

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 \$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 WFEC1A1 LX Equity
- A2 WFEC1A2 LX Equity
- I1 WFEC11A LX Equity
- I2 WFEC12D 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

April 2024

Performance over 3 years



Cumulative net performance in USD

	NAV	April	YTD	3 Years	5 Years	10 Years	Since Inception*
	30.04.2024	28.03. - 30.04.2024					
Class A1	70.4	0.2%	7.6%	87.1%	32.8%	-34.8%	-29.6%
Class A2	60.0	0.2%	7.6%	87.0%	32.8%	-34.9%	-29.7%
Class I1*	104.3	0.2%	7.8%				4.3%
Class I2*	603.2	0.2%	7.8%	90.7%	37.1%		-26.7%

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

Monthly comment

Despite heightened tensions in the Middle East, oil prices have seen only modest reactions. Brent crude reached a peak of \$92/bl on April 12th but has since retreated to \$84/bl, similar to levels seen at the beginning of the month. Historical patterns suggest that geopolitical risk premiums tend to dissipate without actual supply disruptions. Additionally, there is ample spare capacity held predominantly by a few key countries (like Saudi Arabia and the UAE) that could offset significant supply disruptions if they were to occur. On the demand side, the outlook has brightened with diminished recession concerns, though forecasts vary widely. Nonetheless, OPEC has not fully implemented its latest production cutbacks. According to a Bloomberg survey, Iraq and the UAE continue to exceed their agreed limits by several hundred thousand barrels per day. Although overall production, particularly in the U.S., is at record levels, the efficiency of oil recovery per foot drilled in the Permian Basin has declined by 15% from 2020 to 2023, matching levels seen a decade ago, as reported by Enverus. This drop is attributed to decreased fracking efficiency. However, recent innovations in oilfield technologies, increasingly adopted last year, promise faster, more cost-effective, and higher-yielding fracking operations. Analysts expect the adoption of new technologies, particularly simultaneous fracking, to accelerate. Despite declining productivity and a limited rig count, advancements in well length and fracking techniques are driving record oil production in the U.S. Notably, the ongoing earnings season underscores key trends, including capital return discipline, modest growth expectations for U.S. shale liquids, and cautious spending outlooks. Interestingly, TotalEnergies is considering a U.S. listing, potentially joining U.S. equity indexes. This move aligns with the fact that U.S. funds already constitute 47% of its shareholder base and are increasing their holdings compared to European investors, likely influenced by ESG and political considerations. Similar plans are rumored for Shell. However, the domicils are not up for debate. Overall, sector sentiment towards energy is improving, and this positive trend is expected to continue.

ECF Factsheet

Financial statistics*

Number of holdings	25
Market cap	\$36bn
P/E 2025E	7.3x
P/cash flow	4.1x
EV/EBITDA 2025E	3.0x
FCF yield 2025E	15.0%
Dividend yield	4.8%
Net debt/equity	26%

Operating statistics in boe*

Production	216 kboe/d
Cash costs	\$17/boe
Reserve life (1P reserves)	10 years
Reserve valuation (EV/1P)	\$13/boe
F&D organic costs 3yrs avg	\$14/boe

Market cap. segmentation*

Small	< \$3bn	33%
Mid	\$3 - 30bn	39%
Large	> \$30bn	28%

Top commodity exposure*

Crude & liquids	68%
Natural gas	32%

Top 5 country exposure (production)*

United States	52%
Canada	10%
Norway	8%
Kurdistan	6%
Colombia	4%

Top 5 holdings

CNOOC	4.8%
Shell	4.7%
Crescent Point Energy	4.6%
TotalEnergies	4.5%
Diamondback Energy	4.5%

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



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"

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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.

April 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

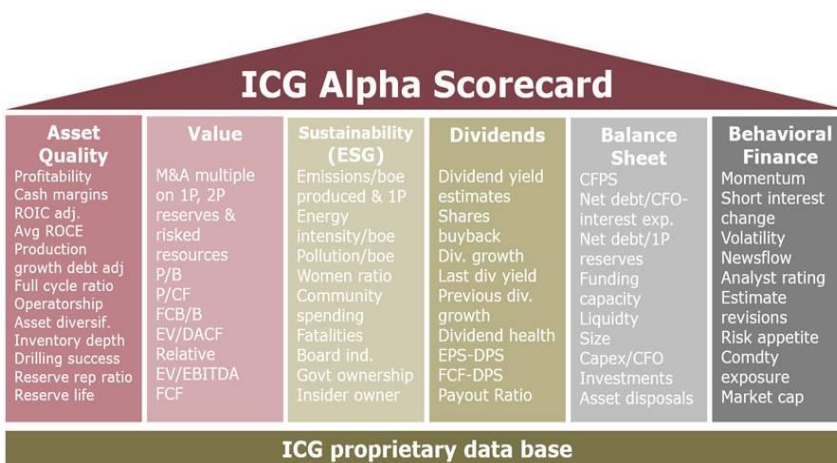
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Energy Champions Fund offers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