

# 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 \$8m

#### 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

## July 2024

### Performance since inception



### Cumulative performance in USD

	NAV	July	YTD	1 Year	3 Years	4 Years	Since Inception
	31.07.2024	28.06.-31.07.2024					
Class A	165.4	8.9%	17.6%	21.8%	7.5%	-9.3%	10.3%
Class B*	155.1	8.8%	17.1%	21.0%	5.5%		3.4%
Class D*	Pending						
Class F*	199.5	8.8%	16.6%	20.1%			33.0%

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

### Monthly comment

Gold has demonstrated significant volatility and resilience recently, reflecting broader market dynamics and geopolitical tensions. In the past quarter, gold prices surged to record levels, reaching around \$2,400 per ounce in April and May, and peaking at approximately \$2,480 per ounce in July. This impressive performance has been driven by escalating geopolitical risks, including tensions in the Middle East where conflicts have heightened gold's appeal as a safe-haven asset. Despite these gains, gold prices have experienced notable fluctuations. Gold's volatility has been influenced by a global stock market rout, prompting some traders to liquidate gold positions to cover margin calls on other assets. However, the anticipation of Federal Reserve rate cuts and ongoing geopolitical uncertainties continue to support gold prices. The strong performance of gold has translated into impressive financial results for major gold mining companies. Over the past three months, Agnico Eagle, Kinross Gold, and Alamos Gold collectively generated over \$1 billion in free cash flow. Specifically, Agnico Eagle reported a 5.7% FCF yield based on Q2 FCF of \$557 million, Kinross achieved a remarkable 12.4% FCF yield from \$364 million in Q2, and Alamos posted a 6.0% FCF yield with \$107 million in Q2 FCF. This substantial increase in free cash flows, alongside stabilizing costs, underscores a positive shift in the sector and highlights the attractiveness of these companies to investors. Analysts are focusing on commentary regarding capital allocation and shareholder returns, as these factors will be crucial for investors navigating this period of high FCF generation. Additionally, gold's traditional role as a safe-haven asset has been reinforced by central bank buying and strong demand from Asian consumers. Despite recent reductions in gold ETF holdings and significant net sales (ETFs saw record outflows in first half), the sector's fundamentals remain strong. In fact, gold ETF inflows surged to their highest level since March 2022 in July. With its strategic role in uncertain times and positive financial indicators, gold's long-term outlook remains optimistic, supported by its enduring appeal as a safe-haven investment.

## PMC Factsheet

### Exposure

Gold equities	80%
Metals physical	20%

### Financial statistics\*

Number of holdings	25
Market cap	\$9bn
P/B ratio	1.8x
P/cash flow	7.4x
EV/EBITDA 2025E	4.2x
FCF yield 2025E	12.0%
Dividend yield	1.9%
Net debt/equity	6.7%

### Operating statistics in gold-*eq.*\*

Production	1'247 koz
Reserve life (2P reserves)	17 years
Cash costs	\$1'132/oz
AISC**	\$1'248/oz
Reserve valuation (EV/2P)	\$419/oz

### Market cap. segmentation\*

Small	< \$3bn	47%
Mid	\$3 - 10bn	28%
Large	> \$10bn	25%

### Top 5 commodity exposure\*

Gold	81%
Silver	11%
Copper	5%
Zinc	0.4%
Lead	0.2%

### Top 5 country exposure (production)\*

Australia	17%
Canada	16%
Mexico	6%
United States	6%
South Africa	5%

### Top 5 equity holdings

Lundin Gold	4.4%
Newmont	4.4%
Agnico Eagle Mines	4.4%
Orezone Gold	4.3%
Eldorado Gold	4.2%

Transparency	PMC	Universe
Methan % Scope 1	0.2%	3.4%
Renewable Energy Cons.	8.2%	5.9%
GHG Intensity	349	2'362
Women on Board	34%	28%
Independent Board	72%	54%

more information and details see ESG Quarterly Report

### Contact

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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.

## 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 Precious Metals Champions Fund

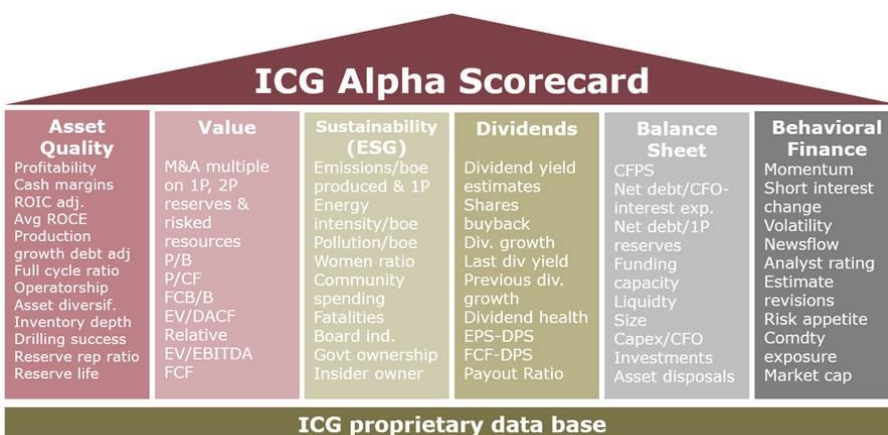
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund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