

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 WFEC1A1 LX Equity
- A2 WFEC1A2 LX Equity
- I1 WFEC11A LX Equity
- I2 WFEC12D 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

October 2023

Performance over 3 years +241%



Cumulative net performance in USD

	NAV	October	YTD	CY2022	3 Years	5 Years	Since Inception
	31.10.2023	31.08.-29.09.2023					
Class A1	68.5	-0.9%	8.6%	25.2%	234.5%	26.9%	-31.5%
Class A2	58.3	-0.9%	8.6%	25.2%	234.4%	26.8%	-35.3%
Class I1*	101.1	-0.9%	9.2%				2.3%
Class I2*	585.1	-0.9%	9.2%	26.0%	241.0%	31.0%	-31.7%

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

Monthly comment

Crude has had a turbulent October, with prices swinging in a roughly \$11/bl range. Oil started the month with a steep plunge on fears of a longer period of hawkish monetary policy. Then Hamas's attack in Israel on Oct. 7 sent prices surging on the potential for disruptions in the region that accounts for a third of global flows. But with the war's contagion fears subsiding, the economic concerns are again taking centre stage, sending oil prices to their first monthly declines since May. Signs of lacklustre demand have arisen in recent days, with manufacturing in China falling back into contraction this month and BP saying gasoline and diesel markets are oversupplied. Historically, the market has tended to value the reserve valuation of oil and gas companies with a relatively close correlation to the oil price. However, this relationship has dislocated with the implied value of barrels falling, despite the backdrop of higher oil prices. Therefore, we are not surprised to see M&A coming back so strongly. Chevron said it's buying Hess for \$53bn in stock. The announcement came just weeks after Exxon Mobil announced its purchase of Pioneer Natural Resources for \$59bn in an all-stock deal. The two oil giants plan to continue pumping investments into fossil fuels as demand for crude remains strong, especially amid tightening global supplies fuelled by years of chronic underinvestment. Ironically, a day after Chevron announced its acquisition, the IEA released an exhaustive report concluding that demand for oil, gas and other fossil fuels would peak by 2030 as sales of electric cars and use of renewable energy surged. The disconnect between what oil companies and many energy experts think will happen in the coming years has never been quite this stark. In past decades, there were often calls of peak supply, and in more recent ones, peak demand, but evidently neither has materialized. OPEC noted that consistent and data-based forecasts do not support this assertion. The difference today, and what makes such predictions so dangerous, is that they are often accompanied by calls to stop investing in new oil and gas projects. OPEC's Haitham Al Ghais said "such narratives only set the global energy system up to fail spectacularly. It would lead to energy chaos on a potentially unprecedented scale, with dire consequences for economies and billions of people across the world."

ECF Factsheet

Financial statistics*

Number of holdings	25
Market cap	\$23bn
P/E 2024E	6.4x
P/cash flow	3.2x
EV/EBITDA 2024E	2.8x
FCF yield 2024E	15.4%
Dividend yield	6.8%
Net debt/equity	19%

Operating statistics in boe*

Production	172 kboe/d
Cash costs	\$16/boe
Reserve life (1P reserves)	10 years
Reserve valuation (EV/1P)	\$12/boe
F&D organic costs 3yrs avg	\$15/boe

Market cap. segmentation*

Small	< \$3bn	36%
Mid	\$3 - 30bn	51%
Large	> \$30bn	14%

Top commodity exposure*

Crude & liquids	63%
Natural gas	37%

Top 5 country exposure (production)*

United States	50%
Canada	11%
Norway	9%
Kurdistan	6%
Oman	4%

Top 5 holdings

TotalEnergies	4.7%
Murphy Oil	4.6%
Crescent Point Energy	4.6%
Equinor	4.6%
Aker BP	4.6%

Transparency

	ECF	O&G Universe
Scope 1 GHG/EVIC	234	404
Carbon footprint/EVIC	252	434
GHG intensity	359	475
Gas flaring	232	907
Hydrocarbon spills	49	92
Fatality rate	0.00%	0.34%
Women on board	25%	22%
Independent board	75%	62%
Sustainability Rating	57.1	41.9



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

Independent Capital Group AG

Waldmannstrasse 8
 8001 Zurich
 +41 44 256 16 16

<http://www.independent-capital.com>

* 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.

October 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

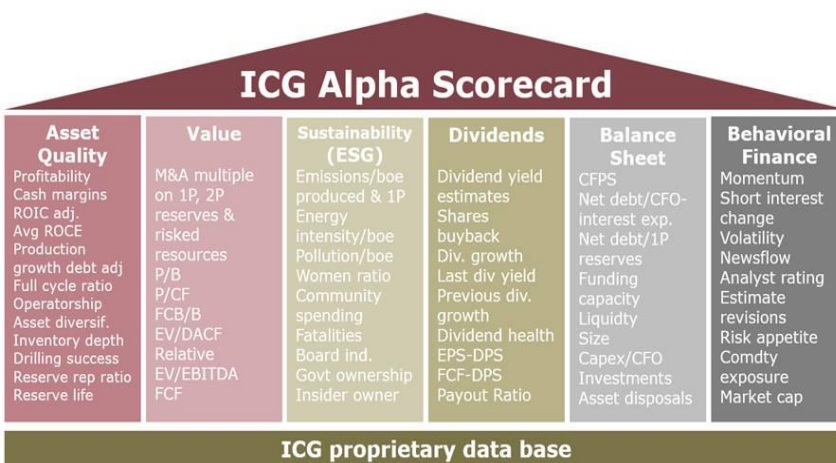
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Energy Champions Fund offers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