

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 \$29m

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		

Dezember 2023

Performance over 3 years



Cumulative net performance in USD

	NAV	December	YTD	2 Years	3 Years	5 Years	since IMC*
	29.12.2023	30.11-29.12.2023					
Class A	203.9	11.1%	-1.2%	-6.8%	13.3%	71.8%	65.5%
Class B	192.5	10.3%	-9.3%	-18.9%	-3.0%	37.2%	29.7%
Class C**	155.2	11.2%	-0.6%	-5.7%			3.5%
Class D**	157.7	6.4%	-11.7%				-11.7%
Class F**	135.0	11.0%	-10.0%				-10.0%

*domicile status change and inception of GNR-Fund Liechtenstein 3.4.18 (performance +22.36%); 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

In 2023, the commodities market experienced significant challenges, marked by a nearly 10% decline in the Bloomberg Commodities Index. Various commodities, including oil, gas, base metals, and grains, recorded declines, contributing to the overall downturn. However, copper prices saw a marginal increase during this period, driven by expectations of another deficit year. The market witnessed a deficit in 2023 due to robust demand and weaker-than-anticipated supply, contrary to initial projections of a surplus at the year's outset. Forecasts indicate that these deficits are likely to expand in 2024 and 2025, primarily due to downgrades in several producer-related aspects. Fitch Ratings predicts a 2.7% increase in global copper consumption in 2024, attributing it to the metal's role in the ongoing energy transition. Looking ahead to 2050, S&P anticipates annual copper demand surpassing the cumulative consumption from 1900 to 2022. Surprisingly, uranium emerged as the top-performing commodity in 2023, reaching a 16-year high of over \$90/lb. Unlike previous spikes in 2007 and 2010 driven by specific market shocks, the current momentum is fueled by diverse factors, including climate change considerations, increasing acceptance of nuclear energy, advancements in reactor technologies, and geopolitical uncertainties affecting both demand and supply. A notable development is China's decision to halt the export of certain rare-earth technologies, potentially complicating efforts by the US and other Western nations to secure strategic raw materials. Meanwhile, lithium faced a significant price decline, with spodumene prices plummeting by 80% over the past year, leading to the suspension of mining activities by an Australian producer. The lithium market struggled with a global supply glut in 2023, coupled with lackluster growth in battery demand and the impact of higher interest rates on global electric vehicle sales. In the realm of M&A, Nippon Steel announced its acquisition of United States Steel for \$14.1bn. The acquisition price, at approximately 8 times US Steel's 2024 EBITDA, exceeded the typical 4-6x valuations for major global blast furnaces. Additionally, it is said that Barrick Gold initiated discussions with First Quantum Minerals shareholders regarding a potential M&A transaction. According to S&P, the positive outlook for the mining industry is supported by the expected entry into production of at least 38 mines in 2024 all over the world.

IMC Factsheet

Financial statistics*

Number of holdings	25
Market cap	\$32bn
P/B ratio	1.9x
P/cash flow	7.1x
EV/EBITDA 2024E	6.1x
FCF yield 2024E	6.5%
Dividend yield	4.7%
Net debt/equity	12%

Operating statistics in copper-eq.*

Production	1'708 ktpa
Reserve life (2P reserves)	28 years
Cash costs	\$5'776/t
Cash margin	32%
Reserve valuation (EV/2P)	\$1'246/t

Market cap. segmentation*

Small	< \$3bn	16%
Mid	\$3 - 30bn	51%
Large	> \$30bn	33%

Top 5 commodity exposure*

Copper	20%
Iron Ore	17%
Steel Upstream	6%
Lithium Spodumene	5%
Metallurgical Coal	5%

Top 5 country exposure (production)*

Australia	26%
Canada	11%
Brazil	9%
Chile	7%
United States	6%

Top 5 holdings

Champion Iron	4.5%
Zijin Mining	4.2%
Anglo American	4.1%
Fortescue	4.1%
Rio Tinto	4.1%

Transparency	IMC	Universe
Scope 1 GHG/EVIC	158	2'285
Carbon footprint/EVIC	236	2'556
Renewable Energy Cons.	20%	6%
Lost Time Incident Rate	0.27	0.31
Women on board	29%	23%
Independent Board	71%	51%

Fund administration

Accuro Fund Solutions AG

Contact

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* 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.

Dezember 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

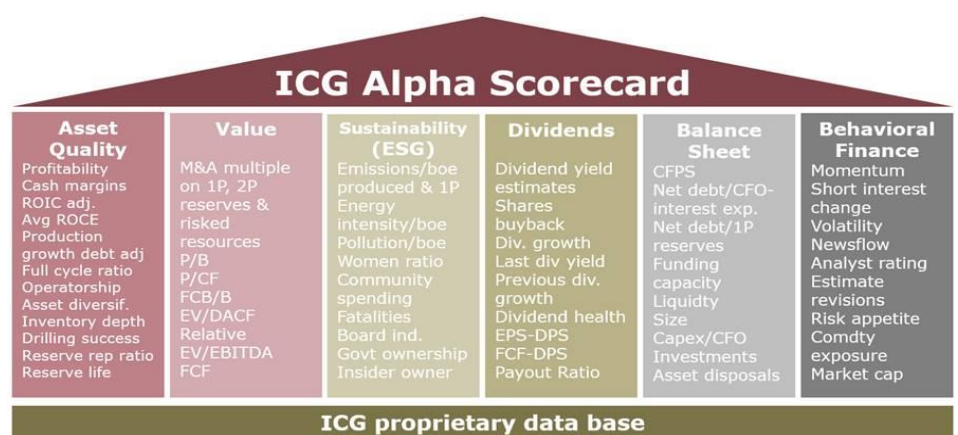
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Industrial Metals Champions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