

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 \$23m

Custodian

LLB Liechtensteinische Landesbank AG

Distribution

LI, CH, DE, AT, UK

Codes

Share classes

A	USD acc.	D	CHF acc.
B	CHF (unhedged) acc.	F	USD acc.
C	USD acc.		

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

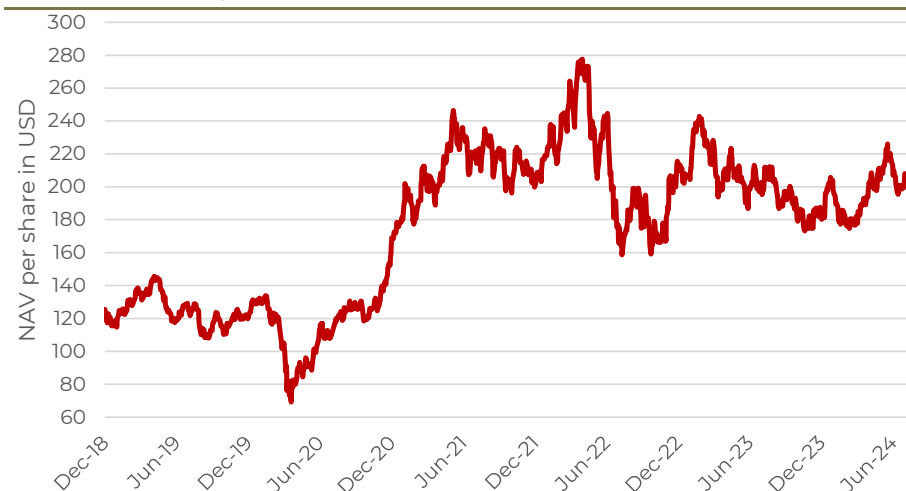
Daily

Minimum subscription

A	USD \$1m	D	USD \$0.5m
B	USD \$1m	F	One share
C	USD \$5m		

July 2024

Performance since inception



Cumulative net performance in USD

	NAV	July	YTD	2 Years	3 Years	5 Years	since IMC*
	31.07.2024	28.06.31.07.2024					
Class A	186.8	-6.1%	-8.4%	0.4%	-19.2%	51.5%	48.9%
Class B	140.9	-8.2%	-12.8%	-13.8%	-33.6%	17.6%	13.1%
Class C**	142.7	-6.1%	-8.1%	1.7%	-17.7%		-4.9%
Class D**	127.1	-8.2%	-3.9%				-15.2%
Class F**	123.1	-6.2%	-8.8%				-18.0%

*domicile status change and inception of GNR-Fund Liechtenstein 3.4.18 (performance +24.56%); Change of strategy into IMC-Fund as of 4.12.2018

**C-Class since 08. January 2021; D-Class since 23. November 2022; F-Class since 10. February 2023

Monthly comment

China's substantial accumulation of commodities, including record-high copper reserves, is reshaping the global industrial metals market. This buildup has been driven by various factors, including uncertainties surrounding US elections, potential trade restrictions, and geopolitical tensions, such as possible conflicts with Taiwan. These concerns have led to weaker performance in commodity prices recently, especially in industrial metals like copper. However, several bullish indicators suggest a positive long-term outlook for the sector. China's State Grid Corp, the world's largest copper consumer, has announced a 13% increase in its annual budget, raising it to RMB600 billion. This significant boost is intended to support the expansion of infrastructure, including ultra-high-voltage lines for renewable energy projects. Although this shift may initially reduce copper demand in favor of aluminum, the substantial budget increase and focus on infrastructure indicate a potential rebound in copper consumption. The market is expected to adjust from recent weak discretionary purchases and lower operating rates for wire and cable fabricators. Additionally, China has mandated that all energy-intensive industries in Inner Mongolia use renewable energy by 2025. This policy is likely to increase copper demand due to the need for improved power distribution networks, even as aluminum substitution slightly reduces copper use. The global copper market remains optimistic, anticipating significant supply deficits in the coming years due to increased investments and ongoing infrastructure projects. On the company side, the mining industry is experiencing a resurgence in mergers and acquisitions. Teck Resources, having recently sold its coal business, is now a prime target due to its valuable copper assets. Major players such as Anglo American, Vale, BHP, Rio Tinto, and Freeport-McMoRan are actively exploring potential deals with Teck. Vale's interest in expanding its base metals division and Anglo American's focus on restructuring highlight a strategic shift towards copper. Despite facing operational challenges and regulatory scrutiny, the increased M&A activity and investment commitments from major industry players reflect a bullish sentiment for copper and industrial metals. As global demand for metals rises, driven by infrastructure development and renewable energy mandates, the industrial metals sector is poised for significant growth and investment opportunities in the coming years.

IMC Factsheet

Financial statistics*

Number of holdings	25
Market cap	\$26bn
P/B ratio	1.8x
P/cash flow	9.3x
EV/EBITDA 2025E	5.3x
FCF yield 2025E	8.6%
Dividend yield	3.7%
Net debt/equity	18%

Operating statistics in copper-eq.*

Production	997 ktpa
Reserve life (2P reserves)	30 years
Cash costs	\$4'517/t
Cash margin	53%
Reserve valuation (EV/2P)	\$1'375/t

Market cap. segmentation*

Small	< \$3bn	24%
Mid	\$3 - 30bn	47%
Large	> \$30bn	29%

Top 5 commodity exposure*

Copper	33%
Iron Ore	16%
Aluminium	10%
Steel	8%
Zinc	5%

Top 5 country exposure (production)*

Australia	14%
Canada	13%
Chile	8%
United States	7%
Spain	7%

Top 5 holdings

Rio Tinto	4.4%
Outokumpo	4.4%
Teck Resources	4.3%
Vale	4.3%
Tenaris	4.3%

Transparency	IMC	Universe
Scope 1 GHG/EVIC	202	1'223
Carbon footprint/EVIC	298	1'471
Renewable Energy Cons.	22%	6%
Fatality Rate	3.0%	4.1%
Women on board	32%	24%
Independent Board	73%	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.

July 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).

ICG Alpha Scorecard					
Asset Quality	Value	Sustainability (ESG)	Dividends	Balance Sheet	Behavioral Finance
Profitability	M&A multiple	Emissions/boe	Dividend yield	CFPS	Momentum
Cash margins	on 1P, 2P	produced & 1P	estimates	Net debt/CFO-	Short interest
ROIC adj.	reserves &	Energy	Shares	interest exp.	change
Avg ROCE	riskd	intensity/boe	buyback	Net debt/1P	Volatility
Production	resources	Pollution/boe	Div. growth	reserves	Newsflow
growth debt adj	P/B	Women ratio	Last div yield	Funding	Analyst rating
Full cycle ratio	P/CF	Community	Previous div.	capacity	Estimate
Operatorship	FCB/B	spending	growth	Liquidity	revisions
Asset diversif.	EV/DACF	Fatalities	Dividend health	Size	Risk appetite
Inventory depth	Relative	Board ind.	EPS-DPS	Capex/CFO	Comdty
Drilling success	EV/EBITDA	Govt ownership	FCF-DPS	Investments	exposure
Reserve rep ratio	FCF	Insider owner	Payout Ratio	Asset disposals	Market cap
Reserve life					

ICG proprietary data base

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.