

# 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 \$7m

#### 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	LI1121337961		

### 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		

## June 2024

### Performance since inception



### Cumulative performance in USD

	NAV	June	YTD	1 Year	3 Years	4 Years	Since Inception
	28.06.2024	31.05.-28.06.2024					
Class A	151.9	-6.3%	8.0%	18.4%	1.9%	-3.2%	1.2%
Class B*	142.5	-6.3%	7.6%	17.7%	0.0%		-5.0%
Class D*	Pending						
Class F*	183.4	-6.4%	7.2%	16.8%			22.3%

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

### Monthly comment

Gold held steady at the start of the second half, as traders assessed whether soft US economic data might prompt the Federal Reserve to consider monetary easing. Last Friday's release of the core personal consumption expenditures price index, the Fed's preferred measure of US inflation, showed a 2.6% year-over-year increase - the slowest since March 2021. Though above the Fed's 2% target, this deceleration could pave the way for lower interest rates, potentially benefiting non-interest-bearing assets like gold. Additionally, the 2024 Central Bank Gold Reserves survey revealed that 29% of central banks plan to increase their gold reserves in the next 12 months, marking the highest level recorded since the survey's inception in 2018. Spot gold prices surged to record highs in Q2 2024, stabilizing around \$2,300 per ounce and lifting gold miners' share prices. However, current valuation multiples suggest market skepticism about sustaining profit margins at these levels - Investors closely watch miners' cost management and efforts to enhance shareholder returns. Despite cost inflation and a tight labor market, these pressures appear to have eased. Stable gold prices are expected to generate strong free cash flows, bolstering cash reserves given the sector's modest debt levels. Assuming gold prices hold, stronger cash flows are anticipated in H2 2024, with many miners forecasting a backend-loaded production profile. Investors await clarity on miners' capital allocation strategies in their Q2 2024 reports, expecting enhanced returns such as special dividends and significant share buybacks to further drive shareholder value. In contrast, platinum group metal (PGM) equities face continued uncertainty, with only a fraction of producers operating at a loss due to reluctance to cut production amid market challenges. Looking ahead to 2024, supply risks loom larger due to power issues in South Africa and operational hurdles in Russian mines. As the gold market navigates these dynamics, the interplay between economic data, Federal Reserve policies, and operational efficiencies will shape outlooks for both gold miners and PGM producers. Investor focus remains on maximizing returns amid favorable gold prices while managing ongoing challenges. The ability of gold miners to adapt to evolving market conditions and effectively allocate capital will be crucial in maintaining investor confidence and sustaining growth momentum in the sector.

**PMC Factsheet**
**Exposure**

Gold equities	80%
Metals physical	20%

**Financial statistics\***

Number of holdings	25
Market cap	\$7bn
P/B ratio	1.6x
P/cash flow	6.0x
EV/EBITDA 2025E	4.5x
FCF yield 2025E	12.5%
Dividend yield	2.5%
Net debt/equity	5.2%

**Operating statistics in gold-eq.\***

Production	1'093 koz
Reserve life (2P reserves)	22 years
Cash costs	\$1'156/oz
AISC**	\$1'022/oz
Reserve valuation (EV/2P)	\$334/oz

**Market cap. segmentation\***

Small	< \$3bn	63%
Mid	\$3 - 10bn	16%
Large	> \$10bn	21%

**Top 5 commodity exposure\***

Gold	77%
Silver	11%
Copper	7%
Palladium	1%
Platinum	1%

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

Australia	20%
Canada	14%
Mexico	7%
United States	5%
South Africa	5%

**Top 5 equity holdings**

Westgold Resources	4.7%
Pan African Resources	4.6%
Lundin Gold	4.5%
Kinross Gold	4.5%
Zimplats	4.4%

Transparency	PMC	Universe
Methan % Scope 1	0.2%	3.4%
Renewable Energy Cons.	8.2%	5.9%
GHG Intensity	349	2'362
Women on Board	34%	28%
Independent Board	72%	54%

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.

**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 Precious Metals Champions Fund**

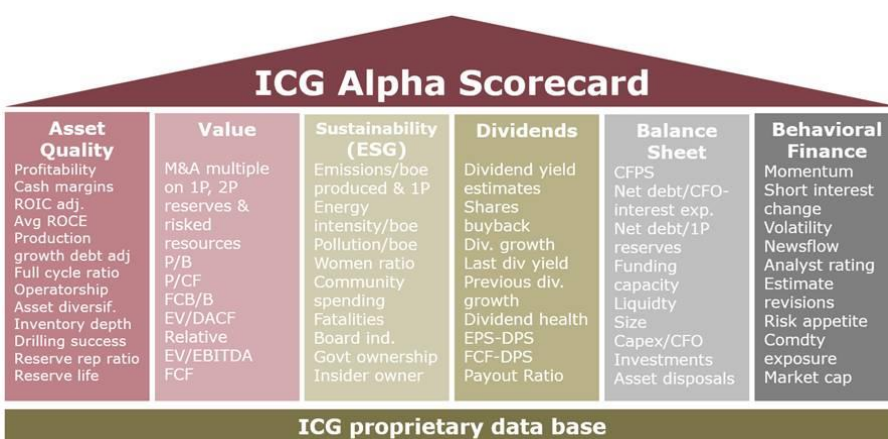
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund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