, Q2 financial results will provide another data point for investors to gauge the health of the sector. While mining companies in Q1 battled to various degrees with inflation, supply chain issues, and labor force challenges, analysts have seen a mixed narrative in Q2's production results, with some companies largely conquering these issues while others remain impacted. With both gold and silver prices down, analysts still expect strong realized metals prices as most of the decline occurred after the quarter ended. Most investors will continue to be focused on costs as the main variable impacting earnings. Thanks to our dynamic investment approach and our focus on low-cost producers, ICG calculates that the average weighted cash costs of the precious metals champions fund, adjusted to inflation and currency, is standing currently at around \$785/oz which results in a cash-margin above 50% at current gold prices and should leave room for shareholder returns.

PMC Factsheet

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Exposure

Gold equities	80%
Metals physical	20%

Financial statistics*

Number of holdings	25
Market cap	\$6bn
P/B ratio	1.4x
P/cash flow	6.1x
EV/EBITDA 2023E	4.3x
FCF yield 2023E	11.4%
Dividend yield	3.3%
Net debt/equity	-4%

Operating statistics in gold-eg.*

Production	2'050 koz
Reserve life (2P reserves)	15 years
Cash costs	\$784/oz
AISC**	\$872/oz
Reserve valuation (EV/2P)	\$259/oz

Market cap. segmentation*

Small	< \$3bn	49%
Mid	\$3 - 10bn	36%
Large	> \$10bn	15%

Top 5 commodity exposure*

Gold	79%
Silver	8%
Palladium	3%
Copper	3%
Rhodium	3%

Top 5 country exposure (production)*

Australia	13%
South Africa	8%
Canada	8%
United States	7%
Peru	5%

Top 5 equity holdings

Gold Road Resources	5.1%
Pan American Silver	4.3%
Ramelius Resources	4.3%
Perseus Mining	4.2%
Dundee Precious Metals	4.2%

ESG transparency	PMC	Universe
Fuel/production	77	162
Water recycled	70%	70%
Womeen in mgmt	18%	18%
Women on Board	31%	24%
Disclosure score	58%	31%

Contact

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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

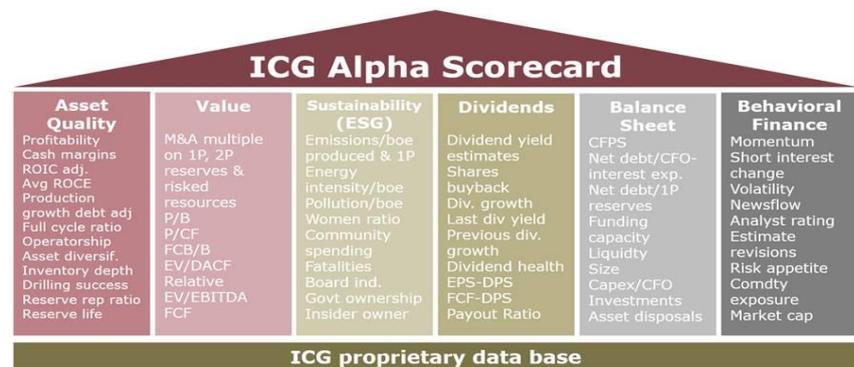
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund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