



Monthly factsheet

Entrepreneurs, eligible for inclusion in a French equity savings plan (PEA), is invested in a selection of 30 to 50 market-leading European companies with a contrarian investment approach.

Countries available for sale: FR CH BE SP

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. 250 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 Entrepreneurs fund gained +6.7% during the month of August, while its benchmark index rose by +4.0%.

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.

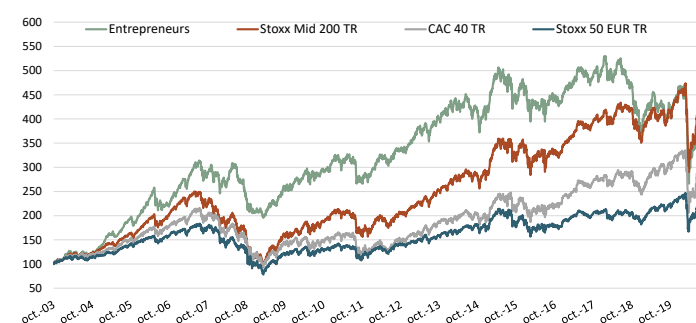
Thierry Flecchia and the management team.

PERFORMANCE IN EUROS*

31/08/2020	Entrepreneurs	Stoxx Mid 200 TR	Stoxx 50 EUR TR	CAC 40 TR
Since inception**	332,7%	300,4%	110,4%	176,0%
2017	11,8%	16,2%	9,0%	12,7%
2018	-25,2%	-11,1%	-10,2%	-8,0%
2019	21,7%	26,4%	27,4%	30,5%
2020	-6,6%	-11,9%	-11,2%	-15,6%
Month	6,7%	4,0%	1,7%	3,4%

** On 01/10/2003

PERFORMANCE SINCE INCEPTION*



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

TOP 10 HOLDINGS

SCHIBSTED (Norway, Media & Entertainment)	7,7%
G4S PLC (Britain, Commercial & Professional Serv)	7,5%
LINDE PLC (Ireland, Materials)	4,9%
AP MOELLER-MAERSK A/S-B (Denmark, Transportation)	4,5%
METSO OUTOTEC OYJ (Finland, Capital Goods)	3,7%
POLYMETAL INTERNATIONAL PLC (Jersey, Materials)	3,6%
PROSUS NV (Netherland, Retailing)	3,3%
DCC (Ireland, Capital Goods)	3,2%
INGENICO GROUP (France, Technology Hardware & Equipmen)	3,1%
BRENTNAG AG (Germany, Capital Goods)	3,0%

FUND FACTS AND TERMS

Launch date	01-October-2003
Isin	FR0010007542
Bloomberg Ticker	FLINENT FP
Reuters (RIC)	LP600 88694
Fund size (EUR)	89,3 Millions
Currency	EUR
Nav calculated	432,66 EUR
Benchmark	Stoxx Mid 200 TTR
Custodian	CIC
Nav Calculation	Daily
Cut-Off	10am
Fund structure	UCITS 5



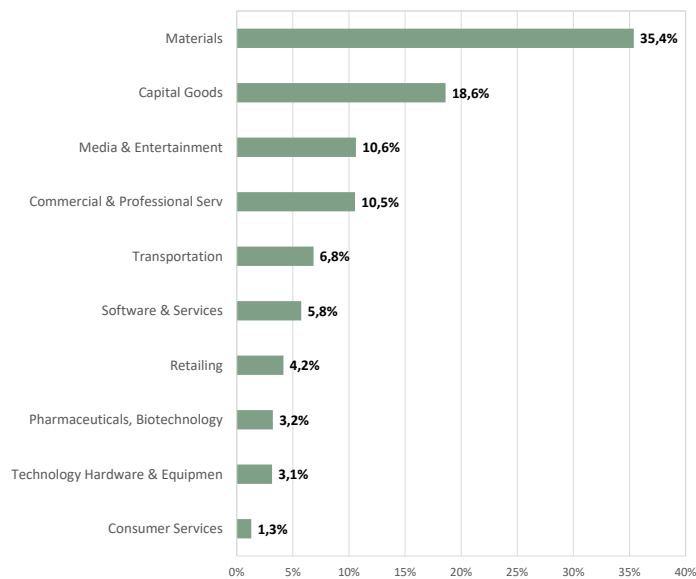
ENTREPRENEURS

August-20

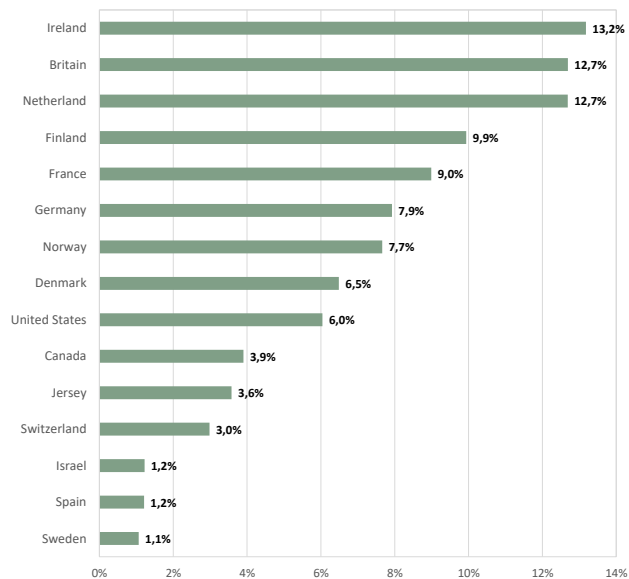
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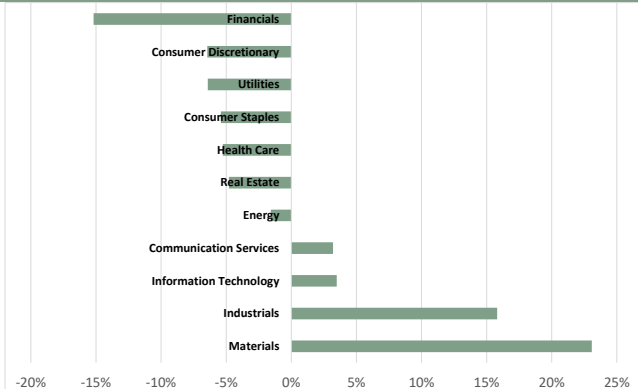
SECTOR EXPOSURE



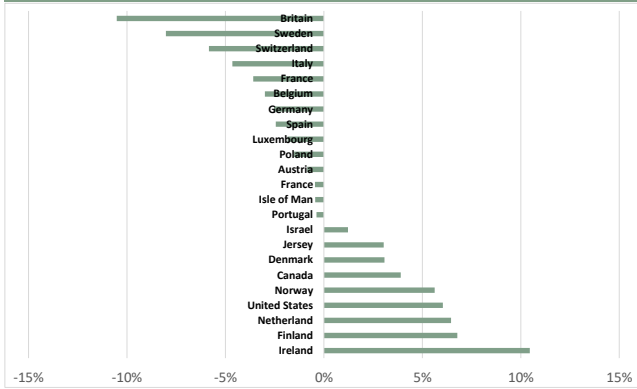
GEOGRAPHIC EXPOSURE



RELATIVE SECTOR EXPOSURE



RELATIVE GEOGRAPHIC EXPOSURE



PORTFOLIO CONCENTRATION

Top 10 holdings	44,5%
Top 20 holdings	70,8%
Top 30 holdings	88,3%
Total	100%

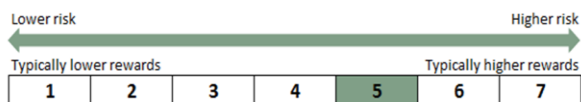
MARKET CAP (in billion euros)

> 10	45%
5-10	29%
< 5	25%
Median Market Cap (BN EUR)	9,7

STATISTICS

Equity Exposure	100%
Cash	0%
Number of Holdings	40
Active Share	93%
Median Price Earnings	21,5

RISK PROFILE



MANAGEMENT FEE AND PERFORMANCE FEE

Management fee	1,80%
Performance Fee	20% of any excess return if the NAV outperforms the benchmark

*Past Performance is not Indicative of future results. Performance is not constant over time. The Entrepreneurs fund primarily invests in equities and presents a risk of losing capital.

The representative of the Fund in Switzerland is CACEIS SA, Route de Signy 35, CH-1260 Nyon . 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.