

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 \$6m

Custodian

LLB Liechtensteinische Landesbank AG

Distribution

LI, CH, DE, AT

Fund administration

Accuro Fund Solutions AG

Codes

Share classes

A	USD acc.	F	USD acc.
B	USD acc.		
D	CHF (unhedged) acc.		

Bloomberg ticker

A	PRCMCFA LE	F	PRCMCFF LE
B	PRCMCFB LE		
D	Pending		

ISIN

A	LI0445625085	F	LI1205084919
B	LI0445625093		
D	LI121337961		

Dealing & prices

Management fee p.a.

A	0.60%	F	2.00%
B	1.20%		
D	1.50%		

Trading frequency

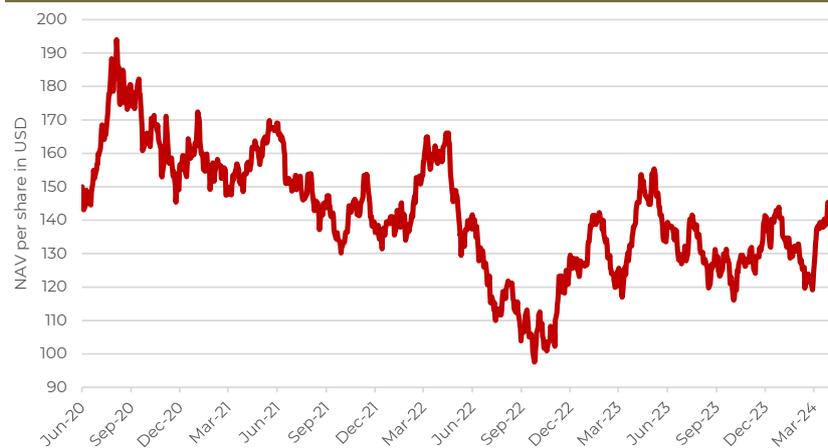
Daily

Minimum subscription

A	USD \$5m	F	one share
B	USD \$1m		
D	USD \$0.5m		

March 2024

Performance since inception



Cumulative performance in USD

	NAV	March	YTD	1 Year	3 Years	Since Inception
	29.03.2024	29.02.-29.03.2024				
Class A	145.5	20.1%	3.4%	7.0%	-3.7%	-3.0%
Class B*	136.7	20.1%	3.2%	6.3%	-5.5%	-8.9%
Class D*	Pending					
Class F*	176.3	20.0%	3.0%	5.5%		17.5%

*B-Class since 08. February 2021; D-Class Pending; F-Class since 22. February 2023

Monthly comment

Gold set a fresh record after geopolitical risks bolstered its appeal as a haven asset - despite these new nominal highs, gold remains approximately 50% below its inflation-adjusted price peak in 1980. Interestingly, analysts point out that US investors have largely stayed out of this rally as you can see with the outstanding shares for the GLD, the largest physical gold ETF in the world, as the ETF has seen consistent outflows. A Bank of America survey revealed that a majority of advisors hold less than 1% of their portfolios in gold. The gold market finds itself grappling with a perplexing trend. Despite the price of gold reaching unprecedented highs, holdings in ETFs backed by physical metal have steadily declined for nearly two years. Bloomberg suggests that this decline may not necessarily indicate mass selling, but rather a shift from ETFs to more cost-effective, off-exchange vaults. Data from Bloomberg indicates that total known ETF gold holdings have decreased by 25 million troy ounces since early 2022, equivalent to approximately \$54 billion in today's market value. This trend raises a double mystery. Firstly, it defies the typical correlation between ETF flows and gold prices. Secondly, such significant outflows would normally exert substantial downward pressure on prices, implying that entities beyond the ETFs themselves are purchasing even more gold. A cursory examination of official vault holdings supports this notion. According to the London Bullion Market Association, only around 13.8 million ounces of gold have departed London storage since the beginning of 2022, a significant portion of which represents storage for ETF gold. While this data provides only a partial perspective, as not all vaults disclose their holdings, it suggests a scenario where gold exiting ETFs, which levy management fees, is being reallocated to private custodians. Moreover, the expenses associated with private gold storage in a regulated facility likely undercut those of ETFs, making it an attractive alternative. On the company side, Alamos Gold is buying Argonaut Gold in a deal valued at \$325 million - a move that is expected to create one of Canada's largest and most cost-effective gold mines. Alamos has garnered recognition for its adept timing of acquisitions within the market. The company is quantifying long-term synergies of over \$500 million.

PMC Factsheet
Exposure

Gold equities	80%
Metals physical	20%

Financial statistics*

Number of holdings	25
Market cap	\$6bn
P/B ratio	1.4x
P/cash flow	6.5x
EV/EBITDA 2024E	4.8x
FCF yield 2024E	12.1%
Dividend yield	2.1%
Net debt/equity	4.0%

Operating statistics in gold-eq.*

Production	1'063 koz
Reserve life (2P reserves)	18 years
Cash costs	\$1'102/oz
AISC**	\$1'040/oz
Reserve valuation (EV/2P)	\$310/oz

Market cap. segmentation*

Small	< \$3bn	68%
Mid	\$3 - 10bn	16%
Large	> \$10bn	16%

Top 5 commodity exposure*

Gold	78%
Silver	10%
Copper	7%
Palladium	1%
Rhodium	1%

Top 5 country exposure (production)*

Australia	16%
Canada	14%
Mexico	6%
China	4%
South Africa	4%

Top 5 equity holdings

China Gold International	5.2%
New Gold	4.8%
Eldorado Gold	4.4%
Agnico Eagle Mines	4.4%
Perseus Mining	4.3%

Transparency	PMC	Universe
Methan % Scope 1	0.3%	3.4%
Renewable Energy Cons.	7.0%	5.8%
GHG Intensity	373	2'427
Women on Board	33%	27%
Independent Board	72%	56%

more information and details see ESG Quarterly Report

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*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.

March 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 Precious Metals Champions Fund

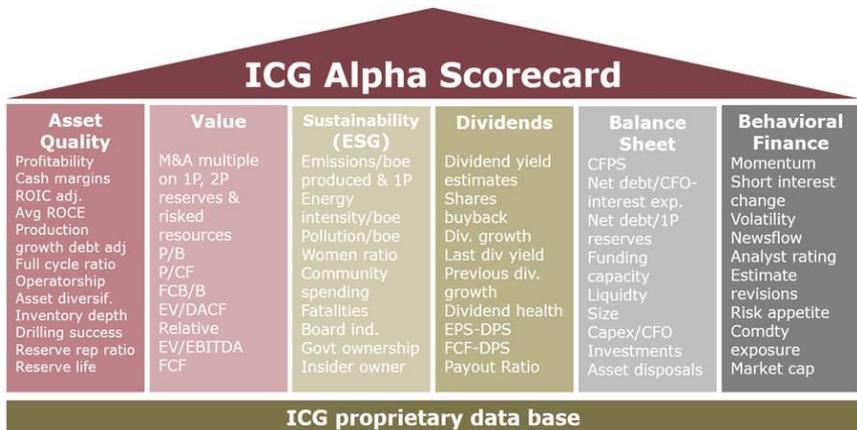
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund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


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.