

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 <i>pending</i>	C USD, acc.
I1 USD, acc.	I2 USD, distr.

Bloomberg ticker

A1 WFECHA1 LX Equity	A2 WFECHA2 LX Equity
B <i>pending</i>	C WFIECAU LX Equity
I1 WFECIA1 LX Equity	I2 WFECI2D LX Equity

ISIN

A1 LU1018863792	A2 LU1018863875
B <i>pending</i>	C LU2786375498
I1 LU1092312823	I2 LU1092313045

Valor-Number

A1 23322792	A2 23322921
B <i>pending</i>	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

August 2024

Performance since inception



Cumulative net performance in USD

	NAV	August	YTD	3 Years	4 Years	5 Years	Since Inception
	30.08.2024	31.07. - 30.08.2024					
Class A1	64.8	-4.0%	-1.0%	56.3%	156.3%	56.2%	-35.2%
Class A2	54.1	-4.0%	-1.0%	56.3%	156.3%	56.2%	-35.3%
Class C*	94.8	-4.1%	-5.2%				-5.2%
Class I1*	96.2	-4.0%	-0.6%				-2.8%
Class I2*	545.0	-4.0%	-0.6%	56.3%	162.9%	61.3%	-34.8%

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

Monthly comment

Oil prices have erased nearly all of this year's gains over the past couple of months due to economic concerns in major consuming nations, coupled with ample supply, which has weighed heavily on market sentiment. Meanwhile, in Libya, the state oil firm has declared force majeure at the El-Feel field, with an escalating power struggle already halving the nation's output. These disruptions may provide OPEC+ with the opportunity to restore some production next quarter, as initially planned. However, the market remains divided on whether OPEC+ will proceed with the planned production increase. Looking at the longer-term outlook, Exxon recently published its energy forecast with several notable points. According to the report, a consumption level of 50mmbtu per person is necessary to significantly improve human development indicators. However, today, more than 4 billion people live in countries that fall below this "modern energy minimum." This level is far below the standard of living in modern societies, where reliable energy is essential for housing, infrastructure, jobs, and mobility. Bringing these nations up to the modern energy minimum is expected to drive a 15% increase in global energy use between now and 2050. While renewables will undoubtedly play a critical role in this energy transition, oil and natural gas will continue to constitute more than 50% of the world's energy mix in 2050. Even if every new car sold in 2035 were electric, oil demand in 2050 would still be around 85mboe/d - similar to levels seen in 2010. Exxon projects that oil demand will plateau after 2030, but remaining above 100mboe/d through 2050. On the supply side, Exxon estimates a natural decline rate of 15% per year, nearly double the IEA's estimate of around 8%. At this rate, oil supplies could drop from 100mboe/d today to less than 30 million by 2030. Meanwhile, wind and solar contributions to the global energy mix are expected to increase more than fourfold, while coal will continue to be displaced by lower-emission sources such as natural gas. This shift is significant, as electricity usage is projected to grow by 80% by 2050 as part of the global energy mix. In summary, as Exxon emphasizes, energy is essential for improving quality of life, and the world will require more of it in the future - something that appears to be underestimated by the current market.

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Financial statistics*

Number of holdings	25
Market cap	\$39bn
P/E 2025E	7.3x
P/cash flow	3.2x
EV/EBITDA 2025E	3.0x
FCF yield 2025E	15.0%
Dividend yield	6.0%
Net debt/equity	34%

Operating statistics in boe*

Production	262 kboe/d
Cash costs	\$17/boe
Reserve life (1P reserves)	11 years
Reserve valuation (EV/1P)	\$13/boe
F&D organic costs 3yrs avg	\$19/boe

Market cap. segmentation*

Small	< \$3bn	29%
Mid	\$3 - 30bn	40%
Large	> \$30bn	32%

Top commodity exposure*

Crude & liquids	67%
Natural gas	33%

Top 5 country exposure (production)*

United States	47%
Canada	13%
Norway	9%
Brazil	6%
China	3%

Top 5 holdings

SM Energy	4.7%
CNOOC	4.6%
Petroleo Brasileiro	4.6%
Eni	4.5%
TotalEnergies	4.5%

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

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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.

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