

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 \$8m

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		

October 2024

Performance since inception



Cumulative performance in USD

	NAV	October	YTD	1 Year	2 Years	4 Years	Since Inception
	31.10.2024	30.09.-31.10.2024					
Class A	191.8	4.1%	36.4%	50.6%	81.7%	24.4%	27.9%
Class B*	179.6	4.1%	35.6%	49.6%	79.4%		19.7%
Class D*	Pending						
Class F*	230.6	4.0%	34.8%	48.5%			53.7%

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

Monthly comment

The outlook for gold, silver, and precious metals remain exceptionally positive, buoyed by robust demand and strategic investor interest. Gold prices have surged more than 30% this year, reaching record highs, with demand hitting 1,313 tons in the third quarter—an increase of 5% year-on-year. This growth in demand has resulted in the total value of gold surpassing \$100 billion for the first time, driven by strong inflows into gold exchange-traded funds (ETFs) and increased investments in bars and coins, highlighting gold's appeal as a hedge against economic uncertainty and inflation. Despite the favorable market conditions, some of the world's largest gold miners are facing challenges in translating these high prices into profits. Newmont recently revised its operational forecast, reducing expected gold production for 2024 to 5.6 million ounces, down from the prior 6.0–6.2 million ounces range. This decrease, combined with increased contractor reliance (25% of costs) and labor inflation, drove Q3's all-in sustaining cost (AISC) to \$1'611/oz. Looking ahead, Newmont anticipates an AISC of around \$1'500/oz and \$1.8bn in annual sustaining capex, largely due to complex operational demands at newly acquired Lihir, Brucejack, and Cadia assets. While these assets present integration challenges, Newmont's strong free cash flow and expanded \$2bn share buyback highlight its financial stability, offering some offset to market concerns. These operational hurdles, however, appear unique to Newmont and may not reflect broader sector performance. Meanwhile, the precious metals market is undergoing significant changes that enhance its attractiveness to investors. The gold-to-silver ratio indicates a growing retail interest in silver. Furthermore, ongoing geopolitical tensions and macroeconomic uncertainties continue to bolster the perception of gold and silver as safe-haven assets. In summary, while specific challenges persist for some leading gold producers like Newmont, the overall market dynamics and demand fundamentals present compelling opportunities for investors in gold and silver equities. The sector is well-positioned for potential growth and profitability as it adapts to evolving conditions. It is clear that there is a significant disparity between the soaring prices of gold and silver and the valuations of the companies that mine these precious metals – it should be only a matter of time before share prices adjust.

PMC Factsheet
Exposure

Gold equities	80%
Metals physical	20%

Financial statistics*

Number of holdings	25
Market cap	\$9bn
P/B ratio	2.1x
P/cash flow	9.7x
EV/EBITDA 2025E	4.8x
FCF yield 2025E	11.8%
Dividend yield	1.5%
Net debt/equity	6.2%

Operating statistics in gold-eq.*

Production	1'175 koz
Reserve life (2P reserves)	18 years
Cash costs	\$1'128/oz
AISC**	\$1'232/oz
Reserve valuation (EV/2P)	\$487/oz

Market cap. segmentation*

Small	< \$3bn	48%
Mid	\$3 - 10bn	28%
Large	> \$10bn	24%

Top 5 commodity exposure*

Gold	76%
Silver	16%
Copper	5%
Lead	1%
Zinc	1%

Top 5 country exposure (production)*

Mexico	12%
Canada	11%
Australia	10%
United States	5%
Ghana	5%

Top 5 equity holdings

Hochschild	3.8%
Galiano Gold	3.6%
Orla Mining	3.5%
Agnico Eagle Mines	3.5%
Evolution Mining	3.4%

Transparency	PMC	Universe
Methan % Scope 1	0.2%	3.6%
Renewable Energy Cons.	12.1%	6.1%
GHG Intensity	323	2'319
Women on Board	37%	27%
Independent Board	77%	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.

October 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

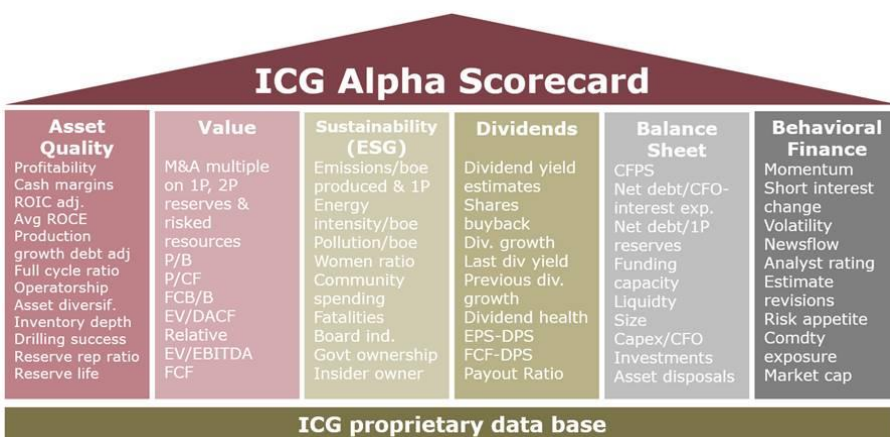
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Precious Metals Champions Fund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