

INDUSTRIAL METALS

CHAMPIONS FUND



IMC Factsheet

Fund objectives

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

Fund facts

Investment manager

Independent Capital Group AG

Fund name

ICG Umbrella Funds -
Industrial Metals Champions Fund

Legal status

Liechtensteiner UCITS contractual fund

Base currency

USD

NAV calculation

Daily

Inception date UCITS Liechtenstein

03. April 2018

New strategy - IMC

04. December 2018

Fund size

USD \$26m

Custodian

LLB Liechtensteinische Landesbank AG

Distribution

LI, CH, DE, AT, UK

Codes

Share classes

A	USD accumulating	D	CHF unhedged acc.
B	CHF hedged acc.	F	USD accumulating
C	USD accumulating		

Bloomberg ticker

A	GATNTRA LE Equity	D	GATNTRD LE Equity
B	GATNTRB LE Equity	F	GATNTRF LE Equity
C	GATNTRC LE Equity		

ISIN

A	LI0382154354	D	LI1121337953
B	LI0382154693	F	LI1205086088
C	LI0580310303		

Dealing & prices

Management fee p.a.

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

Trading frequency

Daily

Minimum subscription

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

October 2023

Performance over 3 year 37.4%



Cumulative net performance in USD

	NAV	October	YTD	2 Years	3 Years	4 Years	since IMC*
	31.10.2023	29.09.-31.10.2023					
Class A	174.6	-9.6%	-15.4%	-18.6%	37.4%	46.4%	39.2%
Class B	140.3	-10.2%	-21.3%	-28.4%	18.1%	22.0%	12.6%
Class C**	132.8	-9.5%	-15.0%	-17.6%			-11.5%
Class D**	122.4	-10.4%	-17.3%				-18.4%
Class F**	115.7	-9.6%	-22.9%				-22.9%

*domicile status change and inception of GNR-Fund Liechtenstein 3.4.18 (performance +16.42%); Change of strategy into IMC-Fund as of 4.12.2018

C-Class since 08. January 2021; D-Klasse since 23. November 2022; F-Class since 10. February 2023

Monthly comment

Metals had softened in October largely on concerns over fading demand outside China. Activity inside the world's biggest buyer of industrial commodities has proved a relative bright spot, and further Chinese stimulus will support that dynamic. 2023 has seen a slowing in global trade, to which China has not been immune. However, the headline 6.2% y/y drop in both exports and imports in China's September data is very different from those seen in industrial metal raw materials. China's Q3 imports were up across the board, strongly in certain cases, with 2023 as a whole set to be another record import year for most. While many countries around the world ponder how to access increased metal volumes as global segmentation grows, the data shows China has just moved its traditional commodity model, honed over the past 20 years, up a gear. Adding to signs that President Xi Jinping is keen to shore up the economy and financial markets, he paid his first known visit to the headquarters of the People's Bank of China in October. According to BlackRock, investors are missing a big opportunity to profit from the energy transition because they have an outdated view of the metals and mining industry. Industry executives, analysts and specialist investors have for several years been predicting a bull market as the shift to a lower-carbon economy drives a wave of demand for the metals needed for electricity grids, electric-vehicle batteries, and solar panels. Yet while prices rallied sharply in the rebound from the Covid pandemic, they have stagnated in the past year. Copper for example is down ~4% YTD and last traded at around ~\$8'100/ton. In due course, the copper-hungry energy transition will underpin consumption in the years to come, while the mining industry faces difficulty bringing enough new pits online. That combo will usher in deficits. But for now, short-term concerns determine the price for most commodities. On the company side, First Quantum's share plunged after Panama's government said it would hold a referendum on the company's flagship copper mine to address widespread civil unrest. Since the news, the company lost almost 50% of its market cap. Looking at the bright side, Rio Tinto has exceeded analyst expectations in terms of copper production growth. Additionally, BHP agreed to sell its coking coal mines to Whitehaven for \$3.2 billion, and Vale has proposed a payout of \$4 billion in dividends and buybacks for its investors.

IMC Factsheet

Financial statistics*

Number of holdings	25
Market cap	\$28bn
P/B ratio	1.7x
P/cash flow	6.4x
EV/EBITDA 2024E	5.5x
FCF yield 2024E	8.2%
Dividend yield	4.9%
Net debt/equity	11%

Operating statistics in copper-eq.*

Production	1'610 ktpa
Reserve life (2P reserves)	28 years
Cash costs	\$5'735/t
Cash margin	32%
Reserve valuation (EV/2P)	\$1'124/t

Market cap. segmentation*

Small	< \$3bn	21%
Mid	\$3 - 30bn	45%
Large	> \$30bn	35%

Top 5 commodity exposure*

Copper	21%
Iron Ore	18%
Steel Upstream	7%
Zinc	5%
Lithium Spodumene	5%

Top 5 country exposure (production)*

Australia	27%
Canada	11%
Brazil	8%
Chile	6%
United States	5%

Top 5 holdings

Champion Iron	4.8%
Lynas Rare Earths	4.7%
Vale	4.6%
Fortescue Metals	4.4%
Norsk Hydro	4.4%

Transparency	IMC	Universe
Scope 1 GHG/EVIC	170	528
Scope 2 GHG/EVIC	85	168
Renewable Energy Cons.	18%	4%
Women on Board	28%	22%
LTIR	0.25	0.38
Insider Ownership	13.2%	10.0%

Fund administration

Accuro Fund Solutions AG

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 copper-equivalent numbers

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 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

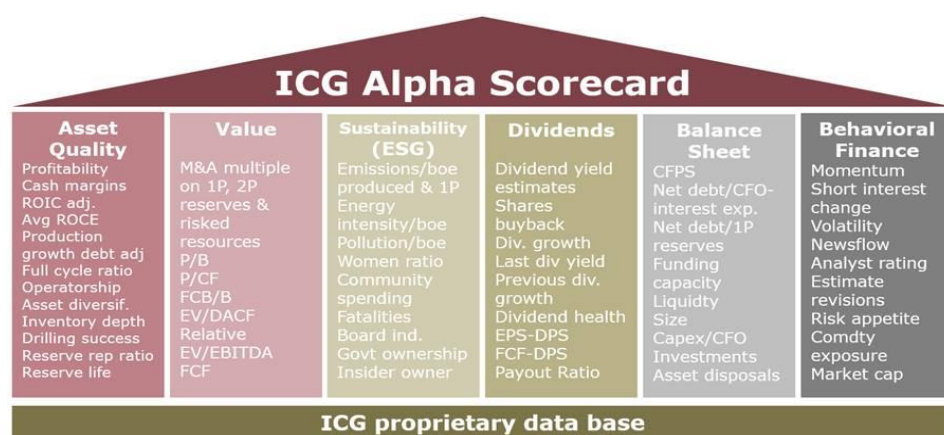
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Industrial Metals Champions Fund offers the investor the opportunity to participate in an actively managed portfolio of natural resources companies active in the attractive industrial 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. 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).



Investment Manager

The Industrial 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.