



## 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,

During the month of May 2020, your Entrepreneurs fund rose by 4.1%, vs a 4.6% increase in its benchmark index.

Apart from an unavoidable recession in 2020, the ultimate impact of Covid-19 on the worldwide economy remains uncertain. For this reason, volatility was still high during the month, against a market recovery that continues to be driven by unprecedented quantitative easing and fiscal stimulus packages around the world.

That said, the recession caused by Covid-19 is actually strengthening the competitive advantage and growth potential of some companies in our portfolio.

The market has rewarded companies that have a certain degree of visibility of their revenue/cash generation and a return on capital employed consistently higher than their cost of capital. DCC (oil, electronic and medical products distribution and logistics – UK) and Schibsted (media and digital marketplaces – Norway) saw their share prices rise by 16% and 15%, respectively, during the month. The business sectors in which these two companies are active are very different but they share some common characteristics. They are both well managed operationally and financially, have very little debt and generate stable returns on capital employed, owing to high barriers to entry.

Conversely, the share prices of some of our companies declined sharply, because investors deemed them too debt-laden or their cash flow generation to be too volatile, leaving yawning investment opportunities. For example, the share price of G4S (security – UK) declined by around 20% during the month. We are still invested in this company, because we believe its current share price is significantly below its intrinsic value and that its value will ultimately be recognized by the market. After a market correction like the one we have just seen, many inefficiencies and under-valuations remain, especially in the mid-cap universe.

We have taken advantage of this period of sharp share price decline to invest in new leaders. HeidelbergCement (materials – Germany), Grifols (pharmaceuticals – Spain), Metso (capital goods – Finland) and Outotec (capital goods – Finland) are among those companies in which we have initiated positions. We believe these companies will emerge stronger from the current crisis and that the recent decline in their share prices does not correspond to their leadership positions, their cash-generating ability and their potential to create shareholder value over the long term.

We thank you for the trust you have placed in us.

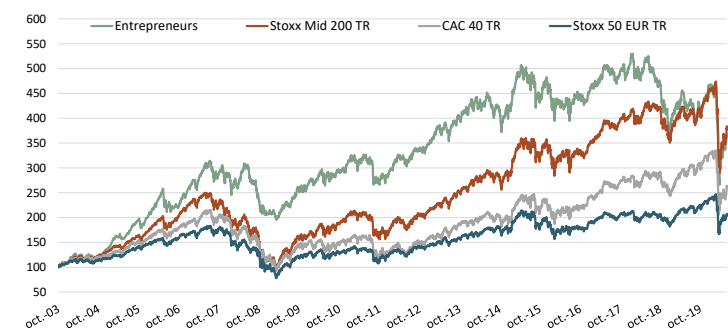
Thierry Flecchia and the management team.

### PERFORMANCE IN EUROS\*

29/05/2020	Entrepreneurs	Stoxx Mid 200 TR	Stoxx 50 EUR TR	CAC 40 TR
Since inception**	262,4%	279,1%	104,6%	159,9%
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	-21,8%	-16,6%	-13,6%	-20,5%
Month	4,1%	4,6%	1,8%	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)	5,5%
LINDE PLC (Ireland, Materials)	5,0%
G4S PLC (Britain, Commercial & Professional Serv)	4,6%
INGENICO GROUP (France, Technology Hardware & Equipmen)	4,2%
DCC (Ireland, Capital Goods)	3,8%
AKZO NOBEL (Netherland, Materials)	3,4%
POLYMETAL INTERNATIONAL PLC (Jersey, Materials)	3,3%
CRH PLC (Ireland, Materials)	3,3%
LAFARGEHOLCIM LTD-REG (Switzerland, Materials)	3,3%
BRENTAG AG (Germany, Capital Goods)	3,2%

### FUND FACTS AND TERMS

Launch date	01-October-2003
Isin	FR0010007542
Bloomberg Ticker	FLINENT FP
Reuters (RIC)	LP600 88694
Fund size (EUR)	76,2 Millions
Currency	EUR
Nav calculated	362,40 EUR
Benchmark	Stoxx Mid 200 TTR
Custodian	CIC
Nav Calculation	Daily
Cut-Off	10am
Fund structure	UCITS 5



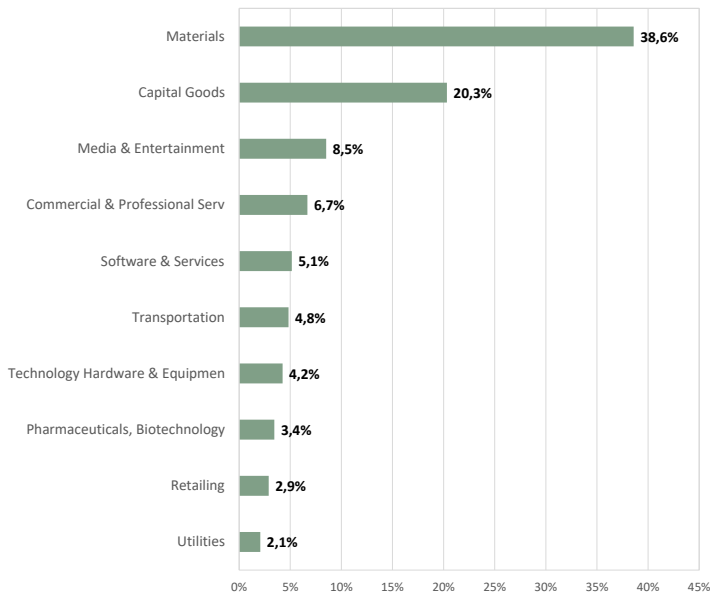
# ENTREPRENEURS

May-20

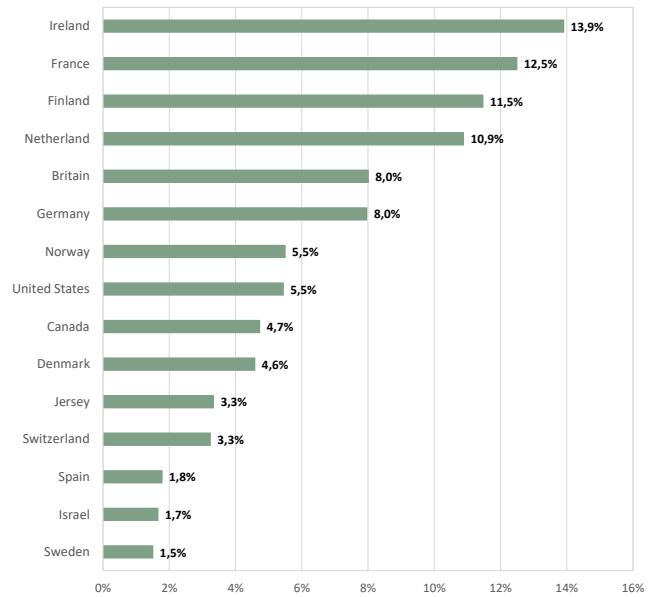
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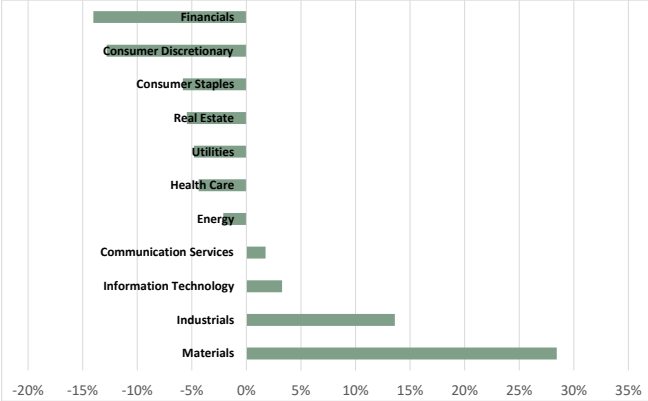
### SECTOR EXPOSURE



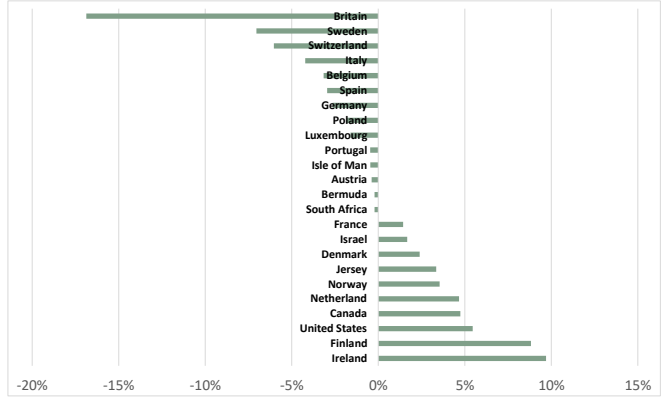
### GEOGRAPHIC EXPOSURE



### RELATIVE SECTOR EXPOSURE



### RELATIVE GEOGRAPHIC EXPOSURE



### PORTFOLIO CONCENTRATION

Top 10 holdings	39,6%
Top 20 holdings	66,8%
Top 30 holdings	86,1%
Total	97%

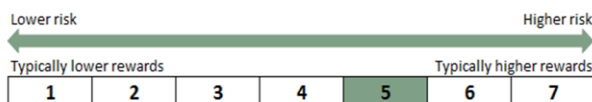
### MARKET CAP (in billion euros)

> 10	39%
5-10	34%
< 5	23%
Median Market Cap (BN EUR)	9,0

### STATISTICS

Equity Exposure	97%
Cash	3%
Number of Holdings	37
Active Share	93%
Median Price Earnings	21,8

### 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.