INDEPENDENT
CAPITAL GROUP

ENERGY
CHAMPIONS FUND





ECF Factsheet **July 2024**

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	WFECI1A 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

Performance since inception

Cumulative net performance in USD

	NAV 31.07.2024	July 28.06. - 31.07.2024	YTD	3 Years	4 Years	5 Years	Since Inception
Class A1	67.5	-0.2%	3.1%	61.7%	170.5%	46.2%	-32.5%
Class A2	56.3	-0.2%	3.1%	61.7%	170.7%	46.3%	-32.6%
Class C*	98.8	-0.3%	-1.2%				-1.2%
Class I1*	100.1	-0.2%	3.5%				1.2%
Class I2*	567.6	-0.2%	3.5%	64.8%	177.7%	51.0%	-32.1%

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

Monthly comment

Recession fears crept into the market at the end of July, leading to a sell-off of economically sensitive commodities. Both oil benchmarks have lost more than 7% over the month in the longest run of weekly losses this year, reaching a new seven-month low at the beginning of August. Economic data from top oil importer China, combined with a survey showing weaker manufacturing activity across Asia, Europe, and the US, raised the risk of a sluggish global economic recovery that would weigh on oil consumption. According to a Bloomberg survey, China's crude imports in the 2H24 are projected to stagnate compared to the previous year. Nevertheless, oil demand is expected to show a seasonal improvement after August, driven by higher runs, restocking in coastal cities, National Day weeks in Sep/Oct, and the SPR/CPR refilling program in the 4Q24. On the other side, OPEC crude production remained broadly flat month-on-month. Geopolitical concerns have not had a significant impact on prices so far, despite the escalating conflict in the Middle East raising concerns that the conflict may spiral into a broader war involving the US and Iran, possibly hampering crude exports. On the corporate side, the battle between Chevron and Exxon over Guyana's $1 trillion oil field took another twist last week when arbitrators announced they would need nearly a year to settle the dispute. Chevron's stock plunged as the news meant its $53bn acquisition of Hess, which holds a 30% stake in the Guyana field operated by Exxon, would be further delayed. The shares took another hit later in the week when Chevron missed earnings estimates. Adding salt to the wound, Exxon handily beat earnings expectations, largely due to completing the $60bn purchase of Pioneer. By the way, Chevron is relocating its headquarters to Houston from California after repeatedly warning that the Golden State's regulatory regime was making it a tough place to do business. A similar situation is unfolding in the UK, where the government has decided to increase the windfall tax on oil and gas producers, bringing the headline rate of tax to 78%, one of the highest in the world. This measure aims to fund the country's push towards renewable energy. However, it remains to be seen whether this tax increase will effectively boost the share of renewable energies in the UK.

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Financial statistics*

Number of holdings	25
Market cap	$35bn
P/E 2025E	7.7x
P/cash flow	3.8x
EV/EBITDA 2025E	2.9x
FCF yield 2025E	14.7%
Dividend yield	5.4%
Net debt/equity	28%

Operating statistics in boe*

Production	238 kboe/d
Cash costs	$17/boe
Reserve life (1P reserves)	10 years
Reserve valuation (EV/1P)	$13/boe
F&D organic costs 3yrs avg	$17/boe

Market cap. segmentation*

Small	< $3bn	30%
Mid	$3 - 30bn	46%
Large	> $30bn	24%

Top commodity exposure*

Crude & liquids	70%
Natural gas	30%

Top 5 country exposure (production)*

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

Top 5 holdings

Northern Oil and Gas	5.1%
Shell	5.1%
Diamondback Energy	4.9%
Cnooc	4.7%
Equinor	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"

Contact

Independent Capital Group AG
Waldmannstrasse 8
8001 Zurich
+41 44 256 16 16
http://www.independent-capital.com

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 reamins continual, while they are becoming scarcer.

Why natural resource equities and the Industrial Metals Champions Fund

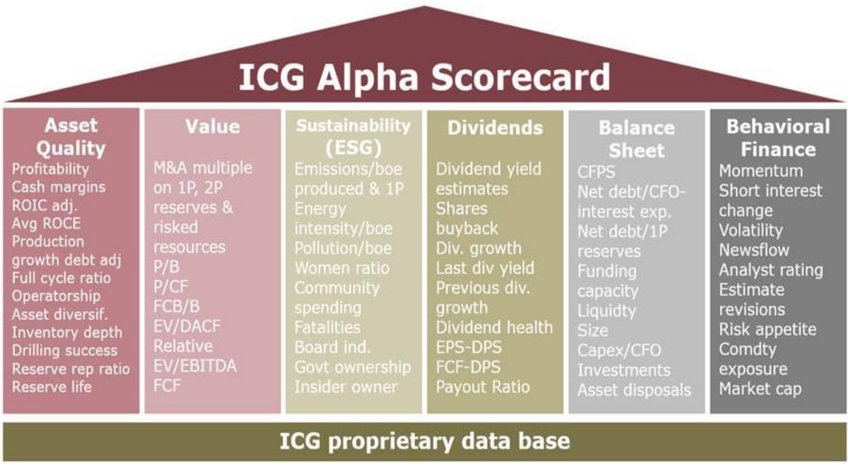
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Energy Champions Fund offers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



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.

* based on weighted average and/or weighted average barrels of oil equivalent (boe) numbers