

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 \$25m

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 WFECIA1 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

October 2024

Performance since inception



Cumulative net performance in USD

	NAV	October	YTD	3 Years	4 Years	5 Years	Since Inception
	31.10.2024	30.09. - 31.10.2024					
Class A1	58.2	-2.6%	-11.1%	11.2%	190.2%	39.8%	-41.8%
Class A2	48.6	-2.6%	-11.1%	11.2%	190.0%	39.8%	-41.9%
Class C*	85.1	-2.5%	-14.9%				-14.9%
Class I1*	86.5	-2.5%	-10.6%				-12.6%
Class I2*	490.2	-2.6%	-10.6%	13.3%	197.7%	44.3%	-41.3%

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

Monthly comment

Oil prices saw heightened volatility in October as escalating tensions in the Middle East fuelled concerns over potential disruptions to energy infrastructure. However, skepticism is growing over whether the conflict will meaningfully impact oil supplies. On Sunday, OPEC+ announced it would extend its 2.2mboep/d production cut through December. The group had planned to begin gradual monthly increases, starting with an additional 180,000 bpd in December, but postponed this due to weak demand. Meanwhile, China's manufacturing sector surprised markets by expanding in October, suggesting some stabilization following recent economic stimulus measures. Residential property sales in China also rose in October, marking the first YoY growth of 2024 and further boosting confidence in its economic outlook. Another factor that may be underestimated is the rapid growth of India's oil demand. Between 2003 and 2023, India's oil consumption grew at 4% above the global average, accounting for 17% of global demand growth. Currently, India represents 5% of global oil consumption, with rising demand largely fuelled by a young population and a fast-growing economy. Nevertheless, with limited domestic reserves, India remains heavily reliant on imports, with only 13% of its 2023 crude needs met by local production. This growth in demand is expected to persist through 2040, with the working-age population projected to increase by 63 million annually. This week will be pivotal for energy markets as the U.S. presidential election approaches. Both Kamala Harris and Donald Trump support expanding domestic energy production and keeping prices affordable, though their methods differ. Harris advocates a balanced approach, integrating green energy technologies with current production to maintain price stability. She has reversed her stance on a fracking ban, recognizing the need for stable production during the green transition. Trump, meanwhile, proposes loosening environmental regulations to boost oil and gas output, aiming to grow U.S. market share. Regardless of the outcome, energy companies are calling for consistent, long-term policy to sustain investment momentum. Chevron CEO Mike Wirth recently emphasized that a coherent energy policy is essential to promote investment and ensure affordable, reliable energy supplies.

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Financial statistics*

Number of holdings	25
Market cap	\$33bn
P/E 2024E	7.8x
P/cash flow	3.1x
EV/EBITDA 2025E	3.3x
FCF yield 2025E	14.6%
Dividend yield	6.4%
Net debt/equity	36%

Operating statistics in boe*

Production	249 kboe/d
Cash costs	\$17/boe
Reserve life (1P reserves)	11 years
Reserve valuation (EV/1P)	\$13/boe
F&D organic costs 3yrs avg	\$18/boe

Market cap. segmentation*

Small	< \$3bn	25%
Mid	\$3 - 30bn	44%
Large	> \$30bn	31%

Top commodity exposure*

Crude & liquids	63%
Natural gas	37%

Top 5 country exposure (production)*

United States	48.0%
Canada	15.7%
Norway	9.2%
Brazil	5.1%
Australia	4.2%

Top 5 holdings

Shell	4.7%
SM Energy	4.6%
Diamondback Energy	4.6%
Northern Oil and Gas	4.6%
Matador Resources	4.5%

Transparency	ECF	O&G Universe
Scope 1 GHG/EVIC	260	424
Carbon footprint/EVIC	282	451
GHG intensity	315	2'634
Gas flaring	332	2'381
Hydrocarbon spills	76	90
Fatality rate	0.00%	0.58%
Women on board	29%	25%
Independent board	80%	59%
Sustainalytics Rating	60.7	41.4

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.

October 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	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	riskied	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	Net debt/1P	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 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.