

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 \$5m

Benchmark

NYSE Arca Gold Miners Index

Custodian

LLB Liechtensteinische Landesbank AG

February 2023

Performance over 1 year -20.6%



Cumulative performance in USD

	NAV	February	YTD	2 Years	Since Inception
	28.02.2023	31.01.-28.02.2023			
Class A	121.9	-11.2%	-3.8%	-17.3%	-18.8%
Class B*	115.3	-11.2%	-3.8%	-15.3%	-23.1%

*Inception 08. February 2021

Fund administration

Accuro Fund Solutions AG

Codes

Share classes

D Retail CHF (unhedged) class
Accumulating

Main Bloomberg ticker

PRCMCFA LE

ISIN

D LI121337961

Valoren number

D 112133796

Dealing & prices

Management fee p.a.

D 1.50%

Trading frequency

Daily

Minimum subscription

D 1 share

Monthly comment

Following a strong rally at the start of the year, rising US interest rates sparking growth concerns and a stronger US dollar have weighed on precious metals. Gold headed for its worst month since the mid-2021, after a slew of data saw traders pricing a higher peak for US interest rates this year. The metal was down close to 6% in February - strong inflation, home sales and jobs data have increased expectations for monetary tightening. The dollar and Treasury yields have risen last month, dimming the allure of non-interest-bearing gold. That's triggered outflows from bullion-backed ETFs. Looking at companies, Newmont's \$17 billion push to buy Newcrest Mining comes as miners wrestle with the reality that gold deposits are small, costly and short in life - while making the case for more diversification. A tie-up with Newcrest would boost Newmont's gold output by about a third, based on 2022 production, and give the added bonus of greater exposure to highly sought copper. Newcrest rejected the \$17 billion proposal, with interim CEO saying the company was "worth a lot more". Newmont said during an earnings call that they are still engaging with the company, adding that a combination would create an ideal mix of gold and copper. Newmont's reference to copper is a sign of how precious metals producers are looking to diversify as margins and revenues take a hit from lower-grade and harder-to-access gold deposits. Some base metals are increasingly coveted as global demand surges for materials that play a crucial role in the global push to electrify transportation and build cleaner energy technologies. Looking at platinum, markets are expected to tighten according to Analysts. Power outages continue to plague South Africa. Last week, state-owned utility Eskom announced power cuts of 7,000 megawatts, aiming to prevent a total collapse of the national grid. South Africa is the largest platinum producer, accounting for more than 70% of the world's platinum mining supply, and while miners have backup systems, these power disruptions are likely to weigh on PGM production. Palladium on the other hand is expected to be oversupplied this year due to slower economic growth, higher scrap supply and substitution in autocatalysts favoring cheaper platinum at the expense of palladium.

PMC Factsheet

Exposure

Gold equities	80%
Metals physical	20%

Financial statistics*

Number of holdings	25
Market cap	\$3bn
P/B ratio	1.2x
P/cash flow	6.6x
EV/EBITDA 2023E	3.9x
FCF yield 2023E	5.2%
Dividend yield	2.8%
Net debt/equity	-2.2%

Operating statistics in gold-eq.*

Production	1'047 koz
Reserve life (2P reserves)	20 years
Cash costs	\$928/oz
AISC**	\$867/oz
Reserve valuation (EV/2P)	\$225/oz

Market cap. segmentation*

Small	< \$3bn	75%
Mid	\$3 - 10bn	18%
Large	> \$10bn	7%

Top 5 commodity exposure*

Gold	71%
Silver	11%
Copper	6%
Rhodium	4%
Palladium	3%

Top 5 country exposure (production)*

Australia	18%
South Africa	11%
Canada	10%
United States	5%
Ecuador	4%

Top 5 equity holdings

Alkane Resources	3.8%
Oceanagold	3.7%
Dundee Precious Metals	3.7%
Mandalay Resources	3.7%
Lundin Gold	3.6%

ESG transparency*	PMC	Universe
Scope 1 GHG/EVIC	74.0	92.1
Fatality Rate	4.6%	12.2%
Women on Board	27.2%	26.9%
Female Executives	15.4%	12.6%
Insider Ownership	13%	5%

*find more in our ESG Quarterly

Contact

Independent Capital Group AG

Waldmannstrasse 8

8001 Zurich

+41 44 256 16 16

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

*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.

February 2023

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.

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

ICG proprietary data base

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.