

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 USD, acc.	A2 USD, distri
B pending	C USD, acc.
I1 USD, acc.	I2 USD, distr.

Bloomberg ticker

A1 WFECHA1 LX Equity	A2 WFECHA2 LX Equity
B pending	C WFIECAU LX Equity
I1 WFECIA LX Equity	I2 WFECI2D LX Equity

ISIN

A1 LU1018863792	A2 LU1018863875
B pending	C LU2786375498
I1 LU1092312823	I2 LU1092313045

Valor-Number

A1 23322792	A2 23322921
B pending	C 133667381
I1 25025471	I2 25025474

Dealing & prices

Mgmt fee p.a.

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

Min Subscription

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

Trading frequency

Daily

June 2024

Performance since inception



Cumulative net performance in USD

	NAV	June	YTD	3 Years	4 Years	5 Years	Since Inception
	31.05.2024	31.05. - 28.06.2024					
Class A1	67.7	-5.1%	3.4%	43.3%	164.5%	39.9%	-32.3%
Class A2	56.5	-5.1%	3.4%	43.4%	164.5%	39.8%	-32.4%
Class C*	99.1	-0.9%	-0.9%				-0.9%
Class I1*	100.3	-5.1%	3.7%				1.4%
Class I2*	568.6	-5.1%	3.7%	46.1%	171.4%	44.4%	-32.3%

*I2-Class since 12.9.2014, I1-Class since 01.12.2022, C-Class since 11.06.2024

Monthly comment

Brent crude oil prices recovered to \$85/bl in June, rebounding from a post-OPEC+ meeting low. The decision to start adding barrels to the market from October (about 200kboe/d each month) caused a brief decline to \$77/bl at the beginning of the month. Additionally, the perception that geopolitical risks to crude supplies are diminishing contributed to the initial decline. OPEC+ compliance remained relatively flat month-over-month, but the market saw robust supplies from outside the group, with the US reaching 13.25mboe/d in April, the highest since December last year. Demand remains the most significant area of uncertainty. The IEA and OPEC have diverging outlooks. OPEC maintained its estimate for consumption growth this year at 2.25mboe/d, while the IEA cut its forecast by 100kboe/d to 960kboe/d. China's economic outlook is a major factor weighing on the market. Weak May data from China led some refiners to cut operating rates and extend maintenance. Nevertheless, the Energy Institute's Statistical Review of World Energy reported that China now consumes more energy on a per-capita basis than Europe, driven by greater demand from the industrial sector. Meanwhile, energy demand from industrial producers in Europe is declining due to high prices. While China's energy consumption has increased, its carbon intensity has decreased. The Energy Institute highlighted that China leads in new coal power plant construction but also in wind and solar capacity additions. Last year, China's additions in these renewable sectors exceeded the total new wind and solar capacity added by the rest of the world, leading to a downward trend in carbon intensity. Interestingly, despite the increased oil prices this year, oil and gas equities have not seen a significant rise. Historically over the last few years, oil and gas companies were less sensitive to price drops, but now, even with higher prices, their shares are lagging. Analysts attribute this to equity investors' concerns with cyclical stocks in the current environment. Fundamentally, companies in the upstream sector are performing well. Cash margins are at record highs, free cash flow yields remain in double digits, and valuations continue to be at record lows. Recognizing this, companies are actively pursuing M&A across the industry.

ECF Factsheet
June 2024
Financial statistics*

Number of holdings	25
Market cap	\$38bn
P/E 2025E	7.7x
P/cash flow	4.1x
EV/EBITDA 2025E	3.1x
FCF yield 2025E	14.3%
Dividend yield	5.1%
Net debt/equity	27%

Operating statistics in boe*

Production	237 kboe/d
Cash costs	\$17/boe
Reserve life (1P reserves)	10 years
Reserve valuation (EV/1P)	\$13/boe
F&D organic costs 3yrs avg	\$14/boe

Market cap. segmentation*

Small	< \$3bn	30%
Mid	\$3 - 30bn	40%
Large	> \$30bn	29%

Top commodity exposure*

Crude & liquids	68%
Natural gas	32%

Top 5 country exposure (production)*

United States	53%
Canada	9%
Norway	9%
Kurdistan	6%
China	4%

Top 5 holdings

Cnooc	5.3%
Shell	4.9%
Equinor	4.9%
Diamondback Energy	4.9%
Aker BP	4.7%

Transparency	ECF	O&G Universe
Scope 1 GHG/EVIC	219	435
Carbon footprint/EVIC	241	464
GHG intensity	256	405
Gas flaring	293	934
Hydrocarbon spills	70	99
Fatality rate	0.00%	0.36%
Women on board	33%	27%
Independent board	79%	59%
Sustainalytics Rating	57.3	41.5

More information and details see ESG Quarterly Report



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"

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* 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.

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

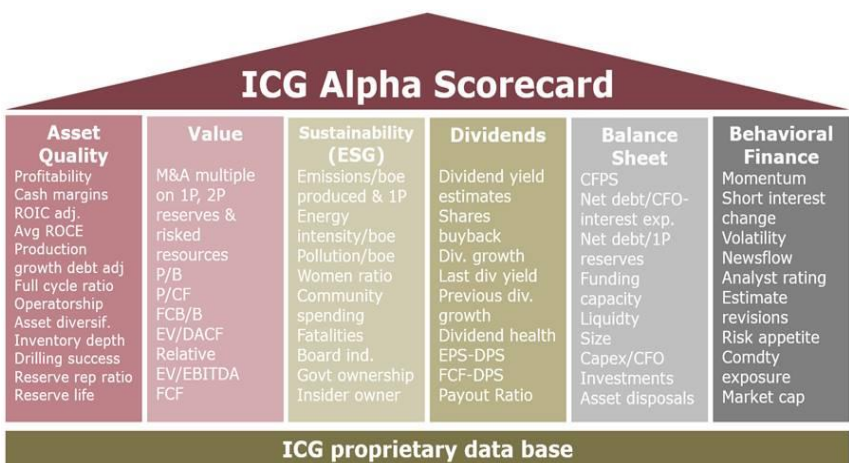
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Energy Champions Fund offers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