

# 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 \$4m

#### Benchmark

NYSE Arca Gold Miners Index

#### Custodian

LLB Liechtensteinische Landesbank AG

### Fund administration

Accuro Fund Solutions AG

### Codes

#### Share classes

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

#### Bloomberg ticker

A PRCMCF A LE  
B PRCMCF B LE  
F PRCMCF F LE

#### ISIN

A LI0445625085  
B LI0445625093  
F LI1205084919

### Dealing & prices

#### Management fee p.a.

A 0.60%  
B 1.20%  
F 2.00%

#### Trading frequency

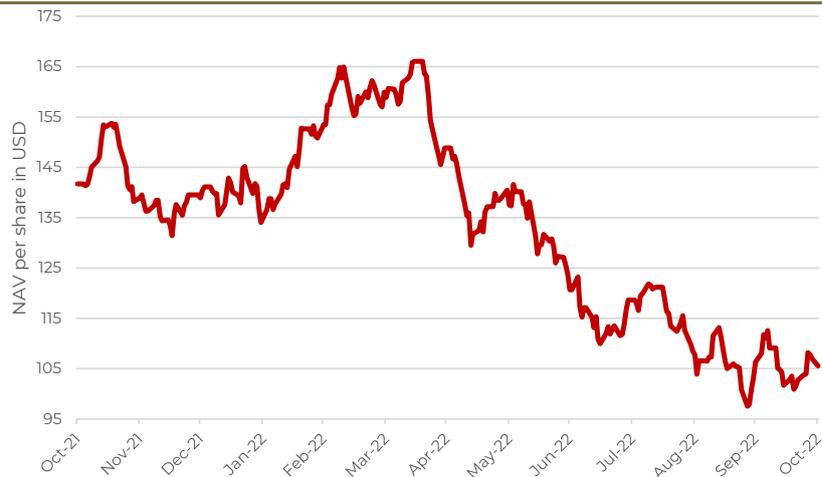
Daily

#### Minimum subscription

A USD \$5m  
B USD \$1m  
F one share

## October 2022

### Performance over 1 year -25.5%



### Cumulative performance in USD

	NAV	October	YTD	2 Years	Since Inception
	31.10.2022	30.09.-31.10.2022			
Class A	105.6	-0.7%	-25.2%	-31.6%	-29.6%
Class B*	100.1	-0.8%	-25.6%		-33.3%

\*Inception 08. February 2021

### Monthly comment

Gold headed for its seventh straight month of declines, the longest losing streak since at least the late 1960s. Attention is now firmly on the Fed, whose aggressive rate hikes have caused bullion to drop more than 20% from its March peak. Gold slipped as US economic data set the stage for another 75 basis point rate hike, pressuring the metal. A core gauge of US inflation accelerated in September, while consumer spending stayed resilient. On the positive side, evidently for both gold and silver, physical investment demand remains incredibly robust, and mints are struggling to keep pace. Investment silver product markets seem to be experiencing the most acute tightness. Expected record silver imports into India, logistical issues, lack of Chinese supply, and demand for prompt delivery, has seen silver uncharacteristically flown by air. On the PGM side, lower than expected mine production from South Africa and lower PGM recycling supply has tightened balances for both platinum and palladium. On the back of a stronger outlook for global light vehicle production and sharp cuts to both mine and scrap supply, palladium balance has tightened up significantly this year, moving to around a 740 k oz deficit – according to JP Morgan. Also, top PGM producers expect to see strong demand growth in platinum markets going forward, owing to its vital role across the hydrogen value chain. PGM markets are in a chronic deficit but are driven by the ICE vs. EV story - analysts expect that demand for fuel cells will more than replace the demand from ICE catalysts by 2040, although innovation is a wildcard in both directions. Ruthenium, also a platinum group metal, was flagged for its potential in the catalytic conversion of bio-based feedstocks, and applications in next generation semiconductor wiring. On the company side, Newmont reported profits that trailed estimates as the world's biggest gold producer struggled amid lower prices. The company has been grappling with higher costs of labor, energy and supplies this year as inflationary pressures wash through the industry amid lingering supply-chain disruptions. In mid-September, Newmont delayed a decision on a major investment in Peru until the second half of 2024, citing war in Ukraine, rising prices for materials, supply-chain disruptions and competitive labor markets.

**PMC Factsheet**

Exposure	
Gold equities	80%
Metals physical	20%

Financial statistics\*

Number of holdings	25
Market cap	\$4bn
P/B ratio	1.4x
P/cash flow	6.2x
EV/EBITDA 2023E	4.1x
FCF yield 2023E	11.9%
Dividend yield	3.4%
Net debt/equity	-3%

Operating statistics in gold-eq.\*

Production	1'338 koz
Reserve life (2P reserves)	21 years
Cash costs	\$940/oz
AISC**	\$627/oz
Reserve valuation (EV/2P)	\$224/oz

Market cap. segmentation\*

Small	< \$3bn	58%
Mid	\$3 - 10bn	34%
Large	> \$10bn	8%

Top 5 commodity exposure\*

Gold	67%
Rhodium	8%
Silver	8%
Palladium	6%
Copper	5%

Top 5 country exposure (production)\*

Australia	19%
South Africa	19%
Canada	8%
United States	6%
Zimbabwe	5%

Top 5 equity holdings

Aura Minerals	4.0%
Alamos Gold	3.7%
Ramellius Resources	3.5%
Impala Platinum	3.5%
Sibanye Stillwater	3.5%

ESG transparency	PMC	Universe
GHT/production	0.7	0.9
Country risk	60	58
Womeen in mgmt	21%	18%
Women on Board	31%	24%
Disclosure score	58%	34%

Contact

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\*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 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.

**October 2022**

Why commodities

Commodities have been key in the economic development of the world. 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. 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

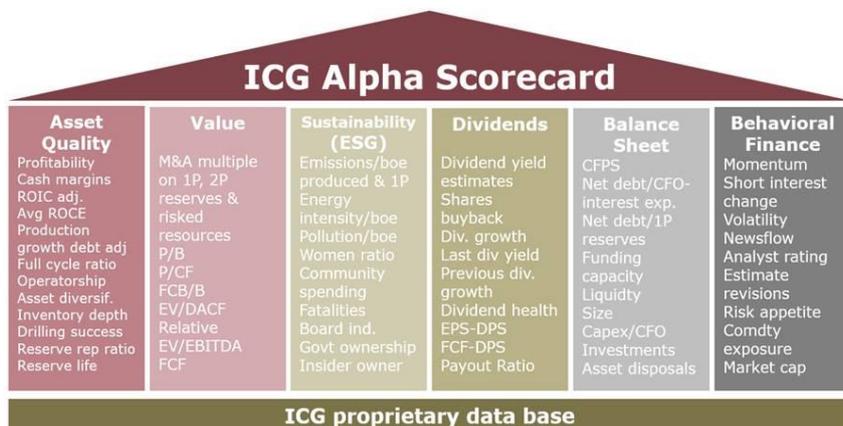
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund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

ICG Investment Process

Our investment process is based on a quantitative approach to find the best-in-class companies. The consistent methodological process 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. 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

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. The majority of variables are dynamic and based on historical figures from the last fiscal year or on a 3 year average. All 25 positions are equally weighted, however we may reduce the weight or even exclude a company on exceptionally events (e.g. oil spill, political risk). 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.