

# 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

#### Custodian

LLB Liechtensteinische Landesbank AG

#### Distribution

LI, CH, DE, AT

### Fund administration

Accuro Fund Solutions AG

### Codes

#### Share classes

A	USD acc.	F	USD acc.
B	USD acc.		
D	CHF (unhedged) acc.		

#### Bloomberg ticker

A	PRCMCFA LE	F	PRCMCFF LE
B	PRCMCFB LE		
D	Pending		

#### ISIN

A	LI0445625085	F	LI1205084919
B	LI0445625093		
D	LI121337961		

### Dealing & prices

#### Management fee p.a.

A	0.60%	F	2.00%
B	1.20%		
D	1.50%		

#### Trading frequency

Daily

#### Minimum subscription

A	USD \$5m	F	one share
B	USD \$1m		
D	USD \$0.5m		

## August 2023

### Performance over 3 year -25.9%



### Cumulative performance in USD

	NAV	August	YTD	1 Year	3 Years	Since Inception
	31.08.2023	31.07.-31.08.2023				
Class A	129.7	-4.5%	2.4%	21.1%	-25.9%	-13.6%
Class B*	122.3	-4.6%	2.0%	20.4%		-18.5%
Class D*	Pending					
Class F*	158.4	-4.6%				5.6%

\*B-Class since 08. February 2021; D-Class Pending; F-Class since 22. February 2023

### Monthly comment

The rising chance of a "soft landing" for the US economy and subsequently higher nominal and real US yields have resulted in a stronger US dollar and weaker gold price lately. In addition to the macro headwinds, recent World Gold Council demand data showed a normalization. Total demand fell 19% QoQ and 2.5% YoY in 2Q23, and it dropped 5.6% YoY in 1H23 versus 1H22. Central bank buying slowed in Q2 but remained resolutely positive. Net purchases slowed to around 102 metric tons (mt) in 2Q23 driven by sales from the Turkish central bank of around 132mt. Nevertheless, the 1H23 central bank buying was around 387mt, which was a record "half year" amount. UBS expects central banks to buy 700 metric tons in 2023. If achieved, it would be the second highest number of purchases for a year since the mid-1960s - following the 1110 metric tons purchased in 2022. A step-up in official sector buying was crucial to the strength of gold prices amid rising real interest rates in 2022. This, combined with healthy investment and resilient jewelry demand, may create a supportive environment for gold prices.

On the company side at 2Q23 conference calls, management teams generally noted stabilizing input costs and/or initial signs of easing inflationary pressures, but no meaningful improvements to the overall cost structure yet. Consumables prices have started to soften a little (e.g., diesel) while elevated labor costs remain a challenge, particularly for Canadian operations. Interestingly, the two big gold producers Newmont and Barrick guided to a second half weighted production. Production will have to pick up meaningfully to meet annual production guidance. Interestingly, that according to the WSJ, Saudi Arabia is interesting in acquiring Barrick's 25% stake in Reko Diq copper-gold mine project in Pakistan. On the geopolitical side, Mali's interim President Assimi Goita signed into law a new mining code that allows the government and local investors to take up to a 35% stake in mining projects vs. 20% currently. However, it is unclear if the new mining code affects existing projects.

**PMC Factsheet**

<b>Exposure</b>	
Gold equities	80%
Metals physical	20%

<b>Financial statistics*</b>	
Number of holdings	25
Market cap	\$3.9bn
P/B ratio	1.3x
P/cash flow	5.8x
EV/EBITDA 2024E	3.9x
FCF yield 2024E	12.4%
Dividend yield	2.8%
Net debt/equity	-1.9%

<b>Operating statistics in gold-eq.*</b>	
Production	895 koz
Reserve life (2P reserves)	18 years
Cash costs	\$1'073/oz
AISC**	\$1015/oz
Reserve valuation (EV/2P)	\$285/oz

<b>Market cap. segmentation*</b>		
Small	< \$3bn	73%
Mid	\$3 - 10bn	15%
Large	> \$10bn	12%

<b>Top 5 commodity exposure*</b>	
Gold	75%
Silver	12%
Copper	6%
Palladium	2%
Rhodium	2%

<b>Top 5 country exposure (production)*</b>	
Australia	21%
Canada	12%
South Africa	11%
United States	6%
Ecuador	4%

<b>Top 5 equity holdings</b>	
Westgold Resources	3.7%
Ramelius Resources	3.6%
Kinross Gold	3.6%
Lundin Gold	3.5%
Oceanagold	3.5%

<b>ESG transparency*</b>		
	PMC	Universe
Scope 1 Emissions	0.6	0.5
Fatality Rate	4.2%	10.4%
Women on Board	32.4%	30.1%
Female Executives	14.3%	14.2%
Insider Ownership	15%	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.

**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 Precious Metals Champions Fund**

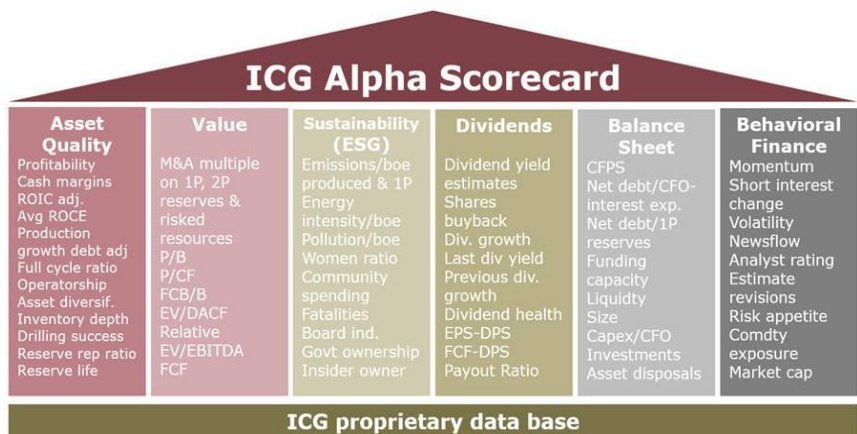
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund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