



WORLD WINNERS

August-20

Monthly factsheet

A Share Class

Preval Funds SICAV - World Winners is invested in a selection of 30 to 50 market-leading international companies with a contrarian investment approach.

Countries available for sale: FR CH BE LU SP NL DE

INVESTMENT PHILOSOPHY

- Stock-picking based on fundamental analysis (Private Equity approach)
- Investing in temporarily disliked listed companies (Value/Contrarian approach): a focused approach on longstanding knowledge of leading high-quality companies (a reduced selection of approx. 700 companies), undervalued by the market (growth either underestimated or restructuring of a company having undergone a fall in earnings), in order to minimize risk
- Seeking returns over a 3 to 5 year horizon: unconstrained and benchmark agnostic approach
- Build a high-conviction but diversified portfolio (30 to 50 holdings)

FUND MANAGER'S COMMENTARY

Dear Investors,

Market volatility has declined significantly from the highs of March. Nonetheless, fluctuations in macroeconomic indices, advances on potential treatments for Covid-19, virus-related restrictions, as well as government and central bank measures to support the economy continue to fuel high volatility in certain sectors. Against this background, your World Winners fund gained +6.9% during the month of August, while its benchmark index rose by +4.9%.

Central banks have recently decided to loosen monetary policies, and this has increased the risk of inflation both in the real economy and in the value of financial assets. It is difficult to say whether this inflation will actually materialise, and even harder to say when. This is because inflation is theoretically the parameter that completes the equation between the supply of goods and services produced in the economy, the demand for these goods and services and the quantity of money in circulation. Inflation results either from an across-the-board reduction in supply, a rise in demand or an expansion of the money supply.

Among these three variables, the only one we know with certainty is the money supply, which is increasing by the day, as international institutions react to the healthcare crisis. Uncertainties about the other two variables remain high:

- 1) To what extent can disruption in the production and supply chains of goods and services push prices up despite the deflationary pressures technological progress brings by nature within these supply chains?
- 2) To what extent can the demand for these goods and services inflate their prices? There has been even more uncertainty in this regard since the 2008 crisis. People have integrated the lack of inflation and do not adjust their levels of consumption to the increasing money in circulation because future products and services will theoretically not be any more expensive. As a result, they tend to turn to financial investments and drive up asset prices, beginning with the least risky.

We know that we cannot predict the behaviour of these two variables, so we strive to invest in companies:

- 1) That have enough pricing power to pass on potential increases in their production costs to customers, owing to their sound competitive positioning and/or a business model with high barriers to entry;
- 2) Whose products are essentials to their clients;
- 3) Whose valuations are low-to-reasonable and in accordance with their ability to generate profits now and in the future.

These characteristics enable Preval and the companies in our portfolio to move forward with confidence, independently of inflation.

The extraordinary excesses in market valuations that happened only a few months ago was due to panic, and have still not been fully corrected, particularly among mid-cap companies. Moreover, our portfolio companies have, for the most part, posted impressive first-half results in this very unusual economic environment. Consequently, we are reasonably optimistic about the potential of our stock-picking, even after the sharp market recovery we have observed over the past few weeks.

Thank you for placing your trust in us.

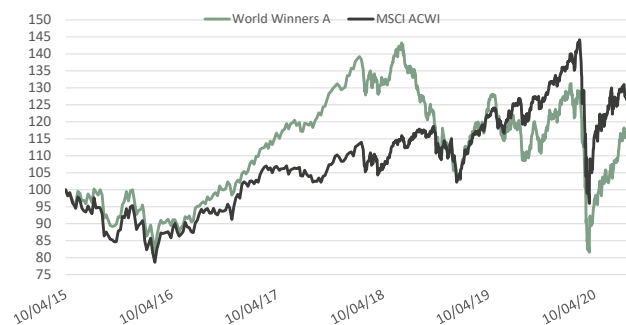
Thierry Flecchia and the management team

PERFORMANCE IN EUROS*

31/08/2020	World Winners - A	MSCI ACWI
Since inception **	23,3%	32,6%
2016	10,4%	11,1%
2017	28,5%	8,9%
2018	-22,9%	-4,8%
2019	20,7%	28,9%
2020	-2,3%	-1,7%
Month	6,9%	4,9%

** On 10/04/2015

PERFORMANCE SINCE INCEPTION*



*Past Performance is not indicative of future results. Performance is not constant over time.

TOP 10 HOLDINGS

SCHIBSTED (NORWAY, Media & Entertainment)	6,5%
JD.COM INC-ADR (CHINA, Retailing)	6,4%
G4S PLC (BRITAIN, Commercial & Professional Serv)	6,1%
XPO LOGISTICS INC (UNITED STATES, Transportation)	4,8%
HUYA INC-ADR (CHINA, Media & Entertainment)	4,4%
BARRICK GOLD CORP (CANADA, Materials)	4,2%
YANDEX NV-A (RUSSIA, Media & Entertainment)	3,9%
SALESFORCE.COM INC (UNITED STATES, Software & Services)	3,9%
NEWMONT GOLDCORP (UNITED STATES, Materials)	3,8%
BAIDU INC - SPON ADR (CHINA, Media & Entertainment)	3,5%

FUND FACTS AND TERMS

Launch date	10 avril 2015
Isin	LU1132346872
Bloomberg Ticker	PREWWAE LX
Fund size (EUR)	141,2 Millions
Currency	EUR
Nav calculated	123,29 EUR
Benchmark	MSCI World AC Total return net Euros
Custodian	Crédit Suisse Luxembourg
Nav Calculation	Daily
Cut-Off	3pm
Fund structure	UCITS 5



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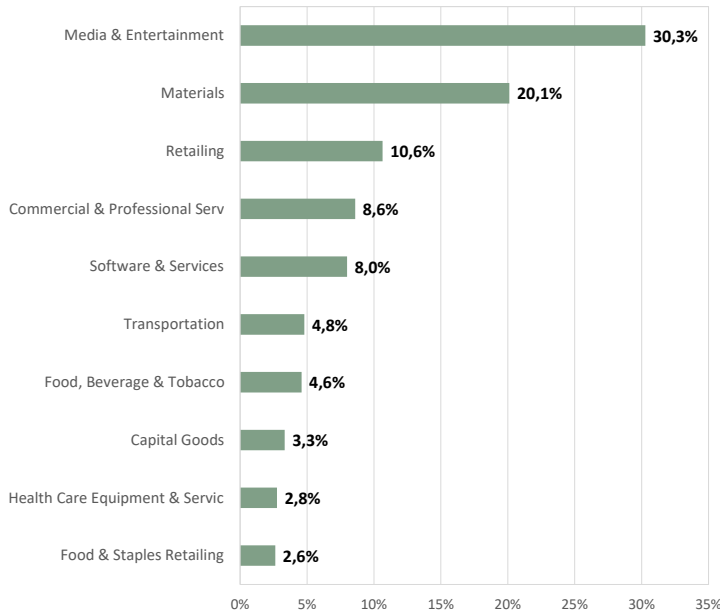
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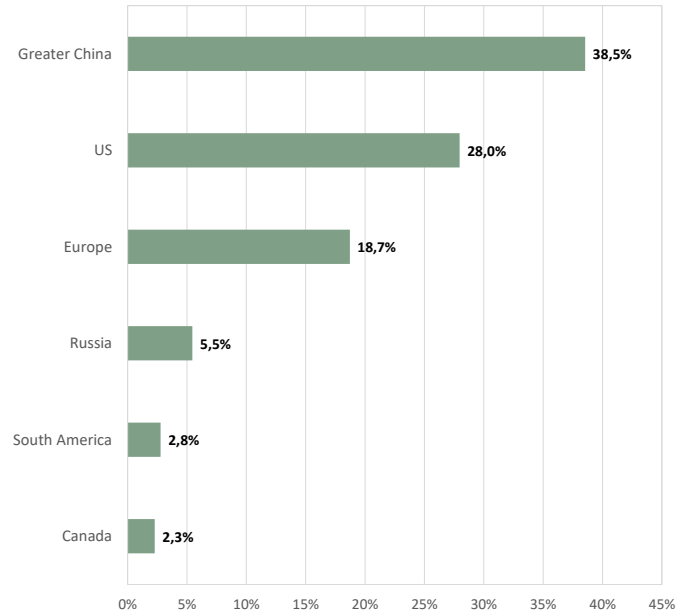
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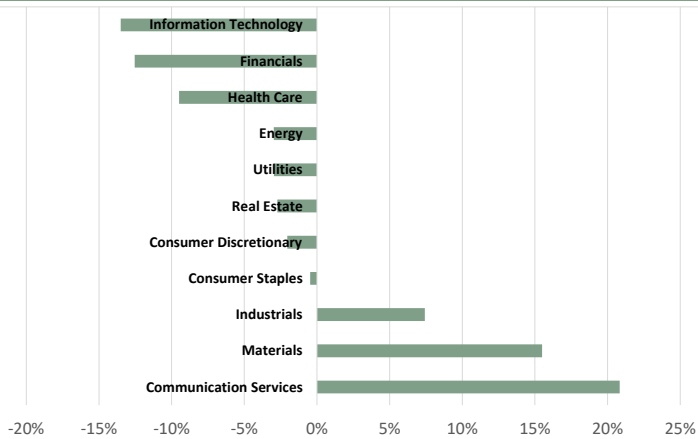
SECTOR EXPOSURE



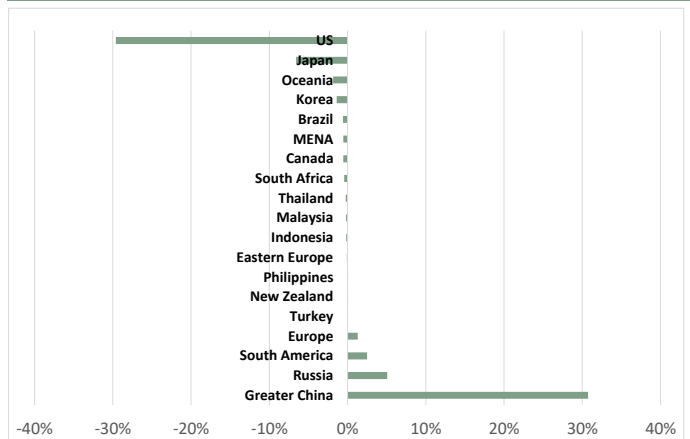
GEOGRAPHIC EXPOSURE



RELATIVE SECTOR EXPOSURE



RELATIVE GEOGRAPHIC EXPOSURE



PORTFOLIO CONCENTRATION

Top 10 holdings	47,4%
Top 20 holdings	75,5%
Top 30 holdings	92,1%
Total	96%

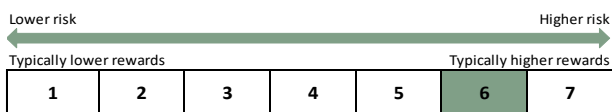
MARKET CAP (in billion euros)

> 10	45%
5-10	29%
< 5	22%
Median Market Cap (BN EUR)	8,4

STATISTICS

Equity exposure	96%
Cash	4%
Number of holdings	34
Active Share	93%
Median Price Earnings	28,5

RISK PROFILE



MANAGEMENT FEE AND PERFORMANCE FEE

Management fee 1,80%

Performance Fee 20% of any excess return if the NAV outperforms the benchmark and achieves a positive performance topping the relevant High Water Mark

*Past Performance is not indicative of future results. Performance is not constant over time. World Winners fund primarily invests in equities and presents a risk of losing capital.

The representative of the Fund in Switzerland is ACOLIN Fund Services AG, Geneva Branch, 6 cours de Rive, 1204 Geneva. The distribution of Shares in Switzerland must exclusively be made to qualified investors. The place of performance for Shares in the Fund distributed in Switzerland is at registered office of the Representative.

This document is not a contractual element. Subscriptions can only be made after reading the regulatory documents of the fund (Prospectus, KIID), available upon request from Preval.