INDEPENDENT
CAPITAL GROUP

MSCI ESG RATINGS: A (CCC | B | BB | BBB | A | AA | AAA)

ENERGY
CHAMPIONS FUND





ECF Factsheet

OCTOBER 2022

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 $28m
Benchmark
MSCI World Energy Sector Net TR Index
Custodian
Credit Suisse (Luxembourg) S.A.

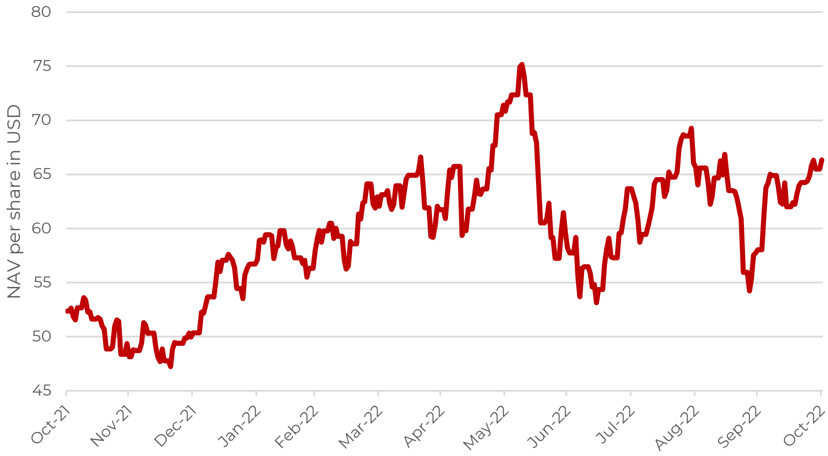
Codes

Share classes
A1 Retail USD class, accumulating
A2 Retail USD class, distributing
I2 Institutional USD class, distributing
Bloomberg ticker
A1 WFECHA1 LX Equity
A2 WFECHA2 LX Equity
I2 WFECI2D LX Equity
ISIN
A1 LU1018863792
A2 LU1018863875
I2 LU1092313045
Valor-Number
A1 23322792
A2 23322921
I2 25025474

Dealing & prices

Mgmt fee p.a.
A1 1.25%
A2 1.25%
I2 0.65%
Min Subscription
A1 One share
A2 One share
I2 USD $2m
Trading frequency
Daily

Performance over 1 year **+27.5%**



Cumulative net performance in USD

	NAV 31.10.2022	October 30.09.-31.10.2022	YTD	CY2021	3 Year	Since Inception
Class A1	66.3	14.3%	31.7%	80.4%	50.8%	-33.7%
Class A2	57.6	14.3%	31.7%	80.5%	50.8%	-33.7%
Class I2	574.4	14.4%	32.4%	81.6%	53.7%	-34.0%

**Indicative total return calculations / Inception date: Class A1/A2 28.2.2014, Class I2 12.9.2014*

Monthly comment

Energy performance has remained strong following record 2Q results – most analysts expect 3Q earnings to show sustainable and competitive profitability and capital return while broader market struggles. Solid fundamentals have led Energy to regain lost ground with sector performance now in line with Materials, Industrials, Financials and Utilities since 2015. According to BMO, energy has further upside potential with companies still trading at a 2-5x P/E discount to other value sectors. Most recent OPEC+ cuts should support oil prices into year-end with underinvestment in the industry translating to higher long-term prices. Higher commodity prices, capital discipline, reduced costs and leverage has been a driver of share prices which is expected to continue by most market participants. With balance sheets repaired, a meaningfully higher percentage of FCF is expected to be returned to equity holders. Corporate returns (ROE) are increasingly competitive with the broader market at current commodity prices and given this outlook, analysts believe oil and gas companies can outperform in even a range-bound commodity market. The pullback in oil prices from peak levels has led to a flattening of the curve, although it remains steeply backwardated with the long-term price ~$60Bbl – there are some key upside risks to oil prices, supply could surprise to the downside given global underinvestment, U.S. producer discipline and peak shale productivity, Russia sanctions, the SPR having nearly run its course, and OPEC+ willingness to support price could all lead to higher prices in 2023 and going forward. Rystad scenario analysis show that under a most extreme (but unlikely) scenario, where geopolitical situation escalates to the point Russia restricts exports, and OPEC+ cut 1mbbld in Jan 2023 in addition to 1mmbbld in Dec, the supply shock could see prices hit US$230/bbl. On the negative side, for oil companies at least, President Biden says he is seeking to impose higher taxes on oil firms who do not boost their US production and refining capacity. This comes on the back of Exxon and Chevron reporting a combined 3Q net income of over $30bn and revenue of close to $180bn. The top 4, Exxon, Chevron, Shell and Total, are paying nearly $100bn to shareholders annually in the form of buybacks and dividends while reinvesting just $80bn in their core businesses this year.

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Financial statistics*

Number of holdings	25
Market cap	$33bn
P/E 2022E	5.8x
P/cash flow	3.6x
EV/EBITDA 2022E	3.2x
FCF yield 2022E	19.9%
Dividend yield	5.0%
Net debt/equity	51%

Operating statistics in boe*

Production	243 kboe/d
Cash costs	$13/boe
Reserve life (1P reserves)	12 years
Reserve valuation (EV/1P)	$16/boe
F&D organic costs 3yrs avg	$15/boe

Market cap. segmentation*

Small	< $3bn	13%
Mid	$3 - 30bn	56%
Large	> $30bn	31%

Top commodity exposure*

Crude & liquids	54%
Natural gas	46%

Top 5 country exposure (production)*

United States	43%
Canada	15%
Norway	9%
Brazil	8%
Australia	5%

Top 5 holdings

ENI	4.8%
Murphy Oil	4.7%
TotalEnergies	4.7%
Diamondback Energy	4.6%
AkerBP	4.5%

ESG transparency	ECF	Universe
CO2/production	19	38
GHG/mmboe	28	42
Waste/production	1.8	2.4
Spills/production	2.3	2.9
Energy intesity/boe	109	157
Fatalities/th.empl.	0.01	0.14
%Women on board	29%	22%
Overall Policy Score	68%	45%
Insider ownership	12%	5%

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

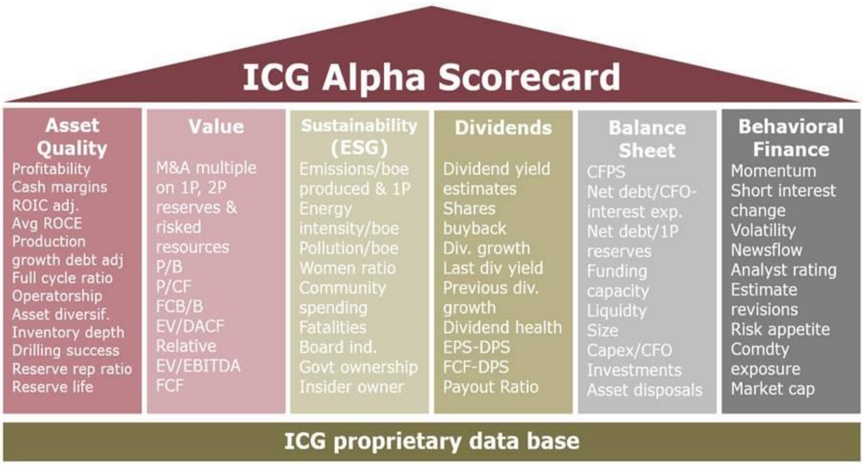
Natural resource companies are entering a phase of improving margins and the valuation is very low on a relative basis compared to the global equity markets. A portfolio of natural resource equities reduces firm specific risks while it increases the commodity exposure. The Energy Champions Fund offers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

Disclaimar: This is an advertising document. The state of the origin of the fund is Luxembourg. In Switzerland, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Credit Suisse (Switzerland) Ltd., Paradeplatz 8, CH-8001 Zurich. The prospectus, the key information documents or the key investor information documents, the articles of association as well as the annual and semi-annual reports may be obtained free of charge from the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.