

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 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		

September 2024

Performance since inception



Cumulative net performance in USD

	NAV	September	YTD	2 Years	4 Years	5 Years	since IMC*
	30.09.2024	30.08.-30.09.2024					
Class A	209.3	12.5%	2.6%	26.6%	74.8%	82.7%	66.8%
Class B	151.1	11.7%	-6.4%	3.1%	35.0%	36.4%	21.3%
Class C**	160.0	12.5%	3.1%	28.2%			6.7%
Class D**	136.3	11.6%	3.0%				-9.1%
Class F**	137.7	12.4%	2.0%				-8.2%

*domicile status change and inception of GNR-Fund Liechtenstein 3.4.18 (performance +39.52%); Change of strategy into IMC-Fund as of 4.12.2018

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

Monthly comment

Industrial metals have experienced a significant rally following China's announcement of measures to boost economic growth and revive its property market. China's initiatives, including increased consumer lending, cuts to short-term interest rates, and reductions in mortgage rates, have sparked optimism in global commodity markets. On a single day, iron ore prices surged 6.7%, marking the most substantial daily increase in over 16 months, while copper, aluminium, and zinc also saw impressive gains. This positive momentum comes despite a backdrop of earlier economic challenges, as China's real estate sector has struggled, leading to concerns about demand. Analysts believe that while China's policy measures aim to uplift market sentiment, the overall economic landscape is improving, potentially supported by future fiscal stimulus and increased infrastructure spending. Moreover, the anticipation of interest rate cuts in major economies, especially following the U.S. Federal Reserve's recent half-point reduction, is creating a more favourable investment climate. This environment encourages mining companies to explore mergers and acquisitions as a strategy to enhance their portfolios and secure new projects. With copper and other industrial metals projected to see soaring demand due to the energy transition and technological advancements, miners are increasingly looking to expand operations through strategic acquisitions. Recent deals reflect a growing trend where companies invest in established assets rather than solely relying on exploration. As large players leverage their balance sheets to acquire companies with promising projects, this trend can lead to greater efficiencies and increased supply. Additionally, China's economic strategies include a pivot towards emerging markets and increased use of the renminbi (RMB) in international trade. This trend, coupled with the expansion of the BRICS bloc and efforts to establish trade systems outside of the U.S. dollar, could reshape commodity markets. Notably, over 50% of China's transactions involve the RMB, which may lead to higher pricing dynamics for industrial metals as the dollar weakens and dedollarization accelerates. Overall, recent measures from China and ongoing M&A activities provide a glimmer of hope for the industrial metals market. The interplay between recovery efforts, evolving trade practices, and geopolitical factors is set to create a positive trajectory for metals.

IMC Factsheet

Financial statistics*

Number of holdings	25
Market cap	\$32bn
P/B ratio	2.1x
P/cash flow	10.8x
EV/EBITDA 2025E	6.4x
FCF yield 2025E	7.0%
Dividend yield	2.6%
Net debt/equity	16%

Operating statistics in copper-eq.*

Production	1'1153 ktpa
Reserve life (2P reserves)	25 years
Cash costs	\$3'916/t
Cash margin	55%
Reserve valuation (EV/2P)	\$1'546/t

Market cap. segmentation*

Small	< \$3bn	11%
Mid	\$3 - 30bn	61%
Large	> \$30bn	28%

Top 5 commodity exposure*

Copper	36%
Aluminum	11%
Iron Ore	8%
Gold	6%
Zinc	6%

Top 5 country exposure (production)*

Australia	12%
Canada	10%
China	10%
D.R. of Congo	8%
United States	7%

Top 5 holdings

CMOC Group	4.5%
China Hongqiao Group	4.5%
Hudbay Minerals	4.3%
Cameco	4.3%
Zijin Mining	4.2%

Transparency	IMC	Universe
Scope 1 GHG/EVIC	325	469
Carbon footprint/EVIC	468	698
Renewable Energy Cons.	20%	7%
Fatality Rate	3.0%	4.7%
Women on board	29%	24%
Independent Board	69%	50%

more information and details see ESG Quarterly Report

Fund administration

Accuro Fund Solutions AG

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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.

September 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

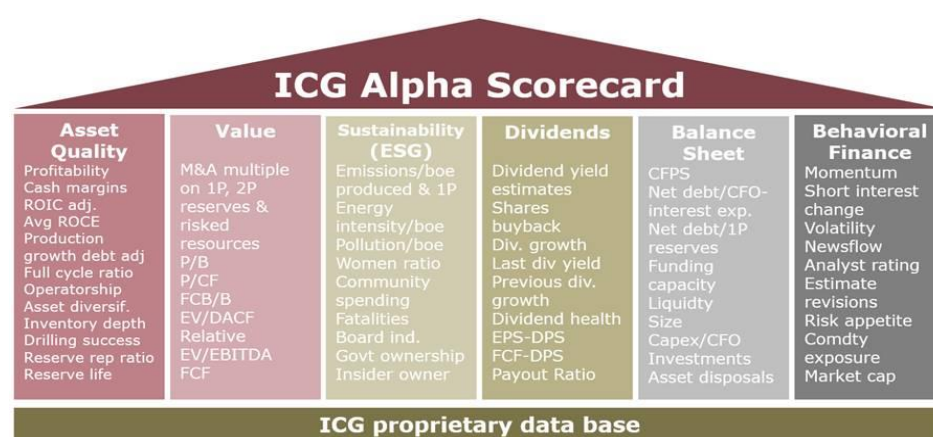
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Industrial Metals Champions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