

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 | | |

October 2023

Performance over 3 year -17.4%



Cumulative performance in USD

| | NAV | October | YTD | 1 Year | 3 Years | Since Inception |
|----------|------------|-------------------|------|--------|---------|-----------------|
| | 31.10.2023 | 29.09.-31.10.2023 | | | | |
| Class A | 127.4 | 3.7% | 0.6% | 20.7% | -17.4% | -15.1% |
| Class B* | 120.0 | 3.7% | 0.1% | 19.9% | | -20.0% |
| Class D* | Pending | | | | | |
| Class F* | 155.3 | 3.6% | 3.5% | | | 3.5% |

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

Monthly comment

Gold saw a series of sharp gains in October as investors sought to hedge against a spillover in the Hamas-Israel conflict which could have implications for global energy markets. The metal was up around 8% in October and even surpassed the \$ 2'000/oz mark briefly. While the war has so far remained contained, bullion has retained most of its war-risk premium. The World Gold Council published gold demand trends, where the organization highlighted that the year-to-date central bank net buying of gold is 14% ahead of 2022. Central banks have bought a net 800t of gold so far this year, the highest on record for that nine-month period. The council also stated that jewelry demand softened slightly in the face of high gold prices. More recently, the Federal Reserve hinted it may be finished with its most aggressive tightening cycle in four decades. Lower rates are typically positive for bullion, which doesn't offer any interest. Looking at PGMs, Sibanye-Stillwater said that more than 4'000 employees and contractors could potentially be affected by the proposed restructuring of four shafts at its South Africa platinum group metal operations, and that it will consult with unions and non-unionized employees. PGM miners having a tough year fighting with low commodity prices even though the World Platinum Investment Council forecasts a deficit of over 1 million ounces in 2023, as automotive and industrial demand is expected to grow 27% while total supply should remain flat. It is worth noting the link between platinum and the hydrogen economy. Green hydrogen produced by platinum-containing electrolyzers has a significant role to play in the energy transition. While hydrogen-related platinum demand is relatively small in 2023 it is expected to grow substantially in the medium term and could become a proxy for investors looking for exposure to global decarbonization. On the company side, Egyptian billionaire Naguib Sawiris, is eyeing an investment in Barrick Gold's \$7 billion Reko Diq copper-gold project. Reko Diq, in the Balochistan region that borders Afghanistan and Iran, is one the world's largest undeveloped copper and gold deposits, capable of producing 200kt of copper and 250koz of gold a year for more than half a century. The project is jointly owned by Barrick and Pakistan.

PMC Factsheet
Exposure

| | |
|-----------------|-----|
| Gold equities | 80% |
| Metals physical | 20% |

Financial statistics*

| | |
|--------------------|---------|
| Number of holdings | 25 |
| Market cap | \$4.8bn |
| P/B ratio | 1.3x |
| P/cash flow | 5.5x |
| EV/EBITDA 2024E | 3.8x |
| FCF yield 2024E | 11.1% |
| Dividend yield | 2.5% |
| Net debt/equity | -0.1% |

Operating statistics in gold-eq.*

| | |
|----------------------------|------------|
| Production | 1'059 koz |
| Reserve life (2P reserves) | 16 years |
| Cash costs | \$1'099/oz |
| AISC** | \$1'046/oz |
| Reserve valuation (EV/2P) | \$305/oz |

Market cap. segmentation*

| | | |
|-------|------------|-----|
| Small | < \$3bn | 77% |
| Mid | \$3 - 10bn | 8% |
| Large | > \$10bn | 15% |

Top 5 commodity exposure*

| | |
|-----------|-----|
| Gold | 78% |
| Silver | 12% |
| Copper | 6% |
| Palladium | 1% |
| Rhodium | 1% |

Top 5 country exposure (production)*

| | |
|---------------|-----|
| Australia | 20% |
| Canada | 10% |
| United States | 5% |
| South Africa | 4% |
| Peru | 3% |

Top 5 equity holdings

| | |
|-----------------------|------|
| Centerra Gold | 4.4% |
| Silver Lake Resources | 4.4% |
| Regis Resources | 4.4% |
| Pan African Resources | 4.3% |
| New Gold | 4.3% |

| | PMC | Universe |
|-------------------|-------|----------|
| Transparency | | |
| Scope 2 GHG/EVIC | 96.0 | 101.0 |
| Fatality Rate | 4.5% | 10.4% |
| Women on Board | 32.2% | 30.1% |
| Female Executives | 13.7% | 14.2% |
| Insider Ownership | 13% | 5% |

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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.

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 Precious Metals Champions Fund

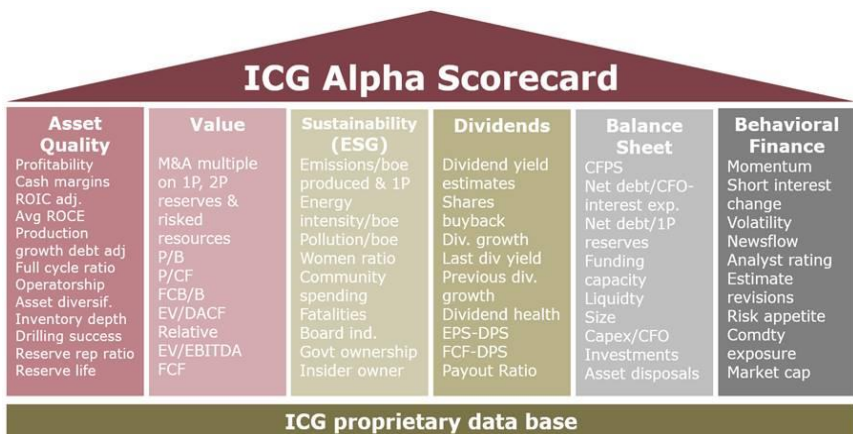
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund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