INDEPENDENT
CAPITAL GROUP

ENERGY
CHAMPIONS FUND





ECF Factsheet — **September 2024**

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 $25m

Custodian
Credit Suisse (Luxembourg) S.A.

Codes

Share classes

A1	USD, acc.	A2	USD, distri
B	*pending*	C	USD, acc.
I1	USD, acc.	I2	USD, distr.

Bloomberg ticker

A1	WFECHA1 LX Equity	A2	WFECHA2 LX Equity
B	*pending*	C	WFIECAU LX Equity
I1	WFECI1A LX Equity	I2	WFECI2D LX Equity

ISIN

A1	LU1018863792	A2	LU1018863875
B	*pending*	C	LU2786375498
I1	LU1092312823	I2	LU1092313045

Valor-Number

A1	23322792	A2	23322921
B	*pending*	C	133667381
I1	25025471	I2	25025474

Dealing & prices

Mgmt fee p.a.

A1	1.25%	A2	1.25%
B	1.50%	C	2.00%
I1	0.65%	I2	0.65%

Min Subscription

A1	USD $1m	A2	USD $1m
B	USD $0.5m	C	One share
I1	USD $5m	I2	USD $5m

Trading frequency
Daily

Performance since inception

Cumulative net performance in USD

	NAV 30.09.2024	September 30.08. - 30.09.2024	YTD	3 Years	4 Years	5 Years	Since Inception
Class A1	59.7	-7.8%	-8.7%	16.3%	180.2%	44.4%	-40.3%
Class A2	49.9	-7.8%	-8.7%	16.4%	180.1%	44.4%	-40.3%
Class C*	87.4	-7.8%	-12.6%				-12.6%
Class I1*	88.7	-7.7%	-8.3%				-10.3%
Class I2*	502.9	-7.7%	-8.3%	18.6%	187.4%	49.1%	-40.1%

**I2-Class since 12.9.2014, I1-Class since 01.12.2022, C-Class since 11.06.2024*

Monthly comment

Oil prices dropped nearly 9% in September, despite a late-month rally in the broader commodity complex driven by China's economic stimulus. This decline may indicate a shift in market focus from demand improvements to concerns over additional supply. Prices fell further after a FT report suggested Saudi Arabia might abandon its price-targeting strategy and increase output. Since November 2020, OPEC+, led by Saudi Arabia, has cut output to stabilize prices, but this strategy has been undermined by weak demand, especially from China. At the same time, Saudi Arabia's market share and revenues have declined amid rising non-OPEC+ production and weakening demand. Though the FT report may be denied, Saudi Arabia's frustration with non-compliant OPEC+ members like Iran, Russia, and the UAE is evident, raising the possibility of increased Saudi production unless quotas are enforced. However, oil prices rebounded by $5/bl in early October as Middle East tensions escalated. Israel-Iran conflicts, including the killing of Hezbollah's chief and a missile strike on Israel, have heightened risks. The rise in crude prices reflects investors factoring in a renewed risk premium as potential military conflict between these key regional players threatens vital oil flows. Analysts note the market hasn't fully factored in risks to Iranian oil facilities or the possibility of Iran blocking the Strait of Hormuz, a threat made but never carried out. A recent BMO study of 120+ oil and gas companies shows the "all-in" cost to cover expenses and generate a 10% return has risen to $70.84/boe in 2023, up 16% YoY. While costs are now slightly above pre-pandemic levels, they remain significantly below the peak observed during the 2014 cycle. Conversely, BMO estimates OPEC+'s all-in breakeven price to be $89/bl in 2024. While the oil and gas sector's stock market performance has been lacklustre over the past decade, equities have outperformed significantly since 2021, reflecting improving financial returns and free cash flow profiles. Despite this, valuation multiples have only modestly recovered and remain near the low end of historical norms, in contrast to the broader market. The ECF, with its focus on low-cost producers with high returns and growing free cash flow, is well-positioned to benefit from the current energy environment.

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September 2024

Financial statistics*

Number of holdings	25
Market cap	$34bn
P/E 2025E	8.3x
P/cash flow	3.3x
EV/EBITDA 2025E	3.3x
FCF yield 2025E	14.8%
Dividend yield	6.0%
Net debt/equity	36%

Operating statistics in boe*

Production	248 kboe/d
Cash costs	$17/boe
Reserve life (1P reserves)	11 years
Reserve valuation (EV/1P)	$13/boe
F&D organic costs 3yrs avg	$18/boe

Market cap. segmentation*

Small	< $3bn	25%
Mid	$3 - 30bn	40%
Large	> $30bn	35%

Top commodity exposure*

Crude & liquids	63%
Natural gas	37%

Top 5 country exposure (production)*

United States	47.0%
Canada	16.6%
Norway	9.4%
Brazil	5.3%
Australia	4.3%

Top 5 holdings

Woodside Energy	4.6%
AkerBP	4.5%
SM Energy	4.5%
Cenovus Energy	4.5%
Equinor	4.4%

Transparency	ECF	O&G Universe
Scope 1 GHG/EVIC	260	424
Carbon footprint/EVIC	282	451
GHG intensity	315	2'634
Gas flaring	332	2'381
Hydrocarbon spills	76	90
Fatality rate	0.00%	0.58%
Women on board	29%	25%
Independent board	80%	59%
Sustainalytics Rating	60.7	41.4

More information and details see ESG Quarterly Report

Transparent Investment – Climate Impact

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"

Contact

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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 reamins continual, while they are becoming scarcer.

Why natural resource equities and the Industrial Metals Champions Fund

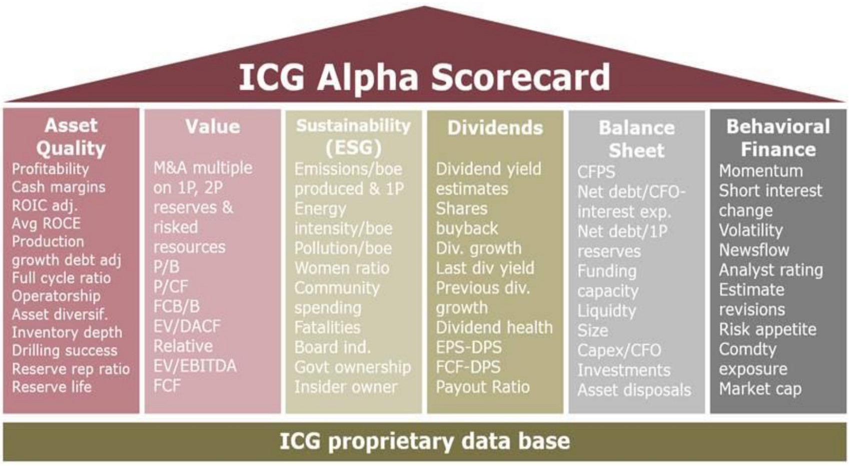
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Energy Champions Fund offers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

* based on weighted average and/or weighted average barrels of oil equivalent (boe) numbers