

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 \$24m

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		

August 2024

Performance since inception



Cumulative net performance in USD

	NAV	August	YTD	2 Years	4 Years	5 Years	since IMC*
	31.07.2024	31.07.-30.08.2024					
Class A	186.1	-0.4%	-8.8%	1.1%	43.4%	64.9%	48.3%
Class B	135.4	-3.9%	-16.2%	-16.5%	11.6%	23.7%	27.4%
Class C**	142.2	-0.4%	-8.4%	2.4%			-5.2%
Class D**	122.1	-4.0%	-7.7%				-18.6%
Class F**	122.5	-0.5%	-9.3%				-18.3%

*domicile status change and inception of GNR-Fund Liechtenstein 3.4.18 (performance +24.05%); Change of strategy into IMC-Fund as of 4.12.2018

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

Monthly comment

August began turbulently for global markets, with a broad sell-off driven by concerns ranging from a tepid employment report to the unwinding of the yen carry trade. This led to nearly 90% of the MSCI World Index closing in the red on the first Monday of the month. However, by the second week, market fears had subsided, and the recession scare proved to be temporary. Despite the broader market's recovery, industrial metals struggled to regain lost ground, ending the month in negative territory. China played a significant role in this underperformance, as the country's last engines of growth showed signs of faltering amid an ongoing property crisis that continues to weigh on the broader economy. Given that China historically accounted for over 50% of global commodity demand growth pre-pandemic, it is challenging to build significant deficits in these markets without robust Chinese demand. Currently, most analysts expect China's economic growth to fall short of the government's target of "around 5%". Adding to these demand-side challenges, the supply side was stronger than anticipated. This combination has led to rising inventories in most metals, with some increases even defying typical seasonal trends. The steel market, in particular, has been impacted, as weak construction activity in China has resulted in growing inventories of steel and iron ore, putting downward pressure on prices. While this usually results in an influx of cheap foreign steel, despite protective tariffs, US steel executives remain optimistic about a recovery in 2025, driven by an improving US economy and large infrastructure projects. In the copper market, supply growth, primarily from the Democratic Republic of Congo, has surged by 7% this year, outpacing historical norms. Global copper demand has also risen by 6.7% during the same period, largely driven by China. Notably, BHP's recent commodity outlook highlights that China's copper-in-use stock per capita is only half that of the US. Moreover, India's copper market is projected to grow five times by 2050. BHP is confident in copper's long-term fundamentals, estimating a need for 10mtpa of new supply over the next decade, requiring around \$250bn in investment. Despite this short-term turbulence, Goldman maintains its structural view that the growth in green metals demand and the long-cycle nature of copper supply, along with declining investment, will ultimately lead to inventory depletion and, consequently, scarcity pricing.

IMC Factsheet

Financial statistics*

Number of holdings	25
Market cap	\$28bn
P/B ratio	1.9x
P/cash flow	9.3x
EV/EBITDA 2025E	5.3x
FCF yield 2025E	7.0%
Dividend yield	3.0%
Net debt/equity	22%

Operating statistics in copper-eq.*

Production	1'185 ktpa
Reserve life (2P reserves)	32 years
Cash costs	\$4'284/t
Cash margin	52%
Reserve valuation (EV/2P)	\$1'471/t

Market cap. segmentation*

Small	< \$3bn	16%
Mid	\$3 - 30bn	56%
Large	> \$30bn	28%

Top 5 commodity exposure*

Copper	43%
Aluminium	11%
Iron Ore	8%
Zinc	5%
Gold	5%

Top 5 country exposure (production)*

Canada	14%
Australia	12%
Chile	9%
United States	8%
D.R. of Congo	8%

Top 5 holdings

Lundin Mining	4.3%
Tenaris	4.3%
Boliden	4.2%
Rio Tinto	4.1%
South 32	4.1%

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

Independent Capital Group AG

Waldmannstrasse 8

8001 Zurich

+41 44 256 16 16

<http://www.independent-capital.com>

* 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.

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

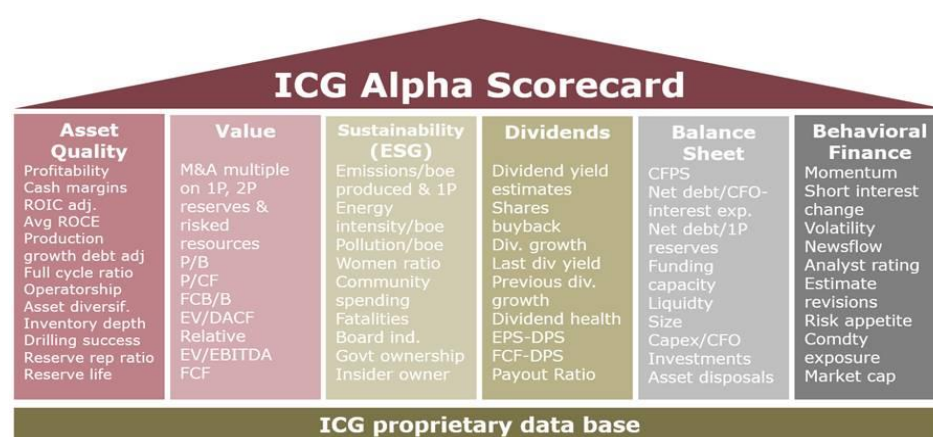
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Industrial Metals Champions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



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.