

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 \$25m

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		

March 2024

Performance since inception



Cumulative net performance in USD

	NAV	March	YTD	2 Years	3 Years	5 Years	since IMC*
	29.03.2024	29.02.-29.03.2024					
Class A	193.8	8.7%	-5.0%	-28.0%	-1.6%	41.3%	54.4%
Class B	151.9	8.7%	-6.0%	-37.1%	-16.4%	13.1%	21.9%
Class C**	147.7	8.8%	-4.8%	-27.1%	0.2%		-1.5%
Class D**	135.5	11.5%	2.4%				-9.7%
Class F**	128.0	8.7%	-5.2%				-14.7%

*domicile status change and inception of GNR-Fund Liechtenstein 3.4.18 (performance +29.20%); 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

Weakness in the Chinese economy has been a pressure point for commodities this year, but the turning of China's PMI from showing contraction to showing growth in March is seen as a signal for stronger commodity demand - Copper rallied back above \$9'000/t as investors weighed the upbeat factory data from China and the potential for output cuts by the country's leading smelters. Investors are becoming more optimistic about the world's second-largest economy after the official manufacturing purchasing managers index in March registered the highest reading in a year. While there is a relatively long list of reasons to be long miners, one of the keys is global industrial production. The recovery in global manufacturing PMIs that started in January is critical according to analysts. Further improvement would strongly indicate that there is a real trend higher, which should ultimately be followed by an acceleration in global demand growth for metals. The US economy continues to defy prior bearish expectations, and a soft landing or 'no landing' scenario is now the consensus view. Analysts had been concerned about the impact of weakening demand in the US - a stronger than expected US economy is therefore a clear positive. There are several topics which act as a demand pull for industrial metals, most notably the energy transition and more recently the demand in data centers. Copper is an important metal in power-intensive data centers as the electrification of data centers will require a significant increase in grid capacity. Add to this the need for more electric power capacity for EVs and the shift to more renewable power (which requires more copper per MW than fossil fuel power), and we have new end markets for copper. According to most analysts, the copper market is entering an extended period of deficits sooner than previously anticipated - the consensus on the incentive price for new supply is around \$11'000/t, representing an increase of over 20% from current levels. Mining stocks ride the wave of rising commodity prices thanks to their built-in leverage. This leverage becomes especially apparent during cyclical upturns, making equities a more attractive option than futures. Yet, it's important to recognize that mining companies can face various challenges, like operational issues, geopolitical risks, and rising costs. Given these risks, we recommend a diversified portfolio strategy, encompassing both commodity and geographic diversification, as the most prudent approach.

IMC Factsheet

Financial statistics*

Number of holdings	25
Market cap	\$31bn
P/B ratio	2.0x
P/cash flow	8.8x
EV/EBITDA 2024E	7.6x
FCF yield 2024E	4.5%
Dividend yield	3.8%
Net debt/equity	19%

Operating statistics in copper-eq.*

Production	1'680 ktpa
Reserve life (2P reserves)	36 years
Cash costs	\$5'865/t
Cash margin	31%
Reserve valuation (EV/2P)	\$2'100/t

Market cap. segmentation*

Small	< \$3bn	20%
Mid	\$3 - 30bn	48%
Large	> \$30bn	33%

Top 5 commodity exposure*

Copper	21%
Iron Ore	15%
Steel Upstream	6%
Zinc	5%
Metallurgical Coal	5%

Top 5 country exposure (production)*

Australia	20%
Canada	13%
Brazil	9%
Chile	7%
United States	6%

Top 5 holdings

Grupo Mexico	4.5%
Lundin Mining	4.5%
Central Asia Metals	4.4%
Freeport McMoran	4.4%
Norsk Hydro	4.1%

	IMC	Universe
Transparency		
Scope 1 GHG/EVIC	164	2'214
Carbon footprint/EVIC	244	2'372
Renewable Energy Cons.	20%	6%
Fatality Rate	2.4%	3.0%
Women on board	30%	24%
Independent Board	71%	48%

more information and details see ESG Quarterly Report

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.

March 2024

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

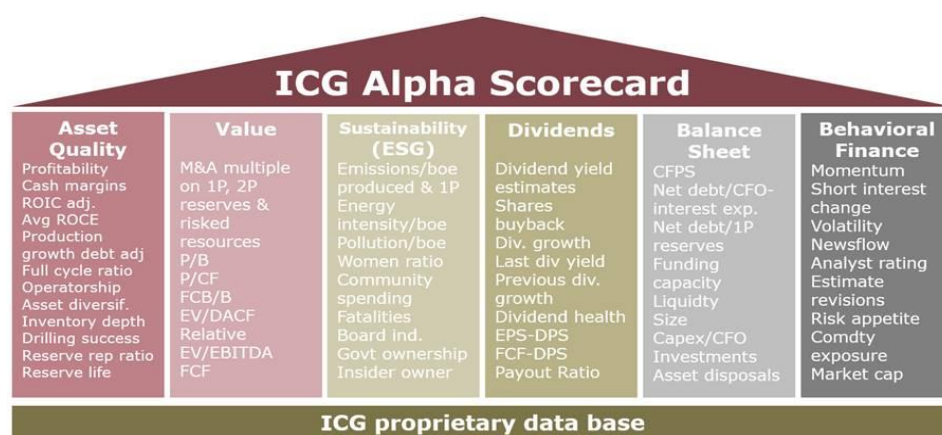
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Industrial Metals Champions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