

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 WFEC1IA LX Equity
- I2 WFEC1I2 LX Equity

ISIN

- A1 LU1018863792 C *pending*
- A2 LU1018863875 I1 LU1092312823
- B *pending* I2 LU1092313045

Valor-Number

- A1 23322792 C *pending*
- A2 23322921 I1 25025471
- B *pending* I2 25025474

Dealing & prices

Mgmt fee p.a.

- A1 1.25% C 2.00%
- A2 1.25% I1 0.65%
- B 1.50% I2 0.65%

Min Subscription

- A1 USD \$1m C One share
- A2 USD \$1m I1 USD \$5m
- B USD \$0.5m I2 USD \$5m

Trading frequency

Daily

December 2023

Performance over 3 years



Cumulative net performance in USD

	NAV	December	YTD	CY2022	3 Years	5 Years	Since Inception
	29.12.2023	30.11.-29.12.2023					
Class A1	65.5	-0.6%	3.8%	25.2%	134.5%	50.1%	-34.6%
Class A2	55.7	-0.6%	3.8%	25.2%	134.6%	50.1%	-34.6%
Class I1*	96.7	-0.6%	4.5%				-2.2%
Class I2*	559.6	-0.6%	4.5%	26.0%	139.1%	54.9%	-34.4%

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

Monthly comment

Crude oil experienced its first annual decline since 2020, witnessing a drop of over 10% last year. Throughout December, the Brent futures curve displayed a bearish contango structure, with near-term barrel contracts trading at discounts compared to later ones. In 2023, speculators displayed the most bearish sentiment towards the commodity in over a decade. Non-commercial players' net-long positions across major oil contracts reached the lowest levels on record, dating back to 2011. The diminishing confidence in OPEC's ability to balance the market was exacerbated by the surge in algorithmic trading, accounting for nearly 80% of daily oil trades and causing price fluctuations independent of fundamentals. Despite this, supply remains a significant factor, with record production in the US reaching 13.3mboe/d last month. Increasing output from non-OPEC+ nations, such as Brazil and Guyana, has contributed to a global glut, despite OPEC's efforts to curb supplies. OPEC recently released a statement affirming its commitment to "unity, full cohesion, and market stability". On the demand side, there are varying expectations for 2024. According to the IEA, global consumption growth is expected to slow as economic activity weakens, with a forecasted demand increase of 1.1mboe/d for the year. While this is less than half of the 2023 growth rate, it remains high by historical standards. In contrast, OPEC maintained its demand growth forecast at 2.2mboe/d in its December report, which some analysts consider optimistic. Analysts continue to be cautious of geopolitical risks. Especially the recent attacks in the Red Sea by Yemen-based Houthi militants and the ongoing conflicts between Russia and Ukraine and the Middle East. The energy industry witnessed notable takeovers in 2023, with Exxon Mobil, Chevron, and Occidental Petroleum completing blockbuster deals, pushing the total value of announced M&A to \$346.2bn. This marked an 80% increase from the previous year and ranked only below the values recorded in 2014 and 2018. Despite this, the S&P 500 Energy Index fell 4.8%, ranking as the second-worst performer among the 11 S&P 500 industry groups. In contrast, the Energy Champions Fund closed the year in positive territory, outperforming most of its peers once again.

ECF Factsheet

Financial statistics*

Number of holdings	25
Market cap	\$34bn
P/E 2024E	7.0x
P/cash flow	3.2x
EV/EBITDA 2024E	3.1x
FCF yield 2024E	15.5%
Dividend yield	6.8%
Net debt/equity	22%

Operating statistics in boe*

Production	222 kboe/d
Cash costs	\$16/boe
Reserve life (1P reserves)	10 years
Reserve valuation (EV/1P)	\$13/boe
F&D organic costs 3yrs avg	\$15/boe

Market cap. segmentation*

Small	< \$3bn	35%
Mid	\$3 - 30bn	46%
Large	> \$30bn	19%

Top commodity exposure*

Crude & liquids	61%
Natural gas	39%

Top 5 country exposure (production)*

United States	54%
Norway	9%
Kurdistan	6%
Canada	6%
China	3%

Top 5 holdings

Cnooc	4.8%
Shell	4.8%
Chord Energy	4.7%
Equinor	4.6%
Devon Energy	4.6%

Transparency ECF O&G Universe

Scope 1 GHG/EVIC	252	411
Carbon footprint/EVIC	268	442
GHG intensity	318	463
Gas flaring	390	916
Hydrocarbon spills	53	106
Fatality rate	0.00%	0.33%
Women on board	26%	22%
Independent board	75%	62%
Sustainability Rating	57.3	40.4



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.

December 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

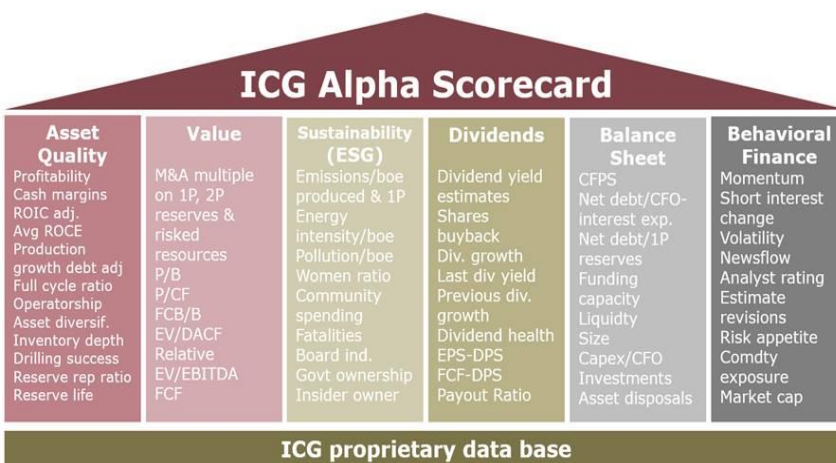
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Energy Champions Fund offers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