

Preval Funds SICAV

An investment company with variable capital (société d'investissement à capital variable) incorporated under the form of a public limited company ("société anonyme") under the laws of the Grand Duchy of Luxembourg

Registered Office: 5, rue Jean Monnet, L-2180 Luxembourg
R.C.S. Luxembourg B. 194.732

Annual Report, including audited Financial Statements
for the year ended December 31, 2019

Report of the "Réviseur d'Entreprises Agréé"	3
Management and Administration	5
Combined Report	6
Notes	8
Manager's Report	10
Report by Subfund	
Preval Funds SICAV - World Winners	11
Unaudited information	15

To the Shareholders of
Preval Funds SICAV
5, rue Jean Monnet
L-2180 Luxembourg

REPORT OF THE *REVISEUR D'ENTREPRISES AGREÉ*

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Preval Funds SICAV (the "Fund") and its Subfund which comprise the statement of net assets and the statement of investments in securities as at December 31, 2019 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and its Subfund as at December 31, 2019, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements" section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the *Réviseur d'Entreprises Agréé* thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the Financial Statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *Réviseur d'Entreprises Agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *Réviseur d'Entreprises Agréé* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *Réviseur d'Entreprises Agréé*. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*



Elisabeth LAYER, *Réviseur d'Entreprises Agréé*
Partner

Luxembourg, April 14, 2020

The Fund

Preval Funds SICAV
Investment Company with Variable Capital
5, rue Jean Monnet, L-2180 Luxembourg
R.C.S. Luxembourg B. 194.732

Board of Directors of the Fund

Thierry Flecchia, Member of the Board
Chairman and Conducting Officer, Preval, Société Anonyme, Luxembourg
Grand Duchy of Luxembourg

Benoni Dufour, Member of the Board
Independent Director, Aspelt
Grand Duchy of Luxembourg

Laurent Pluchard, Member of the Board
Director and Conducting Officer, Dynasty AM S.A., Luxembourg
Grand Duchy of Luxembourg

Management Company and Investment Manager

Preval, Société Anonyme
11, boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg B. 190081

Board of Directors of the Management Company

Thierry Flecchia, Member of the Board

Dimitri Boismare, Member of the Board

Olivier Ferrari, Member of the Board

Depository Bank and Paying Agent

Credit Suisse (Luxembourg) S.A.
5, rue Jean Monnet, L-2180 Luxembourg
Grand Duchy of Luxembourg

Central Administration Agent

Credit Suisse Fund Services (Luxembourg) S.A.
5, rue Jean Monnet, L-2180 Luxembourg
Grand Duchy of Luxembourg

Cabinet de révision agréé

Deloitte Audit Société à Responsabilité Limitée, Cabinet de révision agréé
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Legal Adviser as to matters of Luxembourg law

Elvinger Hoss Prussen
2, Place Winston Churchill
L-2014 Luxembourg
Grand Duchy of Luxembourg

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current sales prospectus, the Key Investor Information Document, the latest annual report and the latest semi-annual report, if more recent.

The issue and redemption prices are published in Luxembourg at the registered office of the Fund.

Shareholders may obtain the sales prospectus, the key investor information document (KIID), the latest annual and semi-annual reports, the changes in the composition of the securities portfolio during the reporting period and copies of the Articles of Incorporation free of charge from the registered office of the Fund or the local representatives in the countries where the Fund is registered.

Statement of Net Assets in EUR

	31.12.2019
Assets	
Investments in securities at market value	162,922,045.47
Cash at banks	1,324,905.43
Income receivable	116,566.64
Prepaid expenses	1,986.52
	164,365,504.06
Liabilities	
Due to banks and to brokers	1,053.42
Provisions for accrued expenses	265,539.14
	266,592.56
Net assets	164,098,911.50

Statement of Operations / Changes in Net Assets in EUR

	For the period from 01.01.2019 to 31.12.2019
Net assets at the beginning of the year	172,035,837.77
Income	
Dividends (net)	3,048,023.37
Bank interest	20,805.40
	3,068,828.77
Expenses	
Management fee	2,426,454.09
Depositary fee	92,671.24
Administration expenses	67,045.05
Printing and publication expenses	1,502.39
Interest and bank charges	32,201.94
Audit, control, legal, representative bank and other expenses	143,380.08
Subscription tax	66,665.71
	2,829,920.50
Net income (loss)	238,908.27
Realised gain (loss)	
Net realised gain (loss) on sales of investments	8,875,738.56
Net realised gain (loss) on foreign exchange	-162,819.16
	8,712,919.40
Net realised gain (loss)	8,951,827.67
Change in net unrealised appreciation (depreciation)	
Change in net unrealised appreciation (depreciation) on investments	24,575,193.31
	24,575,193.31
Net increase (decrease) in net assets as a result of operations	33,527,020.98
Subscriptions / Redemptions	
Subscriptions	27,274,637.69
Redemptions	-68,738,584.94
	-41,463,947.25
Net assets at the end of the year	164,098,911.50

General

Preval Funds SICAV (the "Fund") is an umbrella structured open-ended investment company with limited liability, organised as a *société anonyme* and qualifies as a *société d'investissement à capital variable* ("SICAV") under part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended (the "2010 Law"). The Fund was incorporated on 11.02.2015 and its Articles were published in the Memorial on 27.02.2015.

The Fund is registered under number B 194.732 with the Registre de Commerce et des Sociétés of Luxembourg, where the Articles have been filed and are available for inspection. The Fund exists for an indefinite period.

As of 31.12.2019 the Fund had 1 Subfund denominated in EUR:
– Preval Fund SICAV – World Winners, launched on 10.04.2015.

The Fund offers various share classes of the Subfund.

Summary of significant accounting policies

a) Presentation of financial statements

The financial statements are presented in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements applicable to undertakings for collective investment.

b) Computation of the net asset value

The net asset value per share is calculated on each Calculation Day by dividing the total net asset value attributable to each share class, being the proportionate value of its assets less its liabilities, by the number of shares of such share class then in issue.

The resulting net asset value per share is rounded to the nearest three decimal places.

The net asset value of the shares of the Subfund Preval Fund SICAV – World Winners is valued on a daily basis, if such day is not a Business Day in Luxembourg, the Valuation Day will be the following Business Day (the "Sub-Fund's Valuation Day"). The actual calculation takes place on the Business Day after the Sub-Fund's Valuation Day.

The financial statements are presented on the basis of the latest NAV calculated during the financial year (i.e. 31.12.2019).

c) Valuation policy

The assets of the Subfund are valued as of the Valuation Day, as follows:

(1) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as the Board of Directors of the Fund may consider appropriate in such case to reflect the true value thereof.

(2) The value of such securities, financial derivative instruments and assets is determined on the basis of the closing or last available price on the stock exchange or any other Regulated Market as defined by the 2010 Law on which these securities or assets are traded or admitted for trading. Where such securities or other assets are quoted or dealt in one or more than one stock exchange or any other Regulated Market, the Board of Directors of the Fund shall make regulations for the order of priority in which stock exchanges or other Regulated Markets are used for the provisions of prices of securities or assets.

(3) If a security is not traded or admitted on any official stock exchange or any Regulated Market, or in the case of securities so traded or admitted the last available price of which does not reflect their fair value, the Board of Directors of the Fund is required to proceed on the basis of their expected sales price, which is valued with prudence and in good faith.

(4) The financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Board of Directors of the Fund's initiative. The reference to fair value shall be understood as a reference to the amount for which an asset could be exchanged, or a liability be settled, between knowledgeable, willing parties in an arm's length transaction.

(5) Units or shares in undertakings for collective investments are valued on the basis of their last available net asset value as reported by such undertakings.

(6) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner.

(7) If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Fund's assets, the Board of Directors of the Fund may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

d) Net realised gain/loss on sales of investments

The realised gains or losses on the sales of securities are calculated on the basis of the average acquisition cost.

e) Foreign exchange conversion

The financial statements are reported in the reference currency of the Subfund and the combined financial statements are reported in EUR.

Cash at banks, other net assets and the value of portfolio securities in currencies other than reference currency of the Subfund are converted into the reference currency at the foreign exchange rate prevailing on 31.12.2019.

Income and expenses in currencies other than reference currency of the Subfund are converted into the reference currency at the foreign exchange rate applicable at the date they accrue to the Subfund.

Realised gains or losses on foreign currencies are accounted for in the statement of operations.

Security transactions in currencies other than the reference currency of the Subfund are converted into the reference currency at the foreign exchange rate valid at the date of the transaction.

The foreign exchange rates used as of 31.12.2019 are:

1 EUR =	
	4.451500 BRL
	1.455600 CAD
	1.087000 CHF
	7.472500 DKK
	0.847350 GBP
	8.746300 HKD
	121.9877700 JPY
	1,298.115150 KRW
	9.863750 NOK
	10.507750 SEK
	1.122500 USD

f) Transactions on investments in securities

The transactions on investments in securities are booked on a trade date basis.

g) Income recognition

Dividends are recorded on ex-dividend date, net of withholding tax. Interest is accrued on a daily basis.

h) Formation expenses

The costs and expenses of establishing the Fund are borne by, and payable out of the assets of, the Subfunds existing at the launch of the Fund and will be amortized over a period not exceeding five years.

Management fee

(see detail at Subfund level)

The Board of Directors of the Fund has appointed Preval, Société Anonyme as the Fund's Management Company to perform investment management, administration and marketing functions as described in Annex II of the 2010 Law.

The Fund pays Management fees for the Subfund to the Management Company *per annum* based on the Net Asset Value of the Fund and/or the Share Classes. The level of Management Fees may vary at the Board of Directors of the Fund discretion, as agreed with the Management Company, across Subfunds and Share Classes. Management Fees accrued on each Calculation Day (with respect to the Share Class concerned), are based on the Net Asset Value of the relevant Share Class and are paid monthly based on the last available Net Asset Value of the relevant Share Class.

Management Fees comprise, without limitation, all operation costs and expenses incurred by the Fund and the Management Company, with the exception of the Central Administration Fee, the fees of the Custodian Bank, and any taxes thereon.

Performance fee

The Management Company may, in addition to the Management Fee, be entitled to a performance fee.

For the Subfund Preval Fund SICAV – World Winners, the performance fee is paid annually in arrears within 15 Business Days from the end of the relevant calendar year (the "Performance Fee Calculation Period") and for the first time in 2015.

The performance fee may be levied provided that:

(i) the performance of the relevant Share Class for the relevant Performance Fee Calculation Period is positive as compared to the precedent Performance Fee Calculation Period; and

(ii) there is a difference in favour of the Shareholders in the relevant Share Class between the relative evolution of the Net Asset Value of such Share Class and the MSCI ACWI Index (i.e. an outperformance) over the same period; and

(iii) the Net Asset Value at the end of the Performance Fee Calculation Period is above the High Water Mark.

The High Water Mark is the highest Net Asset Value per Share of the relevant Share Class since the last period where a performance fee was due/paid.

The first performance fee based on the High Water Mark principle was calculated on 01.02.2019.

The performance fee by Class of Share outstanding will be equivalent to twenty per cent (20%) of the positive excess of the net return of the relevant Share Class over the MSCI ACWI Index (i.e. the outperformance) since the previous Performance Fee Calculation Period to the extent this High Water Mark is exceeded. If the performance of the Net Asset Value per Class of Share is lower than the return of the MSCI ACWI Index no performance fee shall be paid.

No Performance fee will be charged to share Class S.

As of 31.12.2019, the Fund did not pay any Performance Fee to the Management Company.

Depository fee

The Depository Bank receives from the Fund a fee in relation to these services, which is set at a rate of up to 6 bps per annum of the Net Asset Value of the Fund accrued on a daily basis and payable on a monthly basis.

Administration expenses

The Central Administration Agent receives a fee from and out of the assets of the Fund in relation to its Central Administration Agent services. Such fee is in accordance with usual practice in Luxembourg paid on a monthly basis and calculated and accrued at the end of the month considered.

Subscription tax and taxation

The Fund is not subject to any taxes in Luxembourg on income or capital gains.

The only taxes to which the Fund in Luxembourg is subject is the subscription tax at a rate of 0,05% per annum based on the Net Asset Value of each Subfund at the end of the relevant quarter, calculated and paid quarterly. In respect of any Share Class which is reserved for Institutional Investors (within the meaning of article 174 of the 2010 Law), the tax levied will be at the rate of 0,01% per annum.

In case the Fund invests in other Luxembourg investment funds, which in turn are subject to the subscription tax, the aforementioned tax is not due from the Subfund on the portion of assets invested therein.

Other taxes on the Fund, for example on income, capital gains or distributions, are not levied in Luxembourg. However, income, capital gains or distributions of the Fund may be subject to non-refundable withholding taxes or other taxes in countries in which the Fund's assets are invested.

Income, capital gains or distributions of the Fund are not subject to any capital gains, income or withholding tax in Luxembourg.

Changes in the composition of the securities portfolio

Changes in the composition of the securities portfolio during the reporting year are available to Shareholders free of charge at the registered office of the Fund or the local representatives in the countries where the Fund is registered.

Fund performance

(see detail at Subfund level)

The performance of the year Y is based on the net asset values as calculated on the last business day of the year Y and Y-1. Those net asset values reflect the market prices of the investments as of the last business day of the year Y and Y-1. The YTD (Year-To-Date) performance includes the period 01.01.2019 to 31.12.2019.

Historical performance is no indicator of current or future performance.

The performance data given does not take into account commissions and costs incurred in the purchase or redemption of fund shares. The performance since inception is annualised.

Performance of distributing shares includes reinvestments of dividends.

Total Expense Ratio (TER)

(see detail at subfund level)

The TER expresses the sum of all costs and commissions charged on an ongoing basis to the respective subfund, taken retrospectively as a percentage of these assets.

If a subfund invests at least 10% of its net assets as a fund of fund in target funds, a composite TER of the fund of funds is to be calculated as follows.

The prorated TER of the individual target funds including a performance related remuneration, weighted according to the share they represent in the overall assets of the fund of funds as of the closing date and the TER of the fund of funds minus the retroceded commissions received from the target funds during the reporting year.

No TER is disclosed for share classes launched less than 6 months before closing date.

The TER is calculated following the SFAMA guideline.

Transaction costs

Transactions costs include brokerage fees, stamp duty, local taxes and other foreign charges if incurred during the reporting year. Transaction fees are included in the cost of securities purchased and sold.

For the year ended on 31.12.2019, the Fund incurred transaction costs relating to purchase or sale of investments in securities and similar transactions, (including derivatives instruments or other eligible assets) as follows:

Preval Funds SICAV – World Winners	EUR 650,119.74
------------------------------------	----------------

Not all transaction costs are separately identifiable. For fixed income investments, forward currency contracts and for some other derivative contracts, transaction costs are included in the purchase and sales price of the investments.

Global Exposure

The global exposure of the Subfund is calculated on the basis of the commitment approach.

Subsequent events

Covid19 pandemic has brought economic uncertainties and significant market volatility on global markets since 9th March 2020. Events like decrease in assets under management or significant outflows, as well as related risks for future impacts on the Fund have been considered for recognition and disclosure in the financial reports of the Fund, even when occurring after the reporting period ending 31 December 2019.

During the period between 31 December 2019 and 30 March 2020 assets under management of the Fund decreased by 30 %. Outflows of ca. 3 million euros occurred during the same period.

During the specific Covid-19 impact period, between 6 March 2020 and 30 March 2020, assets under management of the Fund decreased by 18 %. Outflows of ca. 0,6 million euros occurred during the same period.

The decrease in assets and the Fund outflows observed between 6 March 2020 and 30 March 2020 mainly result from the Covid-19 impact on markets and investors' concerns.

It can however be confirmed that these movements do not justify affecting the accounting conclusions for the reporting period ending 31 December 2019.

The Management Company of the Fund is closely monitoring the liquidity levels of the Fund and the capacity to face further outflows. As at the date of the report, no issues or concerns have been identified on liquidity for both assets and investors. It is also confirmed that the Management Company of the Fund has not met any difficulty or delay accessing and obtaining information impacting the disclosure in financial statements during Covid-19 restrictions.

	Performance in EUR				
	S&P 500 (US)	HSCEI (China HK)	Stoxx 600 (EU)	MSCI World	Preval WW net (A)
FY 2019 Performance (%)	33.29	17.42	27.75	28.93	20.70

FY 2019 was a good year for equity markets, with all major indices closing the year in positive territory.

There were 3 main factors contributing to the global stock market's positive performance:

1. US and China announcing a phase 1 of their trade deal
2. Boris Johnson's election in the UK
3. General interest rates remaining low

Our World Winners fund, which is relatively over-exposed to the Chinese market and to "value" stocks, underperformed its benchmark index during the year. The gap has been caused by:

1. Slowdown of the Chinese economy
2. "Growth" stocks' over-performance vs "Value" stocks
3. The funds high exposure to cyclical stocks

We adjusted our portfolio by increasing our positions in the companies we believe have an attractive Price to Value ratio.

Covid19 pandemic has brought economic uncertainties and significant market volatility on global markets since 9 March 2020. We believe that it is essential during this period to keep focused on our objectives and to act with calm and patience. While the financial aid plans established by European and American governments bring some optimism for the global economic and financial recovery, we remain prudent and monitor the performance of indices and securities very closely.

The figures stated in this report are historical and not necessarily indicative of future performance.

Technical Data and Notes**Technical Data**

		Valoren	ISIN	Management Fee	Total Expense Ratio
A -Capitalisation	EUR	25924494	LU1132346872	1.80%	2.01%
I -Capitalisation	EUR	25924651	LU1132347094	1.20%	1.38%
S -Capitalisation	EUR	39714288	LU1745486925	0.20%	0.42%

Fund Performance

		2019	Since Inception	2018	2017	2016
A -Capitalisation	EUR	20.70%	26.23%	-22.88%	28.53%	10.44%
I -Capitalisation	EUR	21.48%	29.96%	-22.39%	29.18%	11.15%
S -Capitalisation	EUR	22.66%	0.91%	/	/	/

Statement of Net Assets in EUR and Fund Evolution

	31.12.2019
Assets	
Investments in securities at market value	162,922,045.47
Cash at banks	1,324,905.43
Income receivable	116,566.64
Prepaid expenses	1,986.52
	164,365,504.06
Liabilities	
Due to banks and to brokers	1,053.42
Provisions for accrued expenses	265,539.14
	266,592.56
Net assets	164,098,911.50

Fund Evolution		31.12.2019	31.12.2018	31.12.2017
Total net assets	EUR	164,098,911.50	172,035,837.77	169,004,711.37
Net asset value per share				
A -Capitalisation	EUR	126.23	104.58	135.61
I -Capitalisation	EUR	129.96	106.98	137.84
S -Capitalisation	EUR	100.91	82.27	/

Number of shares outstanding		at the end of the year	at the beginning of the year	Number of shares issued	Number of shares redeemed
A -Capitalisation	EUR	749,683.527	938,962.936	88,041.959	277,321.368
I -Capitalisation	EUR	309,358.808	502,498.938	106,487.812	299,627.942
S -Capitalisation	EUR	289,933.661	244,080.824	46,690.000	837.163

Statement of Operations / Changes in Net Assets in EUR

	For the period from 01.01.2019 to 31.12.2019
Net assets at the beginning of the year	172,035,837.77
Income	
Dividends (net)	3,048,023.37
Bank interest	20,805.40
	3,068,828.77
Expenses	
Management fee	2,426,454.09
Depository fee	92,671.24
Administration expenses	67,045.05
Printing and publication expenses	1,502.39
Interest and bank charges	32,201.94
Audit, control, legal, representative bank and other expenses	143,380.08
Subscription tax	66,665.71
	2,829,920.50
Net income (loss)	238,908.27
Realised gain (loss)	
Net realised gain (loss) on sales of investments	8,875,738.56
Net realised gain (loss) on foreign exchange	-162,819.16
	8,712,919.40
Net realised gain (loss)	8,951,827.67
Change in net unrealised appreciation (depreciation)	
Change in net unrealised appreciation (depreciation) on investments	24,575,193.31
	24,575,193.31
Net increase (decrease) in net assets as a result of operations	33,527,020.98
Subscriptions / Redemptions	
Subscriptions	27,274,637.69
Redemptions	-68,738,584.94
	-41,463,947.25
Net assets at the end of the year	164,098,911.50

Statement of Investments in Securities

Breakdown by Country

Cayman Islands	26.60
United Kingdom	15.04
USA	8.73
Denmark	6.38
Switzerland	6.16
Finland	4.23
Germany	3.16
Netherlands	3.05
Norway	3.01
Ireland	2.80
Brazil	2.75
Russia	2.72
Bermuda	2.67
France	2.55
Austria	2.35
Canada	2.00
Italy	1.84
Japan	1.67
Isle of Man	1.57
Total	99.28

Breakdown by Economic Sector

Miscellaneous services	17.64
Internet, software and IT services	13.16
Traffic and transportation	9.23
Forestry, paper and forest products	9.18
Food and soft drinks	8.43
Building materials and building industry	7.55
Graphics publishing and printing media	6.80
Retailing, department stores	4.31
Miscellaneous consumer goods	4.20
Vehicles	2.82
Investment trusts/funds	2.80
Energy and water supply	2.55
Environmental services and recycling	2.11
Precious metals and precious stones	2.00
Lodging and catering industry, leisure facilities	1.97
Pharmaceuticals, cosmetics and medical products	1.67
Mining, coal and steel industry	1.65
Financial, investment and other div. companies	1.21
Total	99.28

Statement of Investments in Securities

Description	Quantity / Nominal	Valuation (in EUR)	% of net assets
Securities listed on a stock exchange or other organised markets: Shares (and equity-type securities)			
Shares (and equity-type securities)			
EUR ANDRITZ	100,574	3,862,041.60	2.35
DKK A.P. MOELLER - MAERSK - B-	5,263	6,767,066.44	4.12
CHF ARYZTA	4,465,556	4,445,015.26	2.71
HKD BIOSTIME INTERNATIONAL	1,243,979	4,586,890.77	2.80
EUR BUZZI UNICEM	134,362	3,016,426.90	1.84
EUR CECONOMY	959,383	5,186,424.50	3.16
HKD DALI FOODS GROUP	7,465,341	4,924,941.70	3.00
DKK FLSMIDTH & CO	104,580	3,714,356.91	2.26
HKD GOODBABY INTERNATIONAL HOLDINGS	11,624,000	2,299,203.09	1.40
GBP GVC HOLDINGS	246,709	2,574,380.10	1.57
GBP G4S	6,126,864	15,762,746.82	9.60
GBP INFORMIA	614,347	6,213,434.58	3.79
USD JD.COM ADR	272,517	8,553,027.98	5.20
GBP KAZAKHMYS	430,549	2,700,109.03	1.65
EUR KONECRANES	168,984	4,630,161.60	2.82
CHF LAFARGEHOLCIM (reg. shares)	114,603	5,661,620.15	3.45
HKD LEE & MAN PAPER MANUFACTURING	2,932,000	1,977,842.06	1.21
HKD LI NING	704,000	1,879,469.03	1.15
CAD LUNDIN MINING	614,875	3,277,981.59	2.00
USD MAGNIT GDR	415,239	4,459,426.41	2.72
HKD NINE DRAGONS PAPER	4,729,580	4,380,091.92	2.67
NOK SCHIBSTED -A-	183,686	4,940,503.95	3.01
JPY SHISEIDO	43,008	2,743,622.97	1.67
USD STERICYCLE INCORPORATED	60,774	3,454,778.57	2.11
BRL SUZANO PAPEL E CELULOSE SA	513,010	4,508,080.35	2.75
USD TRIP.COM GROUP LTD ADR	108,266	3,234,959.14	1.97
EUR VALMET CORPORATION	108,174	2,310,596.64	1.41
EUR VEOLIA ENVIRONNEMENT	176,361	4,181,519.31	2.55
USD WEIBO ADR -A-	132,584	5,474,626.64	3.34
USD XPO LOGISTICS	118,130	8,387,493.10	5.11
USD YANDEX -A-	129,199	5,005,669.94	3.05
USD YELP -A-	79,957	2,480,982.01	1.51
USD 58.COM ADR -A-	186,242	10,739,817.07	6.53
Shares (and equity-type securities)		158,335,308.13	96.48
Securities listed on a stock exchange or other organised markets:			
Shares (and equity-type securities)		158,335,308.13	96.48
Securities listed on a stock exchange or other organised markets: Investment funds			
Fund units (Open-End)			
EUR ISHARES GOLD PRODUCERS UCITS E -USD ACC-EUR	410,116	4,586,737.34	2.80
Fund units (Open-End)		4,586,737.34	2.80
Securities listed on a stock exchange or other organised markets:			
Investment funds		4,586,737.34	2.80
Total of Portfolio		162,922,045.47	99.28
Cash at banks		1,324,905.43	0.81
Due to banks and to brokers		-1,053.42	/
Other net liabilities		-146,965.98	-0.09
Total net assets		164,098,911.50	100.00

Remuneration

In compliance with the provisions of Articles 111 bis, 111 ter and 151 of the 2010 Law, the Management Company establishes implements and maintains a remuneration policy which is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or articles of incorporation of the UCITS that the Management Company manages. Such remuneration policy is aligned with the strategy of the Management Company, its objectives, its values and its long term interests, such as sustainable growth prospects, complies with principles governing client and investor protection when providing services and does not interfere with the obligation of the Management Company to act in the best interests of the UCITS it manages.

The remuneration policies and practices apply to categories of staff, including senior management, risk takers, employees with oversight functions and any employees whose overall remuneration places them in the same income bracket as senior management and risk takers, whose activities have a material impact on the risk profiles of the Management Company or the UCITS under its management.

The Management Company updates the structure of the remuneration policy regularly to ensure that it remains suitable in light of any developments in the Management Company and satisfy the duty of supervision. Such remuneration policy is in line with business strategy, objectives, values and interests of the Management Company and the UCITS that it manages and of the shareholders of these UCITS. The governance structure of the remuneration policy aims at preventing conflicts of interest.

The remuneration policies and practices include fixed and variable portions of salaries. Where remuneration includes a variable element or a bonus, awarded based on performance criteria, the remuneration policy is structured in such a way as to achieve a fair balance between the fixed and variable elements and so as to ensure that the fixed remuneration component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable components, including the possibility to pay no variable remuneration component. This balance of the various elements of remuneration can vary according to the employee concerned, employees' commitment and achievements of objectives and contribution towards the Management Company's added value but also taking into account the market conditions and the specific environment in which the Management Company operates. A maximum limit has been set by the Management Company for the variable element.

The aim of the remuneration policy is to align the employees' personal objectives with the long term goals of the Management Company. The assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the UCITS managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the UCITS and their investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

Performance measurement, where it is used as a basis for the calculation of bonuses, is adjusted according to current and future risks associated with the underlying performance, and takes into account the cost of capital used and the liquidity required.

The implementation of the remuneration policy is at least subject to an annual internal, centralised and independent analysis.

The latest remuneration policy of the Management Company, including but not limited to the description of how the remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits is available from the Management Company's website (www.preval.lu) and a hard copy thereof is made available free of charge upon request of the Investors at the registered office of the Management Company.

	Number of persons	Total remuneration in EUR	Fixed remuneration in EUR	Variable remuneration in EUR
Senior Management	6	788 370,02	628 370,02	160 000,00
Identified Staff	4	247 249,75	223 249,75	24 000,00
Other Staff	4	62 628,13	60 228,13	2 400,00
Total	14	1 098 247,90	911 847,90	186 400,00

Please note that the average number of employees of the Management Company was 10 over the year 2019.

Employees have received variable compensation for the 2019 financial year. The Management Company complies with the remuneration policy established and approved by the Board of Directors of the Management Company. The Management Company has ensured that a fair balance is maintained between a sound financial situation and the payment of variable compensation.

The fixed component represents a sufficiently large fraction of the total compensation and allows the Management Company to operate a fully flexible bonus policy, including the ability to pay no variable component. In particular, the Company is able to partially or fully withhold bonuses when the performance criteria have not been met by the employee concerned, the relevant business department or the Management Company as a whole. The variable remuneration is paid or acquired only if it is consistent with the financial situation of the Management Company as a whole (situation affecting the sustainability of the Management Company) and if it is justified by the performance of the business unit, the fund and the person concerned.

Variable compensation is not paid through instruments or methods that facilitate the circumvention of legal requirements.

Securities Financing Transactions and of Reuse ("SFTR")

As at December 31, 2019, the Company is currently not in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of SFTR. Furthermore, no corresponding transactions were carried out during the period referring to the financial statements.