

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 \$6m

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	LI1121337961		

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		

Dezember 2023

Performance over 3 years



Cumulative performance in USD

	NAV	December	YTD	1 Year	3 Years	Since Inception
	29.12.2023	30.11.-29.12.2023				
Class A	140.7	1.1%	11.1%	11.1%	-13.3%	-6.2%
Class B*	132.4	1.0%	10.4%	10.4%		-11.8%
Class D*	Pending					
Class F*	171.1	1.0%	14.1%			14.1%

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

Monthly comment

Geopolitical risks have consistently fueled safe-haven demand for gold, resulting in the metal reaching a record high in early December and closing 2023 with a 13% gain. Despite facing four interest rate hikes, in addition to seven the previous year, gold demonstrated unexpected resilience. Recently, gold experienced a pullback following a late-month rally, driven by expectations of rapid monetary loosening in response to a cooling economy. Attention is now focused on U.S. data, which will guide the pace of the Federal Reserve's rate cuts. As we venture into 2024, the outlook for gold seems increasingly favorable, primarily shaped by the anticipated shift in interest rates. On the flip side, platinum group metals (PGM) faced a challenging year. Platinum recorded an 8% loss, while palladium plummeted over 38% in 2023. Several factors contributed to the decline, triggering negative speculative investor sentiment. After years of existing in a structural deficit, the palladium market is now experiencing structural oversupply. This shift is primarily attributed to palladium's heavy reliance on catalytic converters in gasoline-powered vehicles, constituting about 90% of total demand. While gold miners celebrated the precious metal's historic high, they are redirecting much of their windfall into copper. Interestingly, copper, previously downplayed by gold-mining executives, is gaining importance as investors recognize the growing competition for copper supply amid the global shift towards electrification and away from fossil fuels. The traditional premium of gold stocks over companies mining various metals is evolving. Barrick Gold, for instance, aims to transform into a "major-league copper producer" as revealed by CEO Mark Bristow in November. There are now rumors that Barrick has initiated discussions with First Quantum shareholders for a potential M&A transaction. Another major gold producer, Newmont, anticipates an increase in its copper revenue from 10% to 20% or more, following the takeover of Newcrest and the development of planned projects. About 30% of Newmont's reserves are now in copper. Analysts observe positive signs in the macro backdrop for miners. S&P supports this positive outlook, highlighting the expected commencement of production in at least 38 mines worldwide.

PMC Factsheet
Exposure

Gold equities	80%
Metals physical	20%

Financial statistics*

Number of holdings	25
Market cap	\$5.6bn
P/B ratio	1.3x
P/cash flow	5.8x
EV/EBITDA 2024E	4.1x
FCF yield 2024E	9.5%
Dividend yield	2.6%
Net debt/equity	0.4%

Operating statistics in gold-eq.*

Production	1'053 koz
Reserve life (2P reserves)	17 years
Cash costs	\$1'115/oz
AISC**	\$1'051/oz
Reserve valuation (EV/2P)	\$325/oz

Market cap. segmentation*

Small	< \$3bn	77%
Mid	\$3 - 10bn	8%
Large	> \$10bn	16%

Top 5 commodity exposure*

Gold	78%
Silver	11%
Copper	7%
Palladium	1%
Rhodium	1%

Top 5 country exposure (production)*

Australia	17%
Canada	14%
United States	5%
South Africa	3%
China	3%

Top 5 equity holdings

Regis Resources	4.7%
New Gold	4.3%
China Gold International	4.3%
Aura Minerals	4.3%
Silver Lake Resources	4.2%

	PMC	Universe
Carbon footprint/EVIC	205	224
Renewable Energy Cons.	7.4%	5.5%
Fatality Rate	3.5%	7.7%
Women on Board	32%	27%
Independent Board	73%	59%

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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.

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 Precious Metals Champions Fund

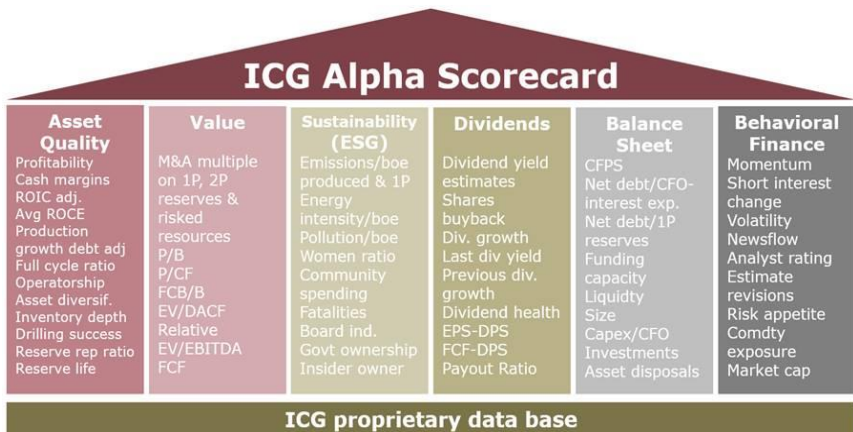
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund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