

# 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 \$26m

#### Custodian

LLB Liechtensteinische Landesbank AG

#### Distribution

LI, CH, DE, AT, UK

### Codes

#### Share classes

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

#### 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		

## June 2024

### Performance since inception



### Cumulative net performance in USD

	NAV	June	YTD	2 Years	3 Years	5 Years	since IMC*
	28.06.2024	31.05.-28.06.2024					
Class A	199.0	-7.5%	-2.4%	11.4%	-9.4%	54.8%	58.6%
Class B	153.4	-8.0%	-5.0%	-3.7%	-23.8%	22.4%	23.1%
Class C**	151.9	-7.4%	-2.1%	12.8%	-7.7%		1.3%
Class D**	138.5	-8.0%	4.6%				-7.7%
Class F**	131.2	-7.5%	-2.8%				-12.5%

\*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

Following a robust Q2 2024 performance by base metal equities, particularly those linked to copper and AI themes, recent copper price declines have led to cautious and selective investor positioning. Investors now await stronger signals of Chinese buyers returning to the market. As copper hit record highs last month, senior Chinese traders began contacting Western hedge fund managers, seeking insights. Historically, these veteran traders leveraged their knowledge of China's economy to gain an edge in the copper market. A tug of war is unfolding between bullish fund managers, who have invested heavily in copper anticipating future shortages, and Chinese buyers, who are more focused on current market conditions. The outcome of this struggle will likely dictate copper prices: sustained recovery signs in Chinese buying could propel the market to new highs in the second half of the year. The surge in NVIDIA shares and the growth of data centers have significantly influenced commodity market interest and price dynamics in 2024. Despite the advent of photon-based data transfer in new data center designs, the broader narrative is simpler: the world is entering a more electricity-intensive growth phase. This will drive incremental demand for metal conductors to transmit electricity. The International Energy Agency forecasts global grid spending to reach \$450 billion this year, up from \$300 billion in recent years. Additionally, the U.S. electrical equipment manufacturing index is now 14% above pre-pandemic levels, compared to a 1% rise in overall industrial output. As electricity production is part of industrial output (and tend to go hand in hand with metals demand), this should enhance global industrial growth and bolster the capital expenditure cycle. On the supply side, raw material markets are facing significant constraints. For copper, lead, and zinc, treatment charges paid to smelters are well below historical norms, even turning negative recently. Some miners have secured low terms for 2025, indicating expectations that supply issues will persist. Unlike the quick resolution of market constraints seen in nickel, lithium, or iron ore through aggressive Chinese investment, copper presents a tougher challenge. However, there is potential for China to increase its investments in Africa, particularly in the Democratic Republic of Congo, and in smaller, less explored countries. China views these investments strategically, prioritizing long-term supply security over immediate project returns and prices.

**IMC Factsheet**

## Financial statistics\*

Number of holdings	25
Market cap	\$28bn
P/B ratio	1.9x
P/cash flow	15.8x
EV/EBITDA 2025E	5.6x
FCF yield 2025E	7.0%
Dividend yield	3.7%
Net debt/equity	18%

## Operating statistics in copper-eq.\*

Production	1'229 ktpa
Reserve life (2P reserves)	28 years
Cash costs	\$4'739/t
Cash margin	48%
Reserve valuation (EV/2P)	\$1'634/t

## Market cap. segmentation\*

Small	< \$3bn	23%
Mid	\$3 - 30bn	45%
Large	> \$30bn	31%

## Top 5 commodity exposure\*

Copper	29%
Iron Ore	16%
Aluminium	8%
Steel	7%
Zinc	5%

## Top 5 country exposure (production)\*

Australia	15%
Canada	14%
Chile	9%
United States	7%
Spain	7%

## Top 5 holdings

South32	4.3%
Hudbay Minerals	4.3%
Anglo American	4.3%
Norsk Hydro	4.3%
Alcoa	4.2%

	IMC	Universe
Transparency		
Scope 1 GHG/EVIC	202	1'223
Carbon footprint/EVIC	298	1'471
Renewable Energy Cons.	22%	6%
Fatality Rate	3.0%	4.1%
Women on board	32%	24%
Independent Board	73%	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.

**June 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

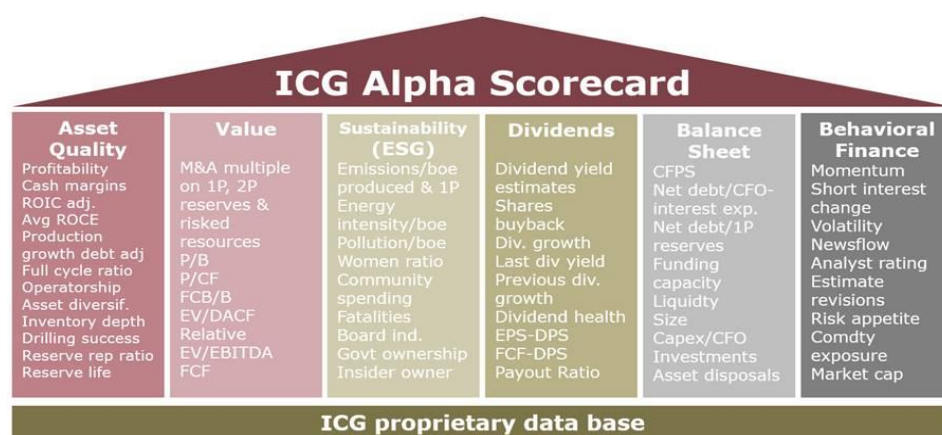
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Industrial Metals Champions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



## 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.