

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 \$25m

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 | | |

November 2024

Performance since inception



Cumulative net performance in USD

| | NAV | November | YTD | 2 Years | 4 Years | 5 Years | since IMC* |
|-----------|------------|-------------------|--------|---------|---------|---------|------------|
| | 30.11.2024 | 31.10.-30.11.2024 | | | | | |
| Class A | 192.1 | -3.0% | -5.8% | -8.0% | 26.2% | 59.1% | 53.1% |
| Class B | 145.0 | -1.2% | -10.2% | -19.9% | 2.1% | 24.8% | 16.4% |
| Class C** | 147.0 | -3.0% | -5.3% | -6.9% | | | -2.0% |
| Class D** | 130.7 | -1.2% | -1.2% | -15.1% | | | -12.9% |
| Class F** | 126.2 | -3.1% | -6.5% | | | | -15.9% |

*domicile status change and inception of GNR-Fund Liechtenstein 3.4.18 (performance +28.06%); 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

The outlook for key commodities is showing a complex but optimistic picture, particularly in the context of the energy transition. While certain metals like cobalt and lithium face challenges, others like copper, aluminum, and steelmaking coal are benefiting from strong demand and strategic shifts. CMOC Group, the world's largest cobalt miner, has expressed concern over the metal's future in electric vehicle batteries. As lithium iron phosphate batteries rise in popularity due to lower manufacturing costs, cobalt's role is expected to diminish significantly. CMOC's aggressive expansion in the DRC has contributed to an oversupply, pushing cobalt prices to their lowest since 2016. Despite these bearish trends, CMOC's close ties with battery maker CATL offer some reassurance as they aim for supply chain security, though the cobalt market faces an uphill battle in the coming years. On the other hand, lithium is seeing a revival, particularly in China, where demand for electric vehicles is spiking. Chinese subsidies have spurred a recovery in lithium carbonate prices, while a series of supply cuts from mines across Australia and China are expected to tighten the market. However, analysts caution that a surplus could emerge by 2025, depending on global demand and trade dynamics, with China's strategic moves potentially influencing the market further. In the copper sector, BHP's CEO highlighted the critical need for \$250 billion in investment over the next decade to meet the soaring demand for copper, a key element in renewable energy infrastructure. Copper demand is projected to surge by up to 100% by 2050, underscoring the necessity of M&A to secure resources. That hunger drove BHP to spend \$2bn for a stake in a copper prospect in Argentina this year, raising eyebrows over the price. Aluminum is also experiencing bullish momentum, following China's decision to remove a tax rebate on aluminum exports. This move is expected to reduce Chinese aluminum supply, boosting global prices, especially for high-value-added products. Similarly, Russian aluminum producer Rusal's decision to cut production by up to 13% in response to soaring alumina costs illustrates the ongoing challenges in the sector. This production curtailment, although modest in global terms, could significantly impact supply-demand balance in the coming months.

IMC Factsheet

Financial statistics*

| | |
|--------------------|--------|
| Number of holdings | 25 |
| Market cap | \$28bn |
| P/B ratio | 2.0x |
| P/cash flow | 11.7x |
| EV/EBITDA 2025E | 6.1x |
| FCF yield 2025E | 6.6% |
| Dividend yield | 2.9% |
| Net debt/equity | 16% |

Operating statistics in copper-eq.*

| | |
|----------------------------|------------|
| Production | 1'146 ktpa |
| Reserve life (2P reserves) | 26 years |
| Cash costs | \$4'301/t |
| Cash margin | 55% |
| Reserve valuation (EV/2P) | \$1'716/t |

Market cap. segmentation*

| | | |
|-------|------------|-----|
| Small | < \$3bn | 12% |
| 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 | 11% |
| China | 9% |
| United States | 8% |
| D.R. of Congo | 8% |

Top 5 holdings

| | |
|-----------------|------|
| Cameco | 4.6% |
| Alcoa | 4.3% |
| Tenaris | 4.2% |
| Fresnillo | 4.1% |
| Hudbay Minerals | 4.1% |

| 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

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.

November 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

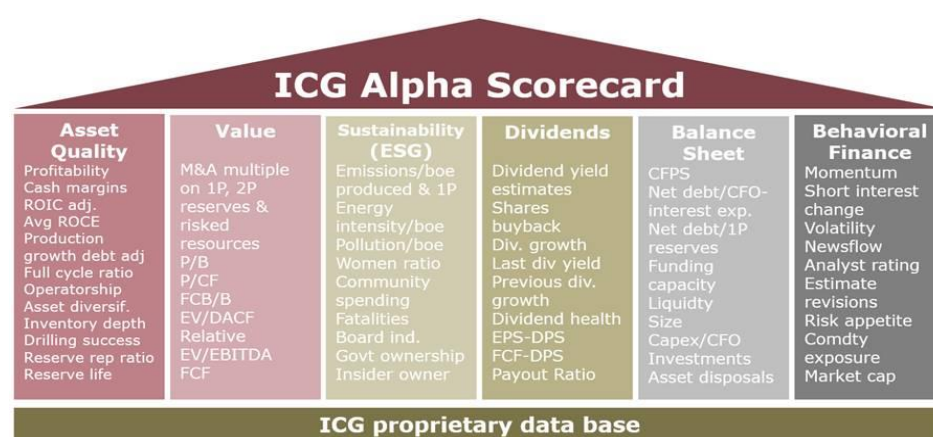
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Industrial Metals Champions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