

Industrial Metals Champions Fund

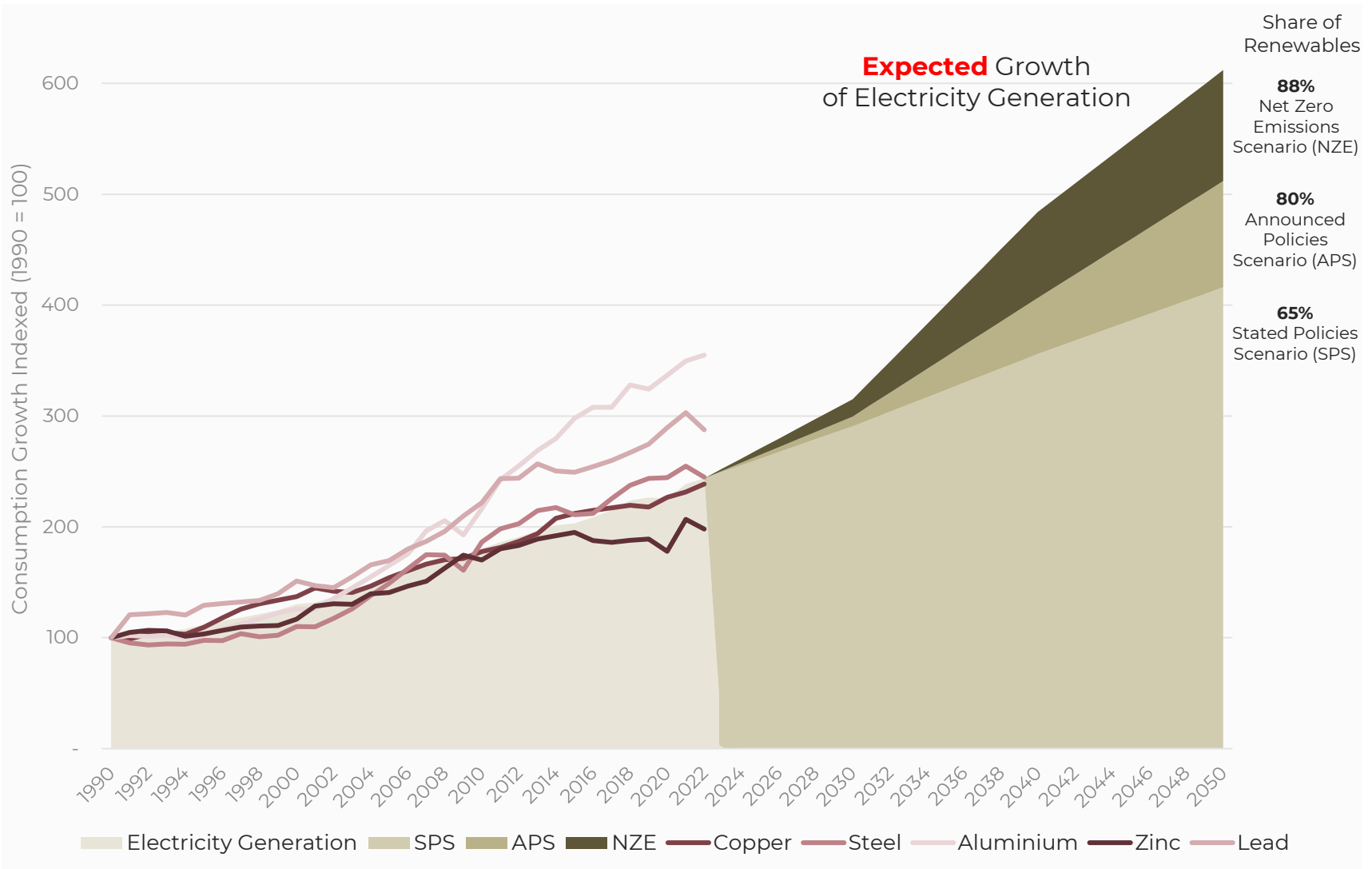
The leverage to metal prices

April 2024

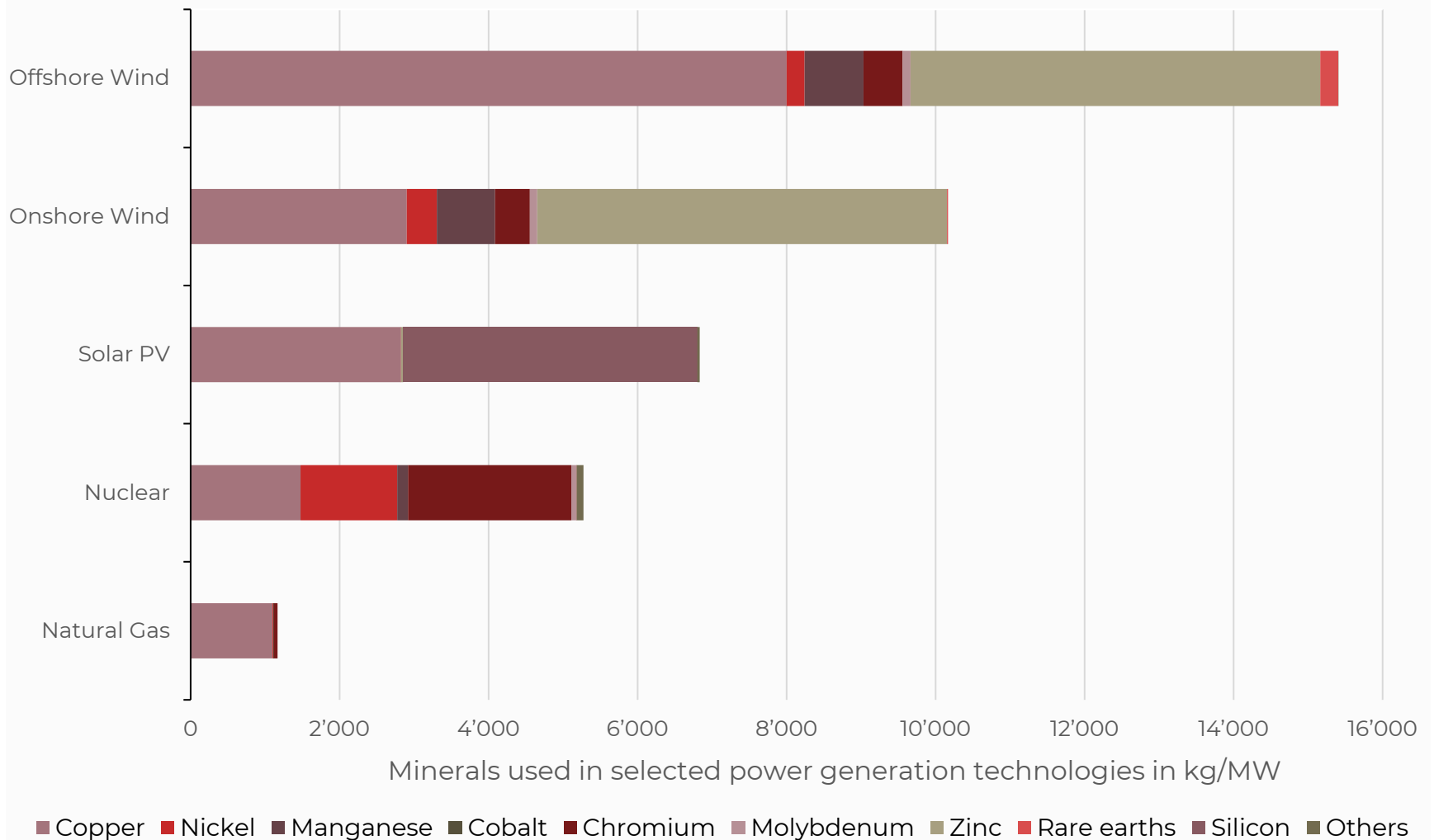
Executive Summary

- Electricity demand to grow substantially in any given Scenario by the IEA
- Metals demand tend to go hand in hand with electricity production
- Electricity mix of the future to be more reliant on renewables
- Renewable energy is significantly more metals intense per KWh as traditional fossil based
- Grids are not remotely ready for a more complex energy system – a deeply underestimated trend
- Muted CAPEX response by the industry so far
- Timeline to bring a new mine into production can take decades
- All the while most metals are expected to be in a deficit by end of the decade
- Commodities are poised to enter a new supercycle driven by the ongoing energy transition
- Mining equities are in a sweet spot, meaning they are undervalued, profitable and healthy

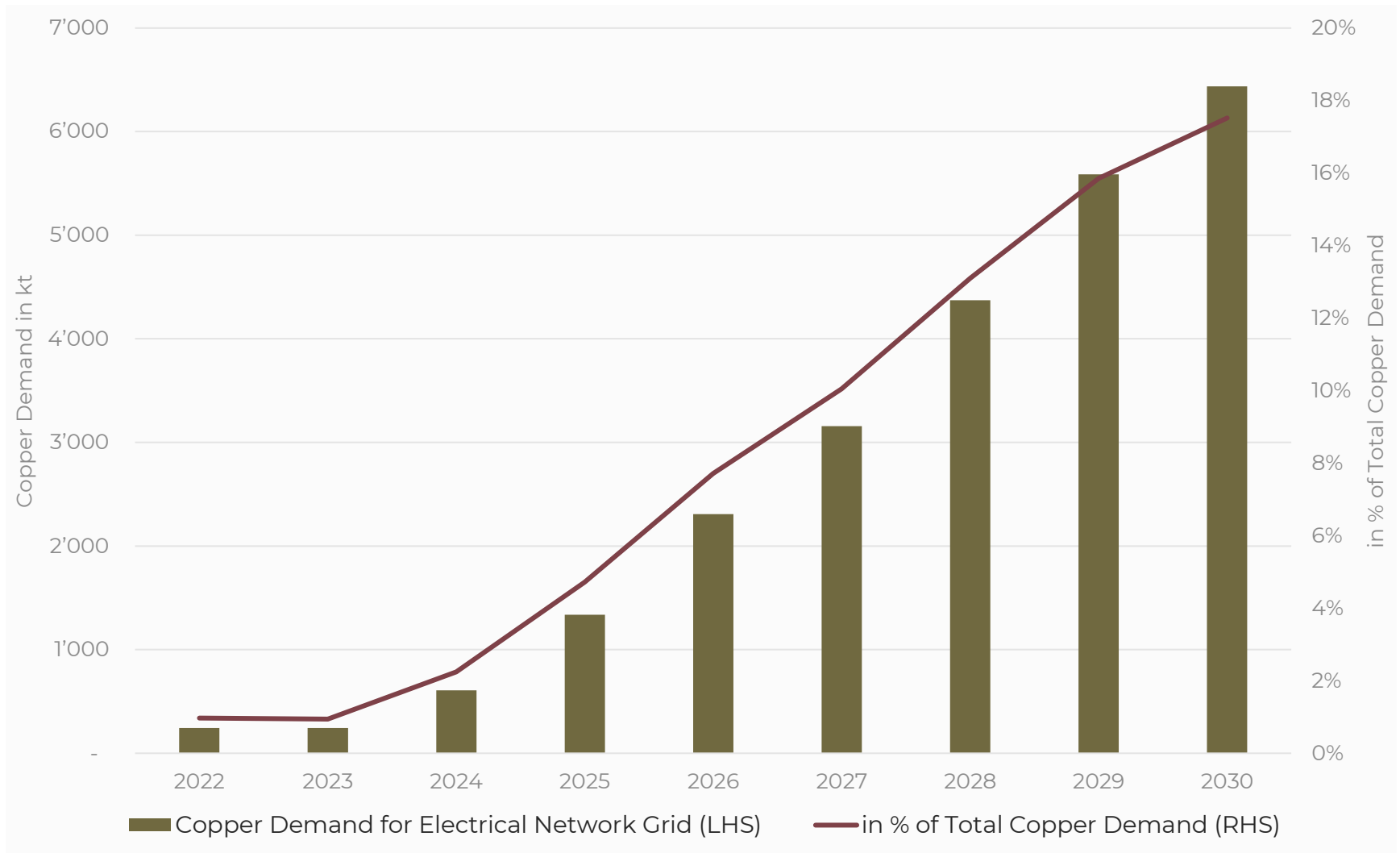
Metals demand is positively correlated with electricity generation



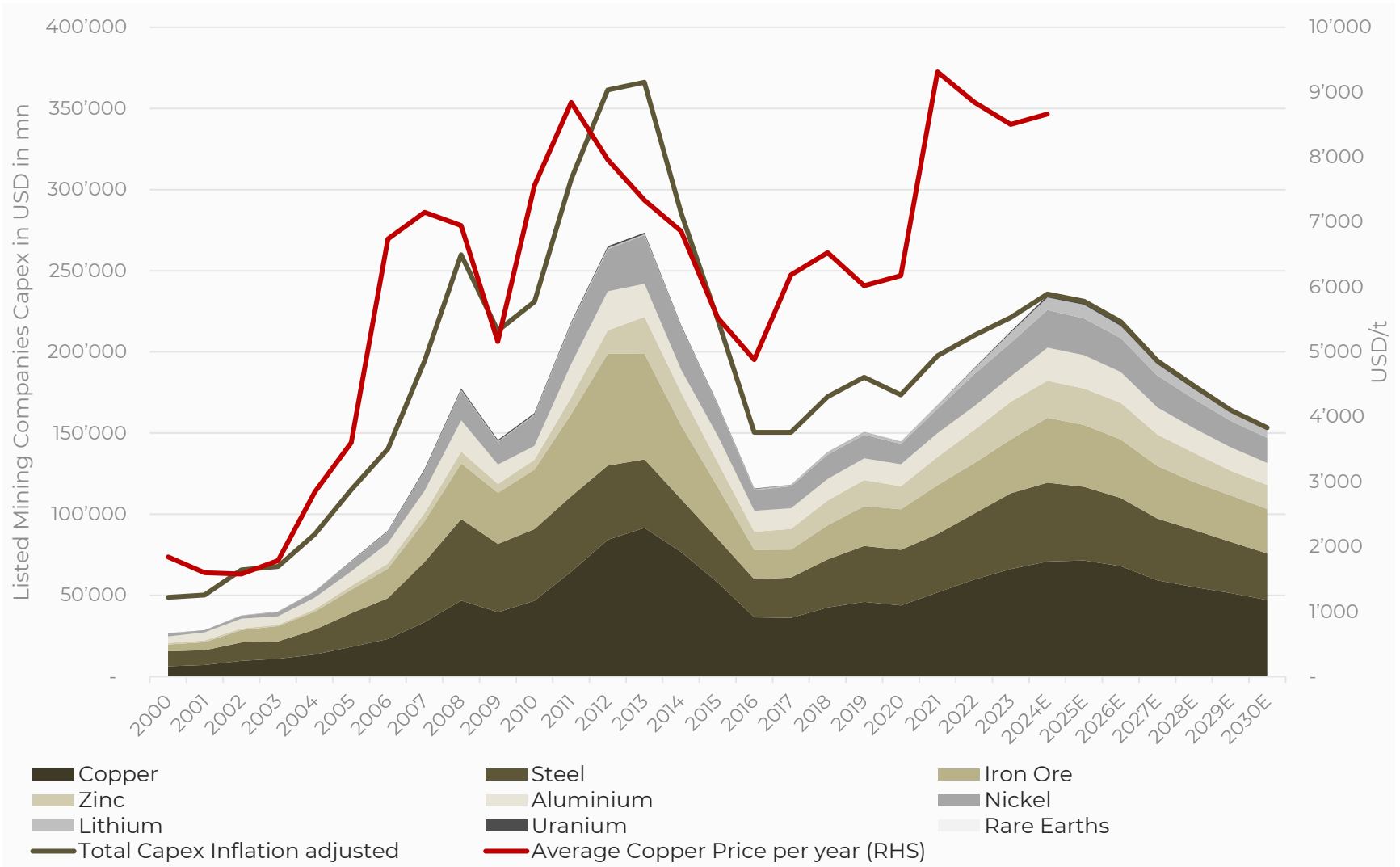
Renewable technologies need significantly more metals than fossil based



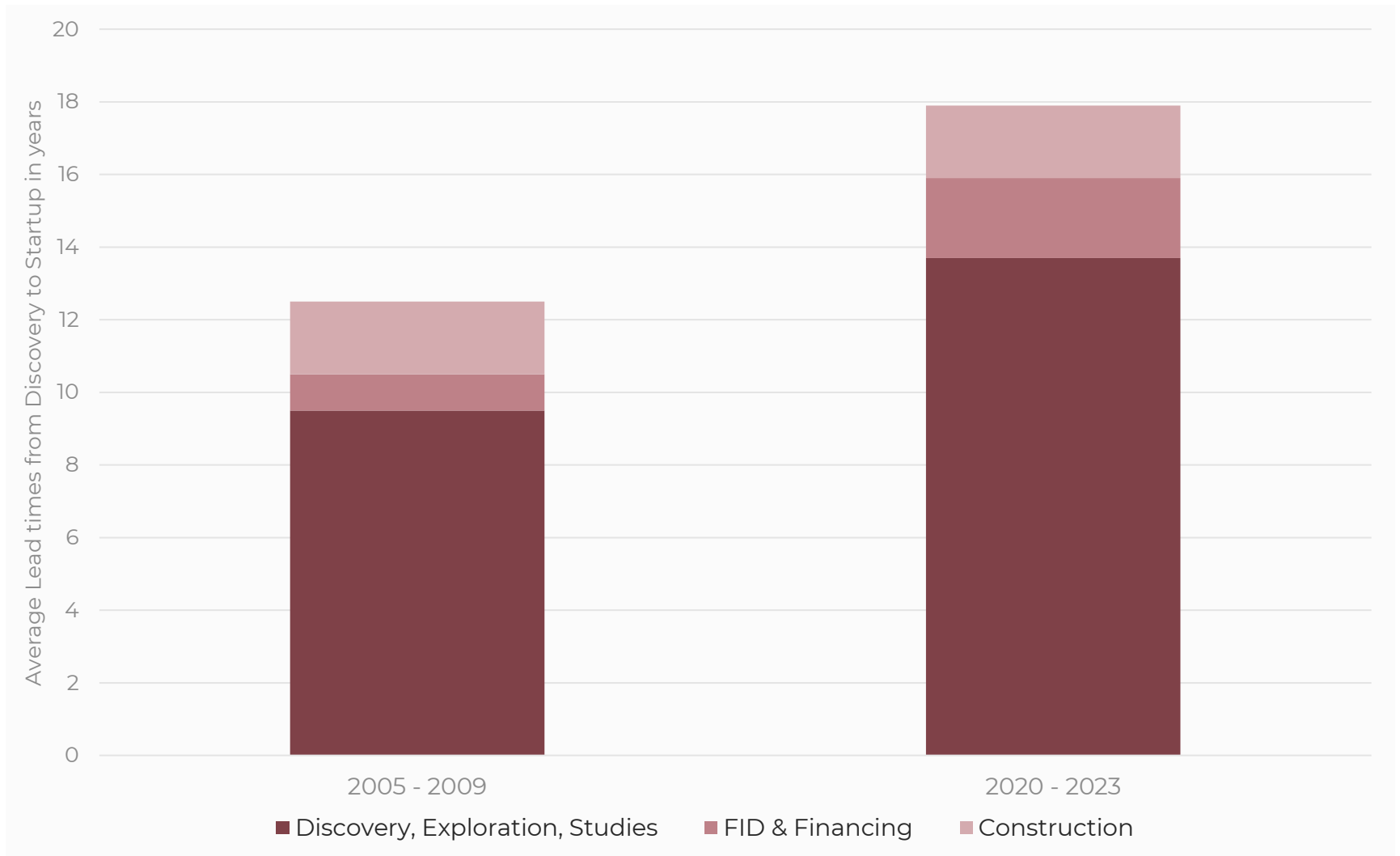
While grids are not remotely ready for a more complex energy system



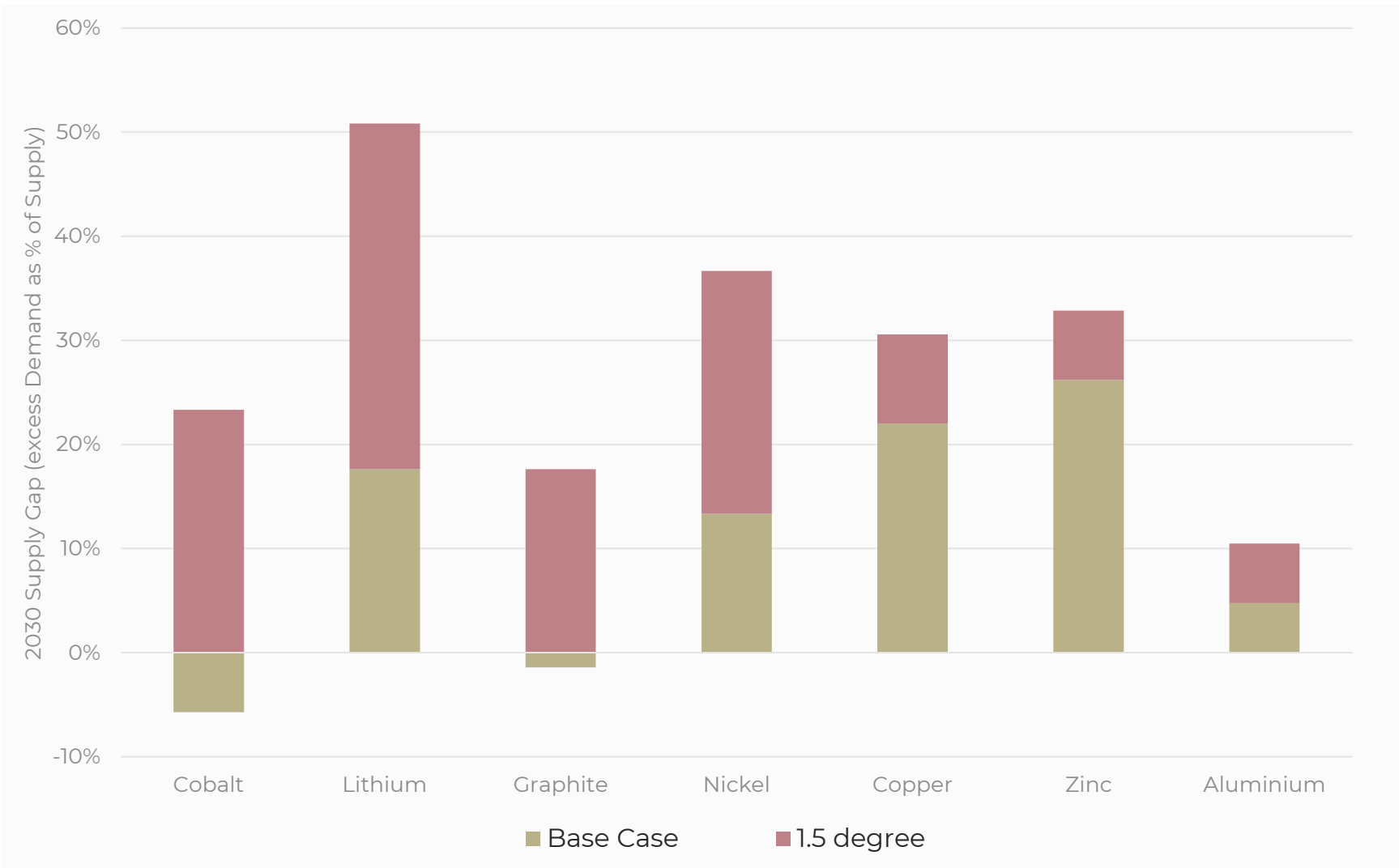
Despite higher prices no CAPEX response by the industry



Lead times from exploration to production are getting longer



While supply gaps for most metals materialise by the end of this decade



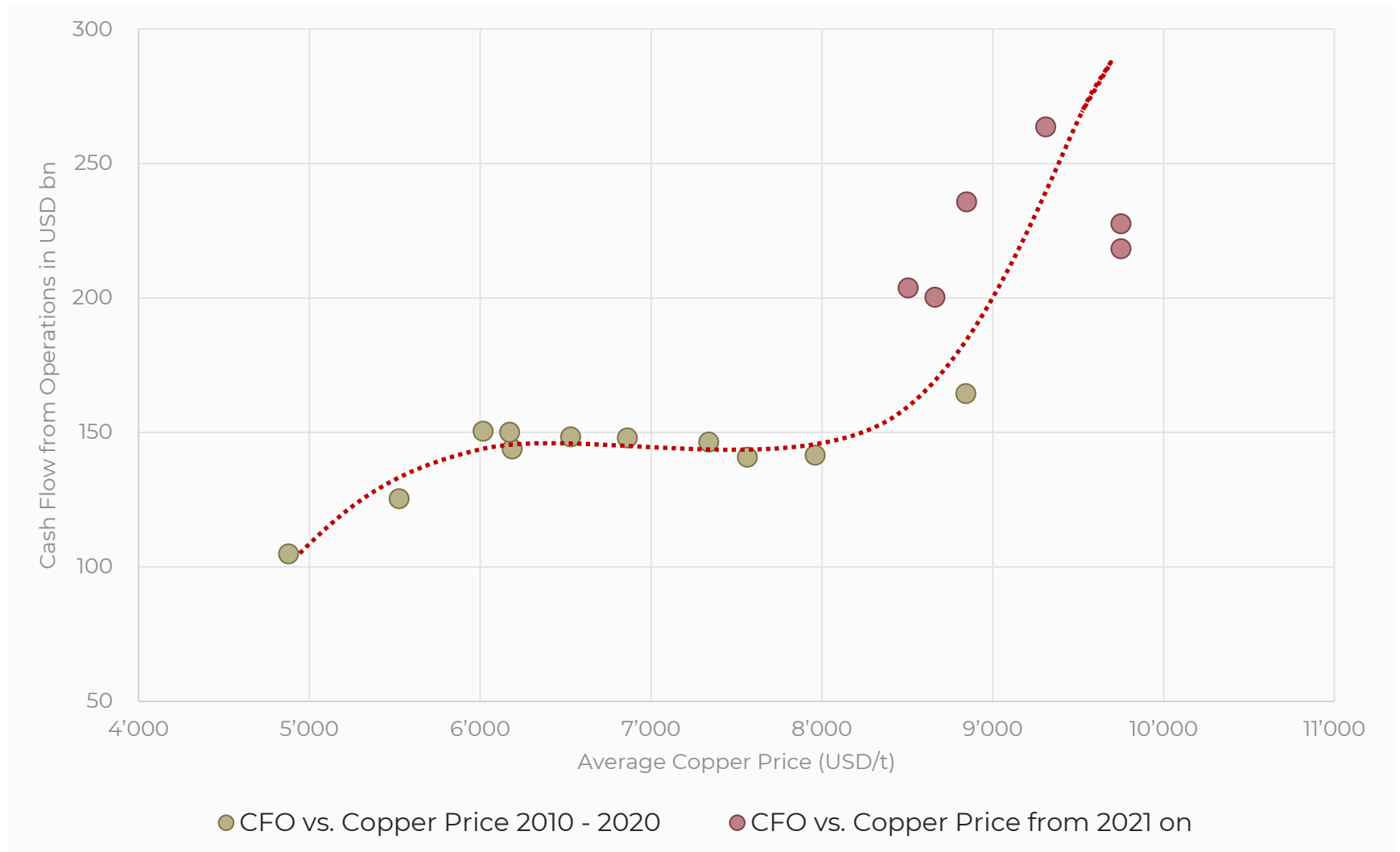
Why mining equities?

Sweetspot for Miners

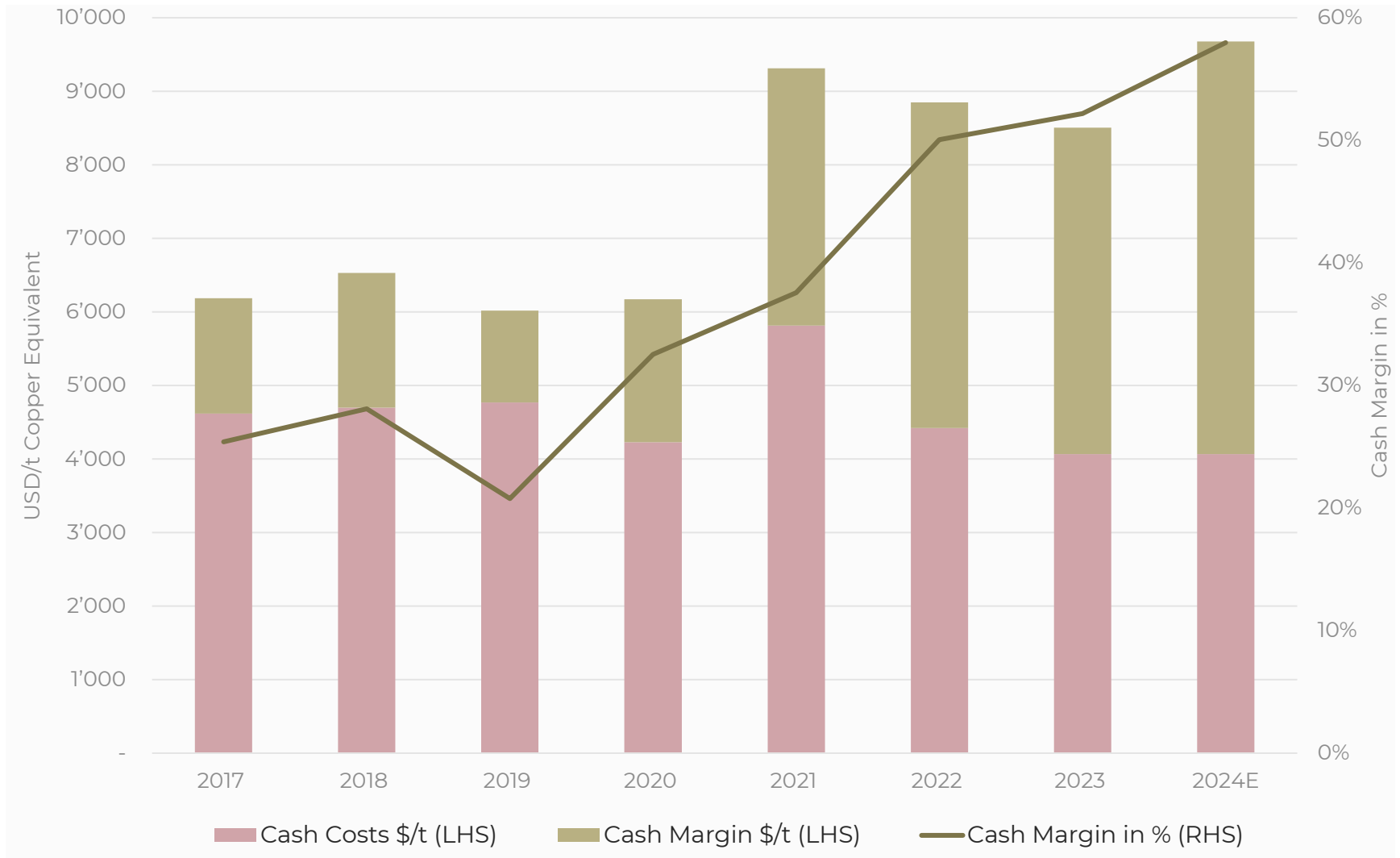
Attractive valuation



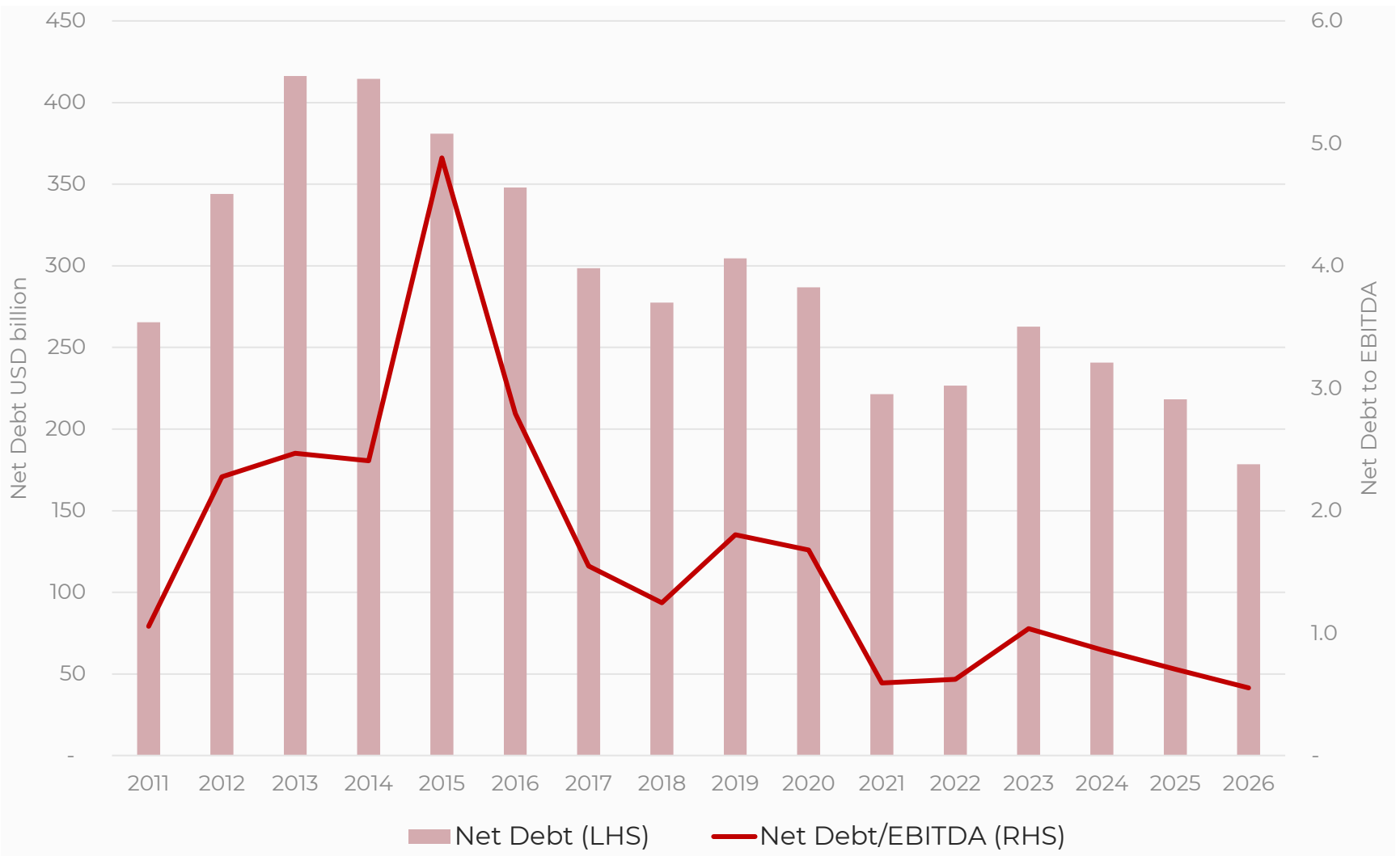
Mining companies are now much more efficient and profitable



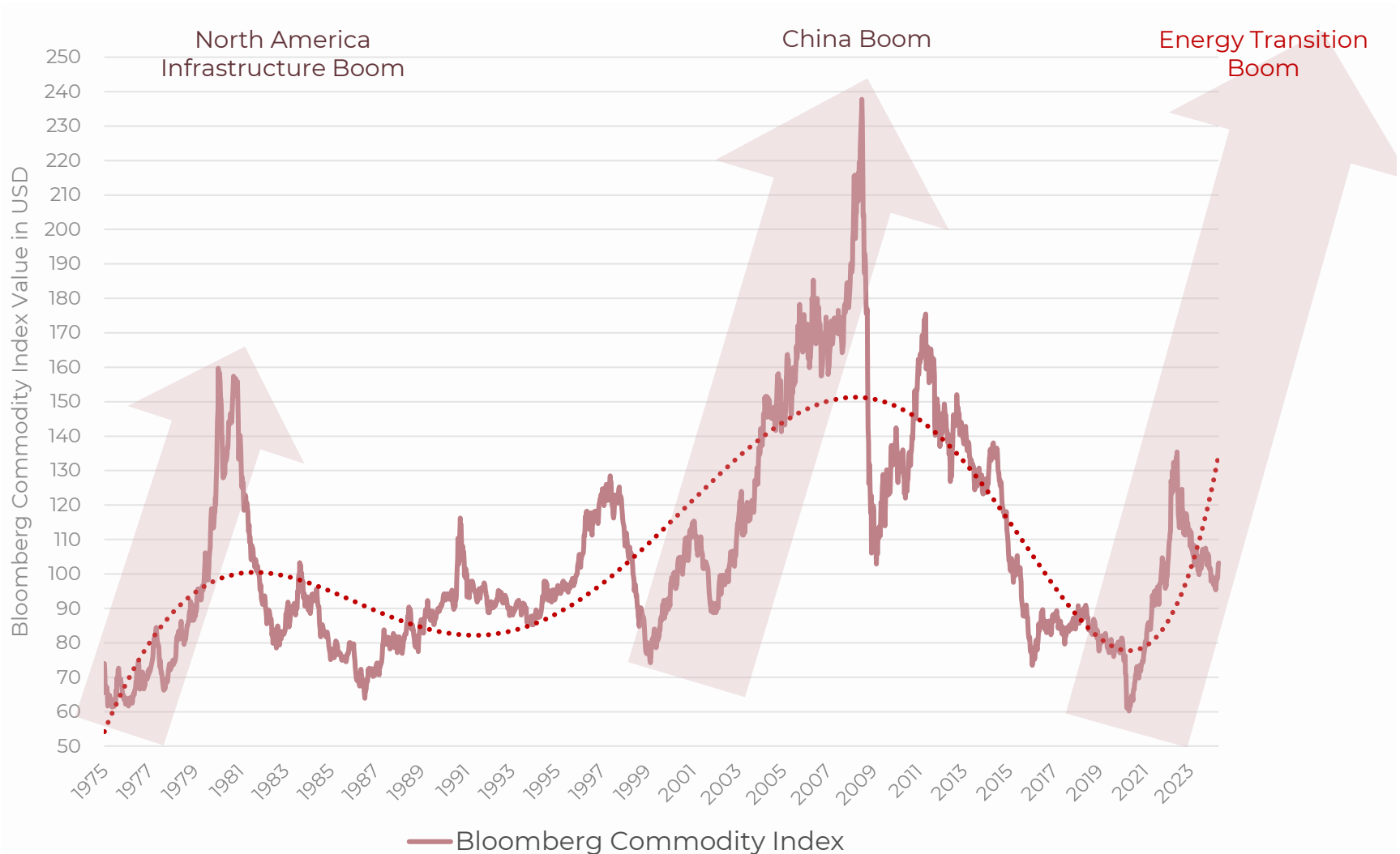
Sweet spot for Miners as cash margins are expanding



Miners reduced debt by over half and are now healthy



Commodities – start of a new supercycle



Diversification is key

Portfolio approach

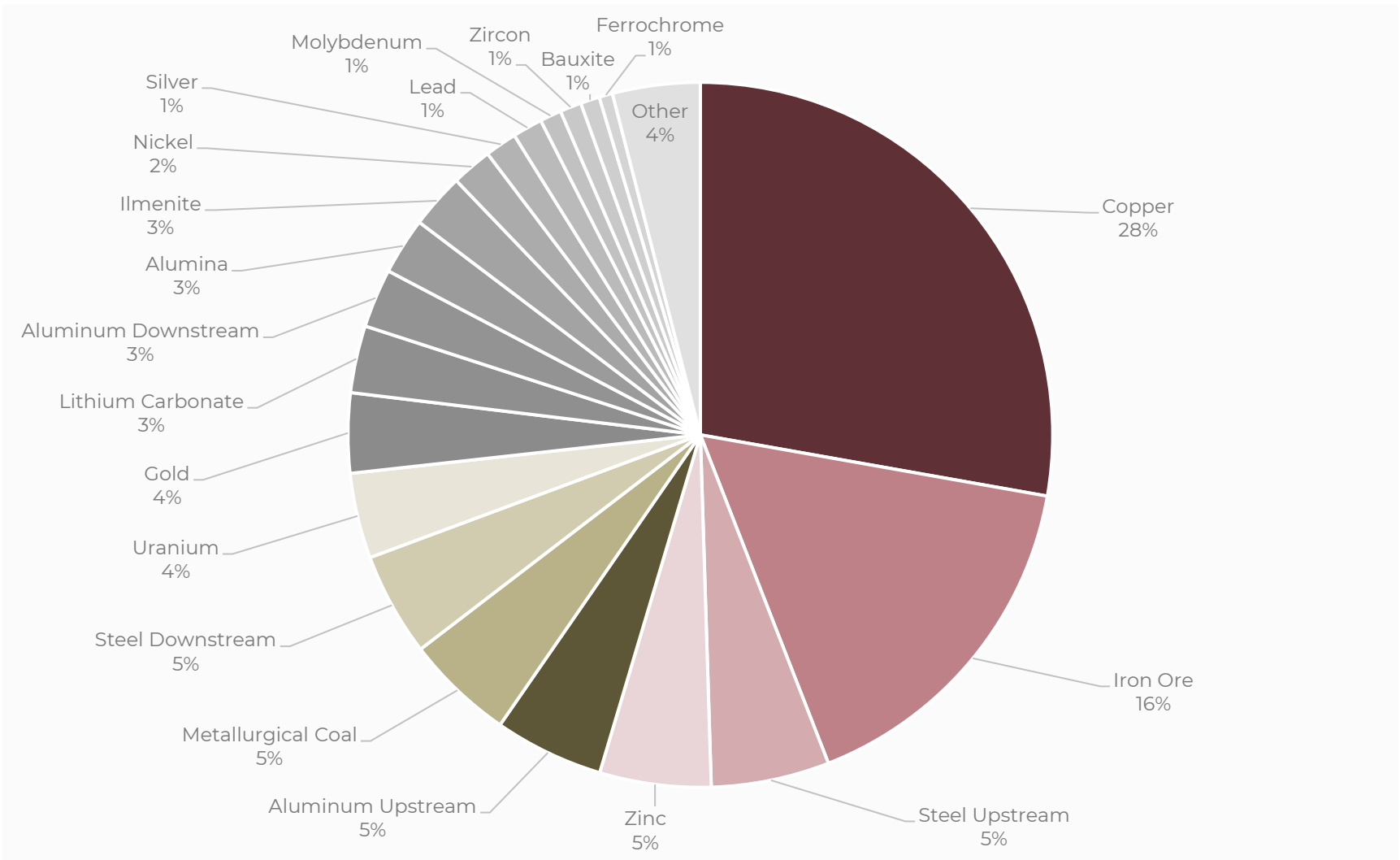
25 Holdings

All 25 holdings	IMC
HUBBAY MINERALS	4.4%
ZIJIN MINING GROUP	4.3%
BOLIDEN	4.3%
CAPSTONE COPPER	4.3%
LUNDIN MINING	4.2%
TECK RESOURCES	4.2%
RIO TINTO	4.1%
NORSK HYDRO	4.1%
ATALAYA MINING	4.1%
FREEMPORT-MCMORAN	4.1%
ANGLO AMERICAN	4.1%
ALCOA CORP	4.0%
CENTRAL ASIA METALS	4.0%
VALE	4.0%
GRUPO MEXICO	4.0%
BHP GROUP	3.9%
CAMECO	3.9%
SOUTH32	3.9%
CHAMPION IRON	3.9%
SQM	3.8%
FORTESCUE	3.8%
KENMARE RESOURCES	3.8%
TENARIS	3.7%
APERAM	3.6%
OUTOKUMPU	3.5%

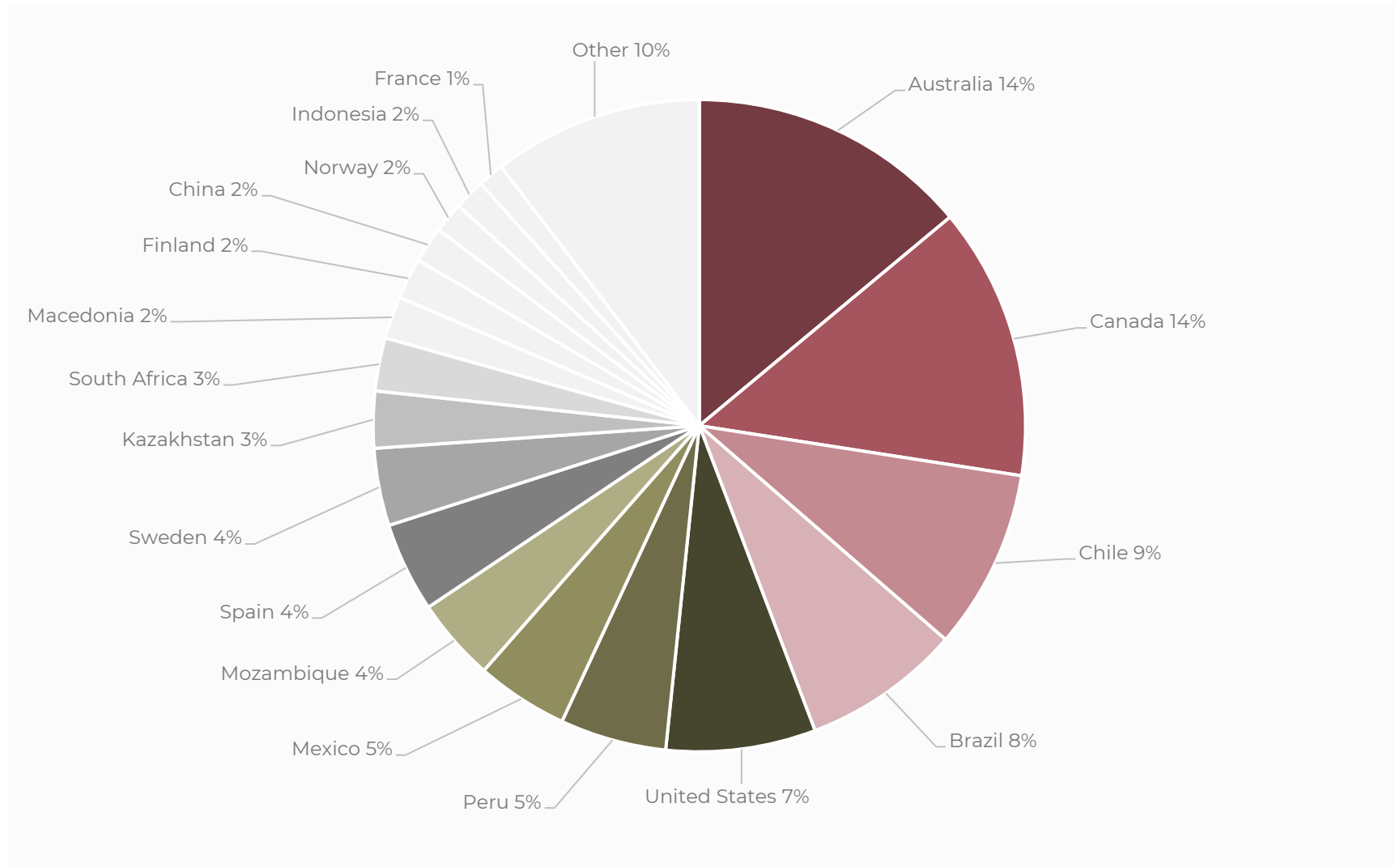
Financials	IMC
Number of holdings	25
Market cap	\$29bn
P/B	1.9x
P/Cash flow	13.8x
EV/EBITDA 2024E	6.9x
EV/EBITDA 2025E	5.8x
Change in EPS 2023/24E	91%
P/E 2024E	15.5x
P/E 2025E	13.8x
EBITDA margin 2024E	34%
FCF yield 2024E	4.6%
FCF yield 2025E	6.2%
Dividend yield	3.8%
Net debt to equity	19%

Operating (weighted average in Copper Eq.)	IMC
Production	1'511 ktpa
Copper share in % of total production	29%
Production growth CAGR 2022-2026E	2.4%
Reserve life 2P	29 years
Inventory depth	65 years
Cash costs	\$6'016/t
Cash margin	29%
Reserve valuation (EV/2P reserves)	\$1'604/t
Resource valuation (EV/total resources)	\$483/t
Operated assets	86%
Insider ownership	15.5%

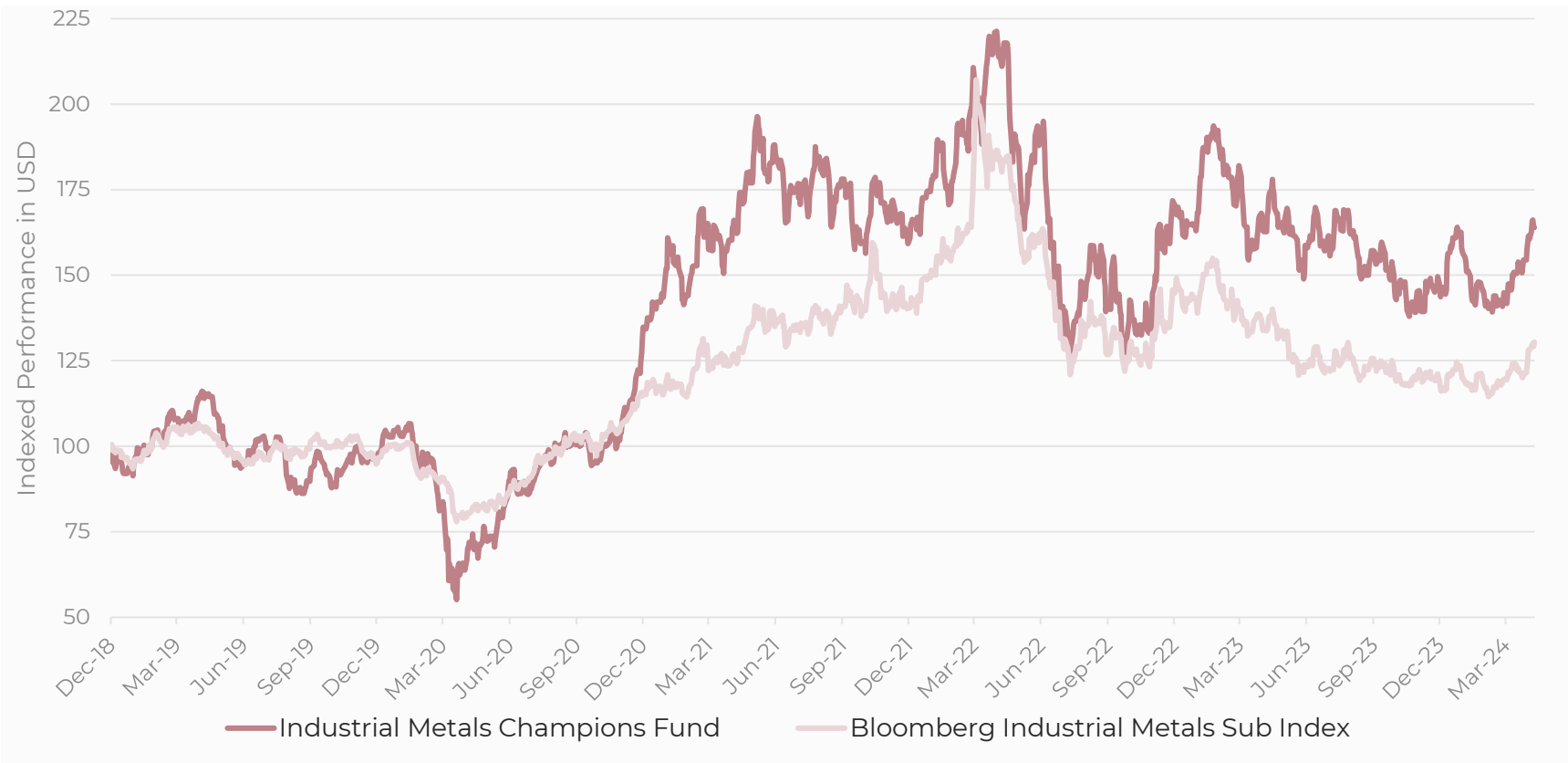
Commodity Mix



Geographical Mix



Outperformance since inception



Share classes	April	YTD	1 Year	2 Years	3 Years	5 Years	CY2023	CY2022	CY2021	Inception*
Institutional (C)	4.4%	-0.6%	-7.4%	-25.0%	-5.6%		0.3%	-5.1%		2.8%
Retail (A)	4.4%	-0.8%	-8.0%	-25.9%	-7.3%	40.9%	-0.3%	-5.7%	21.6%	61.2%
Percentile scoring to peers**		32%	32%	27%	41%	58%	63%	50%	86%	63%

*Inception: Retail share classes A & B was 31.12.2018, Institutional share class C was 11.01.2021. More share classes available

**Percentile scoring relative to peers reflects the IMC performance in comparison to Metals & Mining peers. A higher percentile indicates better IMC relative performance.

How to invest

Fund Name	ICG Umbrella Fund - Industrial Metals Champions Fund
Legal status	Liechtensteiner UCITS contractual fund
Launch date	April 2018
Fund size	USD 26 million
Benchmark	MSCI World Metals & Mining Index
Custodian	LLB Liechtensteinische Landesbank AG
Administrator	Accuro Fund Solutions AG
Auditor	PricewaterhouseCoopers AG
SFDR Classification	SFDR Article 8

Share classes	A	B	C	D	F
Currency	USD	CHF (hedged)	USD	CHF (unhedged)	USD
Distribution	Accumulating	Accumulating	Accumulating	Accumulating	Accumulating
Bloomberg ticker	GATNTRA LE Equity	GATNTRB LE Equity	GATNTRC LE Equity	GATNTRD LE Equity	GATNTRF LE Equity
ISIN	LI0382154354	LI0382154693	LI0580310303	LI1121337953	LI1205086088
Valora	38215435	38215469	58031030	112133795	120508608
Management fee p.a.	1.20%	1.20%	0.60%	1.5%	2.0%
Min. subscription	USD 1 million	USD 1 million	USD 5 million	USD 500'000	One share
Trading	Daily , no lock-up, no redemption fees				

Conclusion

- In any expert's forecast, the anticipated increase in global electricity demand will necessitate significant amounts of yet-to-be-discovered and produced metals
- Commodity cycles typically unfold over extended periods, and it seems that the one we are likely entering has only just begun
- Mining companies have optimized their business models, currently operating at high profitability levels even with prevailing commodity prices and still are exceptionally cheap
- A period of expanding margins combined with bargain stock prices presents a significant investment opportunity for long-term-oriented investors
- Our investment strategy emphasizes rigorous fundamental analysis to identify standout performers, or «Champions»

The ideal time to enter the sector is now!

THANK YOU FOR YOUR TRUST

Sources: ICG, ICG Database, Bloomberg, IEA, USGS, S&P, BMO, Goldman Sachs, JP Morgan, Jefferies, Scotiabank, UBS
If you require further details about the sources we used, please feel free to get in touch with us.

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