

ENERGY CHAMPIONS FUND



ECF Factsheet

Fund objectives

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

Fund facts

Investment manager

Independent Capital Group AG

Fund name

White Fleet II Energy Champions Fund

Legal status

Luxembourg SICAV with UCITS IV status

Base currency

USD

NAV calculation

Daily

Inception date

March 2014

Fund size

USD \$28m

Custodian

Credit Suisse (Luxembourg) S.A.

Codes

Share classes

- A1 Retail USD class, accumulating
- A2 Retail USD class, distributing
- I1 Institutional USD class, accumulating
- I2 Institutional USD class, distributing

Bloomberg ticker

- A1 WFECHA1 LX Equity
- A2 WFECHA2 LX Equity
- I1 WFECI1A LX Equity
- I2 WFECI2D LX Equity

ISIN

- A1 LU1018863792 I1 LU1092312823
- A2 LU1018863875 I2 LU1092313045

Valor-Number

- A1 23322792 I1 25025471
- A2 23322921 I2 25025474

Dealing & prices

Mgmt fee p.a.

- A1 1.25% I1 0.65%
- A2 1.25% I2 0.65%

Min Subscription

- A1 One share I1 USD \$2m
- A2 One share I2 USD \$2m

Trading frequency

Daily

August 2023

Performance over 3 years +185%



Cumulative net performance in USD

	NAV	August	YTD	CY2022	3 Years	5 Years	Since Inception
	31.08.2023	31.07.-31.08.2023					
Class A1	68.2	1.2%	8.1%	25.2%	179.4%	15.0%	-31.9%
Class A2	58.0	1.2%	8.1%	25.2%	179.3%	15.0%	-35.6%
Class I1*	100.5	1.3%	8.5%				1.6%
Class I2*	581.4	1.3%	8.5%	26.0%	184.8%	18.7%	-32.1%

*I2-Class since 12.9.2014, I1-Class since 01.12.2022

Monthly comment

Driven by OPEC+ production cuts and lower crude exports, oil inventories have declined sharply in recent weeks and supported prices. Options markets have seen a flurry of bullish activity in recent weeks, with call volumes on the US oil futures rising to the highest since May. Gloomy narratives about China's economic prospects are failing to capture the true dynamics of energy demand in the world's largest crude oil importer, as indicated by numerous executives representing leading oil trading firms during a significant conference in Asia. World oil demand hit a record 103mboe/d in June and August could see yet another peak according to the IEA. World oil demand is scaling record highs, boosted by strong summer air travel, increased oil use in power generation and surging Chinese petrochemical activity. Global oil demand is set to expand by 2.2mboe/d to 102.2mboe/d in 2023, with China accounting for more than 70% of growth the IEA said. Over the coming days, Saudi Arabia is likely to provide guidance on whether it will extend the 1mboe/d extra voluntary production cut, which is in place from July to September. Saudi crude exports (excluding flows from the Neutral Zone) were estimated at 5.47mboe/d in the first 27 days of August, down more than 0.9mboe/d MoM and at the lowest level since April 2021, according to Petro-Logistics. Saudi Arabia is widely expected by traders to follow suit by pushing its voluntary curbs into October. Russia has already agreed with OPEC+ partners to cut oil exports next month, Deputy Prime Minister of Russia Alexander Novak said last week.

Oil and gas equities had a strong start into 2H23 making up a lot of ground vs the broader market driven by spot price increases in oil and natural gas. Most analysts think that costs are a tailwind for the group, but they will be for everyone. Nevertheless, the market has been increasingly rewarding those with stronger financial and operating leverage in the improving commodity price environment. M&A was once again a topic in the sector after Permian Resources decided to acquire Earthstone Energy in an all-stock deal valued at \$4.5bn to boost its position in the Delaware Basin.

ECF Factsheet

Financial statistics*

Number of holdings	25
Market cap	\$34bn
P/E 2024E	7.5x
P/cash flow	3.3x
EV/EBITDA 2024E	3.4x
FCF yield 2024E	14.2%
Dividend yield	7.2%
Net debt/equity	23%

Operating statistics in boe*

Production	260 kboe/d
Cash costs	\$16/boe
Reserve life (1P reserves)	10 years
Reserve valuation (EV/1P)	\$15/boe
F&D organic costs 3yrs avg	\$14/boe

Market cap. segmentation*

Small	< \$3bn	19%
Mid	\$3 - 30bn	51%
Large	> \$30bn	30%

Top commodity exposure*

Crude & liquids	60%
Natural gas	40%

Top 5 country exposure (production)*

United States	32%
Canada	16%
Norway	13%
Brazil	9%
China	6%

Top 5 holdings

SM Energy	5.9%
Galp Energia	4.8%
Var Energi	4.7%
Murphy Oil	4.6%
Arc Resources	4.6%

ESG transparency**

	ECF	Benchmark
Scope 1 GHG/EVIC	214	220
Carbon footprint/EVIC	235	246
GHG intensity	339	379
Gas flaring	245	544
Hydrocarbon spills	72	143
Fatality rate	0.1%	0.5%
Women on board	28%	31%
Independent board	73%	79%
Insider ownership	8%	4%

**find more in our ESG Quarterly



The ECF is the first fund in Switzerland and the first energy fund globally to have received South Pole Carbon's label as a "Climate Impact Transparent Investment"

Contact

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* based on weighted average and/or weighted average barrels of oil equivalent (boe) numbers

Disclaimer: This is an advertising document. The state of the origin of the fund is Luxembourg. In Switzerland, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Credit Suisse (Switzerland) Ltd., Paradeplatz 8, CH-8001 Zurich. The prospectus, the key information documents or the key investor information documents, the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

August 2023

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 Industrial Metals Champions Fund

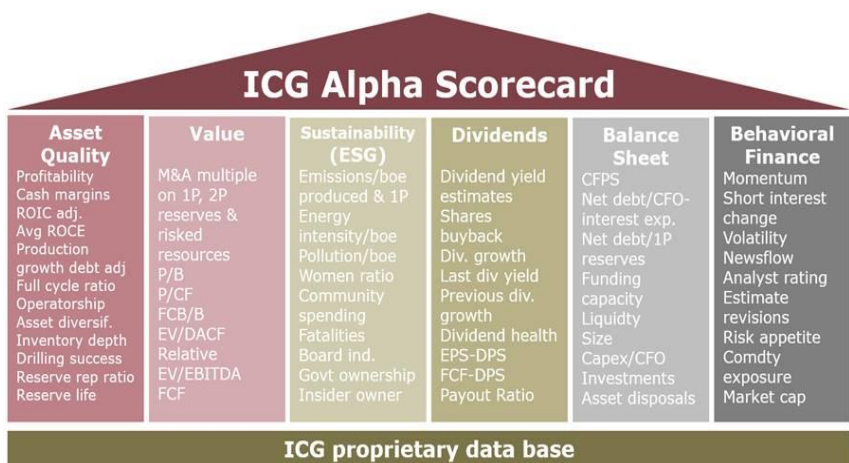
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Energy Champions Fund offers the investor the opportunity to participate in an actively managed portfolio of energy companies active in the attractive oil and gas 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. After defining the broad investment universe, selecting the best-in-class subsectors with the highest margins or most attractive investment opportunities, the universe is further filtered down to companies with significant subsector exposure.

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).



ICG proprietary data base

Investment Manager

The Energy 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.