INDEPENDENT
CAPITAL GROUP

ENERGY
CHAMPIONS FUND





ECF Factsheet **March 2024**

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 $30m

Custodian
Credit Suisse (Luxembourg) S.A.

Codes

Share classes

A1	Retail USD class, accumulating
A2	Retail USD class, distributing
I1	Institutional USD class, accumulating
I2	Institutional USD class, distributing

Bloomberg ticker

A1	WFECHA1 LX Equity
A2	WFECHA2 LX Equity
I1	WFECI1A LX Equity
I2	WFECI2D LX Equity

ISIN

A1	LU1018863792	C	*pending*
A2	LU1018863875	I1	LU1092312823
B	*pending*	I2	LU1092313045

Valor-Number

A1	23322792	C	*pending*
A2	23322921	I1	25025471
B	*pending*	I2	25025474

Dealing & prices

Mgmt fee p.a.

A1	1.25%	C	2.00%
A2	1.25%	I1	0.65%
B	1.50%	I2	0.65%

Min Subscription

A1	USD $1m	C	One share
A2	USD $1m	I1	USD $5m
B	USD $0.5m	I2	USD $5m

Trading frequency
Daily

Performance over 3 years

Cumulative net performance in USD

	NAV 28.03.2024	March 29.02. - 28.03.2024	YTD	3 Years	5 Years	10 Years	Since Inception*
Class A1	70.3	9.9%	7.4%	84.7%	37.0%	-31.1%	-29.7%
Class A2	59.9	9.9%	7.4%	84.7%	37.0%	-31.1%	-29.8%
Class I1*	104.0	10.0%	7.6%				5.2%
Class I2*	601.8	10.0%	7.6%	88.3%	41.4%		-26.9%

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

Monthly comment

WTI crude oil futures stand at $85/bl, with Brent nearing $90/bl, marking their highest levels since October 2023. This surge in prices is driven by various factors, including OPEC+ production cuts, robust demand, and increased geopolitical tensions. The ongoing conflict in the Middle East has prompted significant rerouting of global shipping routes around Africa to ensure the safety of crews and cargo. Hedge funds have displayed growing bullishness towards crude oil in recent weeks, with net-long positions in Brent reaching their highest point in nearly 13 months. Near-term prices are commanding strong premiums over future contracts, indicating a willingness among traders to pay a premium for immediate delivery of barrels. This recent rally in crude prices follows an upward revision in consumption forecasts by the IEA. That was before Chinese manufacturing data lately showed signs of an economic recovery. Despite these positive indicators, the IEA still anticipates a peak in oil demand by 2030. Interestingly, the long-term outlooks provided by the IEA and OPEC diverge significantly. OPEC's World Oil Outlook forecasts record-high global oil demand of 116mboe/d in 2045. Despite these projections, OPEC+ is expected to maintain its current output policy at an upcoming review meeting this week. Additionally, Mexico's state-controlled oil company, Pemex, plans to reduce crude exports in the coming months. In the US, crude production has contracted by 760kboe/d due to the effects of the Winter freeze, surpassing initial estimates. Americas oil production development is important as it covers most of the growth in global demand in 2024. In summary, the oil market appears tighter than initially forecast at the beginning of the year, with analysts predicting a deficit through the end of the year. The oil and gas industry has witnessed a surge in dealmaking activity with $84bn in M&A transactions, driven by economies of scale and valuation premiums for large-cap companies. Despite challenges, the industry is actively seeking to attract "general" investors and regain its prominence in the broader market. While the energy sector's weight in the S&P has declined in recent years to 3.7%, projections suggest a potential rebound. At least on earnings power it is expected that it will comprise over 6% of S&P earnings in 2024 and 2025, according to Jefferies.

INDEPENDENT
CAPITAL GROUP

ECF Factsheet — March 2024

Financial statistics*

Number of holdings	25
Market cap	$36bn
P/E 2024E	11.0x
P/cash flow	4.0x
EV/EBITDA 2024E	3.8x
FCF yield 2024E	9.8%
Dividend yield	4.7%
Net debt/equity	24%

Operating statistics in boe*

Production	223 kboe/d
Cash costs	$17/boe
Reserve life (1P reserves)	11 years
Reserve valuation (EV/1P)	$13/boe
F&D organic costs 3yrs avg	$15/boe

Market cap. segmentation*

Small	< $3bn	31%
Mid	$3 - 30bn	39%
Large	> $30bn	30%

Top commodity exposure*

Crude & liquids	61%
Natural gas	39%

Top 5 country exposure (production)*

United States	56%
Norway	7%
Canada	6%
Kurdistan	5%
China	5%

Top 5 holdings

CNOOC	6.3%
SM Energy	5.4%
Diamondback Energy	5.2%
Chesapeake Energy	4.7%
Devon Energy	4.7%

Transparency	ECF	O&G Universe
Scope 1 GHG/EVIC	289	434
Carbon footprint/EVIC	307	462
GHG intensity	242	400
Gas flaring	396	985
Hydrocarbon spills	53	98
Fatality rate	0.00%	0.37%
Women on board	30%	25%
Independent board	77%	59%
Sustainalytics Rating	55.0	39.9

More information and details see ESG Quarterly Report

Transparent Investment – Climate Impact

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

Independent Capital Group AG
Waldmannstrasse 8
8001 Zurich
+41 44 256 16 16
http://www.independent-capital.com

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 reamins continual, while they are becoming scarcer.

Why natural resource equities and the Industrial Metals Champions Fund

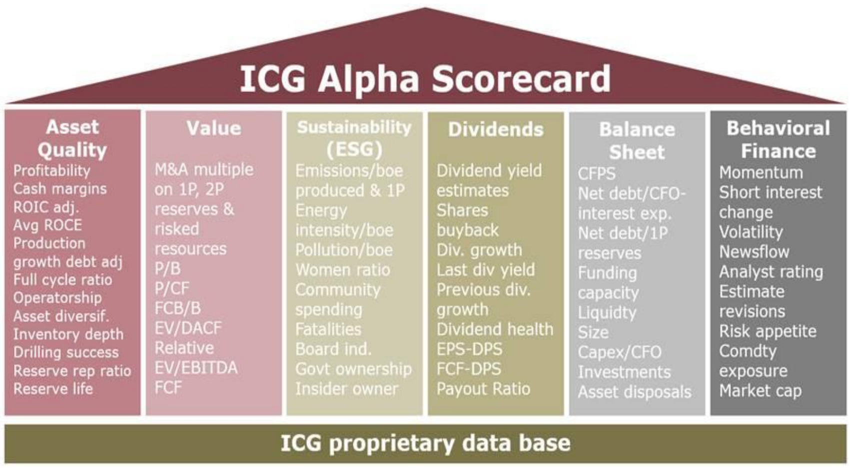
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Energy Champions Fund offers the investor the opportunity to participate in an actively managed portfolio of energy s 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 exceptionally events (e.g. oil spill, political risk).



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.

* based on weighted average and/or weighted average barrels of oil equivalent (boe) numbers