

# INDUSTRIAL METALS CHAMPIONS FUND



## IMC Factsheet

### Fund objectives

The fund aims to generate long term capital growth by primarily investing in equities from companies offering exposure to the industrial metals market.

### Fund facts

#### Investment manager

Independent Capital Group AG

#### Fund name

ICG Umbrella Funds -  
Industrial Metals Champions Fund

#### Legal status

Liechtensteiner UCITS contractual fund

#### Base currency

USD

#### NAV calculation

Daily

#### Inception date UCITS Liechtenstein

03. April 2018

#### New strategy - IMC

04. December 2018

#### Fund size

USD \$27m

#### Custodian

LLB Liechtensteinische Landesbank AG

#### Distribution

LI, CH, DE, AT, UK

### Codes

#### Share classes

A	USD accumulating	D	CHF acc.
B	CHF acc.	F	USD accumulating
C	USD accumulating		

#### Bloomberg ticker

A	GATNTRA LE Equity	D	GATNTRD LE Equity
B	GATNTRB LE Equity	F	GATNTRF LE Equity
C	GATNTRC LE Equity		

#### ISIN

A	LI0382154354	D	LI1121337953
B	LI0382154693	F	LI1205086088
C	LI0580310303		

### Dealing & prices

#### Management fee p.a.

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

#### Trading frequency

Daily

#### Minimum subscription

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

## April 2024

### Performance since inception



### Cumulative net performance in USD

	NAV	April	YTD	2 Years	3 Years	5 Years	since IMC*
	30.04.2024	29.03.-30.04.2024					
Class A	206.2	6.4%	1.1%	-14.1%	-7.1%	39.5%	64.3%
Class B	161.3	6.2%	-0.1%	-25.1%	-21.0%	21.8%	29.5%
Class C**	157.2	6.4%	1.3%	-13.0%	-5.4%		4.8%
Class D**	145.6	7.5%	10.1%				-2.9%
Class F**	136.1	6.3%	0.8%				-9.3%

\*domicile status change and inception of GNR-Fund Liechtenstein 3.4.18 (performance +29.20%); Change of strategy into IMC-Fund as of 4.12.2018

\*\*C-Class since 08. January 2021; D-Class since 23. November 2022; F-Class since 10. February 2023

### Monthly comment

In April, the US announced new restrictions on trading in Russian aluminum, copper and nickel. The rules, which restrict the use of metals on global exchanges and in over-the counter derivatives trading, will apply to Russian metals produced on or after April 13. Metals produced before that date are exempt. The US is also banning Russian imports of all three metals. Analysts see this move as more symbolic, given its only for new material and expect the actual impact to be relatively limited. Nevertheless, it is also expected that this move might translate in premiums for aluminum and copper – given momentum in general prices currently, this might add more fuel to the rally. Looking at China, steel and iron ore futures have risen as the government vowed more action to tackle the real estate sector woes that have stifled construction activity and hampered commodities demand more recently. The central government said it would study steps to digest a huge glut of empty homes, while some major cities announced their own measures to support the steel-intensive property sector. One of the major developments in the commodity equity markets last month was BHP's \$39 billion bid for Anglo American. The proposed combination, which has been rejected by the smaller rival, would create the world's largest copper producer, with about 10% of supply, and add heft to BHP's already significant iron ore and coal operations. It would also require Anglo to divest South African subsidiaries. That's more than enough to trigger intense oversight by regulators concerned about implications for market concentration and access to key minerals. According to analysts, Riot Tinto and Glencore are waiting on the sidelines to either make a bid or for opportunities to buy parts of Anglo American's business. The biggest producers all want to increase copper output to take advantage of rising demand in electric vehicles, grid infrastructure and data centers. Production from existing mines is set to fall sharply in the coming years, and miners would need to spend more than \$150 billion between 2025 and 2032 to fulfill the industry's supply needs, according to CRU Group. Projects that are shovel-ready and in quality jurisdictions are at a record low as there was a dramatic under-investment in mining and development in the last decade – with rising costs and more complexity to get all the permits ready, analysts think that currently, it's cheaper to buy projects that are almost completely built than to find and develop themselves.

## IMC Factsheet

### Financial statistics\*

Number of holdings	25
Market cap	\$30bn
P/B ratio	2.0x
P/cash flow	14.9x
EV/EBITDA 2024E	7.0x
FCF yield 2024E	4.3%
Dividend yield	3.7%
Net debt/equity	18%

### Operating statistics in copper-eq.\*

Production	1'266 ktpa
Reserve life (2P reserves)	29 years
Cash costs	\$4'657/t
Cash margin	48%
Reserve valuation (EV/2P)	\$1'592/t

### Market cap. segmentation\*

Small	< \$3bn	27%
Mid	\$3 - 30bn	39%
Large	> \$30bn	34%

### Top 5 commodity exposure\*

Copper	27%
Iron Ore	17%
Metallurgical Coal	5%
Aluminium Upstream	5%
Steel Upstream	5%

### Top 5 country exposure (production)\*

Australia	14%
Canada	13%
Chile	9%
Brazil	8%
United States	7%

### Top 5 holdings

Anglo American	5.0%
Hudbay Minerals	4.5%
South32	4.4%
Boliden	4.3%
Capstone Copper	4.3%

	IMC	Universe
Transparency		
Scope 1 GHG/EVIC	164	2'214
Carbon footprint/EVIC	244	2'372
Renewable Energy Cons.	20%	6%
Fatality Rate	2.4%	3.0%
Women on board	30%	24%
Independent Board	71%	48%

more information and details see ESG Quarterly Report

### Fund administration

Accuro Fund Solutions AG

### Contact

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\* based on weighted average and/or weighted average copper-equivalent numbers

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.

## 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 Industrial Metals Champions Fund offers the investor the opportunity to participate in an actively managed portfolio of natural resources companies active in the attractive industrial 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. 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).

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

ICG proprietary data base

### Investment Manager

The Industrial 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.