

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

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

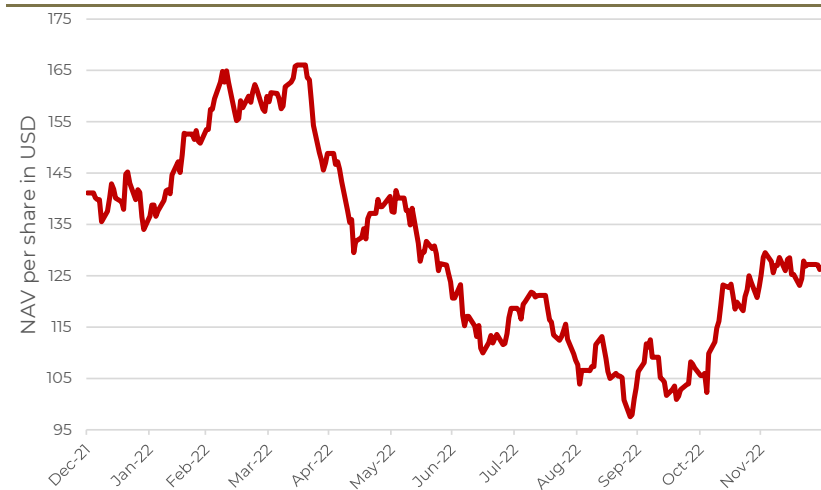
Daily

Minimum subscription

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

December 2022

Performance over 1 year **-10.3%**



Cumulative performance in USD

	NAV 30.12.2022	December 30.11-30.12.2022	YTD	2 Years	Since Inception
Class A	126.6	1.2%	-10.3%	-21.9%	-15.6%
Class B*	119.9	1.1%	-10.8%		-20.1%

*Inception 08. February 2021

Monthly comment

The precious metal complex, has struggled for much of the year amid one of the fastest rate hike cycles on record, combined with the surge in US-dollar to a record high, despite inflation spiking to a multi-decade high. Since the autumn extremes the dollar and 10y treasury yields are down, which has seen gold rally to bring the annual average in line with 2021 - the annual average record in terms of nominal price. The likelihood of recession in major markets threatens to extend the poor performance of equities and corporate bonds seen in 2022. Gold could provide protection as it typically fares well during recessions, delivering positive returns in 5 out of the last 7 recessions. While macro factors form the basis for much of the impact on gold, geo-political flare-ups could lend support to gold investment, as in Q1'22, where investors look to shield themselves from any further turbulence. Analysts attribute a large proportion of gold's resilience in 2022 to a geopolitical risk premium, with gold's return not fully explained by its historically important drivers. On the company side, the pressure to adopt the green revolution, there has been a declining interest from miners in deploying capital to gold projects – Barrick Gold for example, the world's largest producer, is not the only precious metal miner that has voiced its interest in diversifying into copper and sees Indonesia as a possible site for exploration as it hunts for gold and copper deposits across South Asia. Global gold production has been falling since 2019 and is likely in the early stages of a new downtrend. Miners that have traditionally focused on precious metals have been redirecting their capital to battery metals and other mineral resources that comply with the green agenda. Many gold-focused miners have significantly shrunk their production. According to analysts, it is important to highlight that during prior periods of similar significant decline in total global gold production, like that which began in 2020, related mining stocks performed exceptionally well for the next decade. The aggregate number of ounces being added to global reserves has been peripheral compared to prior decades. It is becoming increasingly challenging to find precious metals. As a result, the reserves of the top 10 mining companies are down 33% over the last 15 years.

PMC Factsheet

Exposure	
Gold equities	80%
Metals physical	20%

Financial statistics*

Number of holdings	25
Market cap	\$4bn
P/B ratio	1.5x
P/cash flow	6.5x
EV/EBITDA 2023E	3.9x
FCF yield 2023E	9.8%
Dividend yield	2.9%
Net debt/equity	-4.2%

Operating statistics in gold-eq.*

Production	1'296 koz
Reserve life (2P reserves)	20 years
Cash costs	\$933/oz
AISC**	\$772/oz
Reserve valuation (EV/2P)	\$258/oz

Market cap. segmentation*

Small	< \$3bn	47%
Mid	\$3 - 10bn	23%
Large	> \$10bn	30%

Top 5 commodity exposure*

Gold	67%
Rhodium	8%
Silver	7%
Copper	6%
Palladium	5%

Top 5 country exposure (production)*

Australia	21%
South Africa	18%
Canada	6%
Zimbabwe	4%
United States	4%

Top 5 equity holdings

Karora Resources	3.9%
Evolution Mining	3.6%
Dundee Precious Metals	3.5%
B2Gold	3.3%
SSR Mining	3.3%

ESG transparency*	PMC	Universe
Scope 1 GHG/EVIC	74.0	92.1
Fatality Rate	4.6%	12.2%
Women on Board	27.2%	26.9%
Female Executives	15.4%	12.6%
Insider Ownership	13%	5%

*find more in our ESG Quarterly

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.

December 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

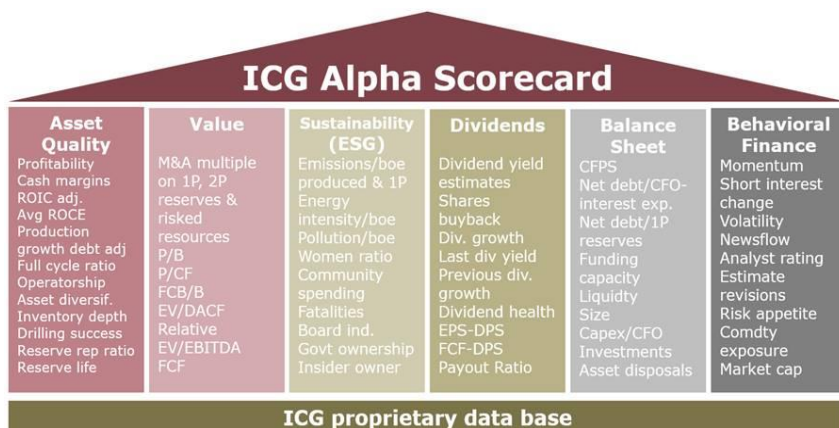
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund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