



# WORLD WINNERS

December-20

## Monthly factsheet

I 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)
- 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,

The World Winners fund advanced by +6.0% over the course of 2020, slightly underperforming its benchmark index by 70 basis points.

During 2020, the public health crisis had a significant impact on both the real economy and financial markets. The first quarter was characterized by widespread panic on the world's stock markets against the prospect of the biggest recession since the end of 1929. In the second quarter, thanks to aggressive quantitative easing by the various central banks and localized but significant economic support from national governments, the financial markets staged a sizable recovery. By the fourth quarter, promising vaccines had already arrived on the market to halt the spread of the Covid-19 epidemic, and this also contributed to the strong rebound in a very volatile year.

Your fund adapted to these new circumstances and has seen a strong recovery since the height of the crisis in March (up 64% since the market low point on the 23rd of March 2020).

The end of the year also saw an agreement between the UK and the EU on Brexit, but it was signed so late that it had no impact. The core of the agreement relates to trade, which will be impacted neither by quotas nor by higher tariffs. In the financial markets, on the other hand, the City of London will no longer be able to sell its services throughout Europe, which will prompt many companies to open subsidiaries on the continent.

Geographically, China represented 37.4% of the portfolio at the end of the year. The country contributed positively to the performance of the World Winners fund in 2020 and, having throttled the pandemic, has already returned to its pre-crisis level of growth. Equities remain cheap, given their attractive growth potential in both the short and medium term. In United States and in Europe, recovery has been slower. Some sectors, such as e-commerce and healthcare, are buoyant, while those linked to tourism and aerospace are continuing to suffer.

Private equity funds launched several takeover bids, supported or not by the executives of companies in our portfolio. In our view, this demonstrates that many listed companies hit by the stock market crisis are undervalued compared with their privately-held counterparts.

Over all of 2020, the performance of the World Winners fund was driven by JD.com (e-commerce - China), Wix.com (software - United States) and Baidu (search engine - China). Conversely, the fund's positions in Ceconomy (retailing - Germany), Aryzta (industrial bakery - Ireland) and Flsmidth (mining equipment - Denmark) held back performance.

With interest rates very low and considerable liquidity being injected into the economy, we stand firm in our belief that the companies in the portfolio have the potential to appreciate in value and that stock-picking in general has a bright future. This is because over the past few years, equity markets have focused on growth stocks, leaving a certain number of high quality companies by the wayside.

We wish you all the best for 2021, and we thank you for the trust you have placed in us.

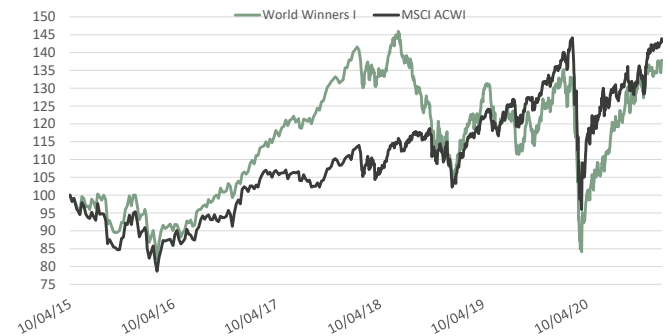
Thierry Flecchia and the management team

### PERFORMANCE IN EUROS\*

31/12/2020	World Winners - I	MSCI ACWI
Since inception **	37,8%	43,9%
2016	11,1%	11,1%
2017	29,2%	8,9%
2018	-22,4%	-4,8%
2019	21,5%	28,9%
2020	6,0%	6,7%
Month	3,3%	2,3%

\*\* On 10/04/2015

### PERFORMANCE SINCE INCEPTION\*



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

### TOP 10 HOLDINGS

JD.COM INC-ADR (CHINA, Retailing)	6,7%
G4S PLC (BRITAIN, Commercial & Professional Serv)	6,6%
BAIDU INC - SPON ADR (CHINA, Media & Entertainment)	6,4%
XPO LOGISTICS INC (UNITED STATES, Transportation)	6,0%
WEIBO (CHINA, Media & Entertainment)	4,6%
SUZANO SA (BRAZIL, Materials)	4,2%
TENCENT HOLDINGS LTD (CHINA, Media & Entertainment)	3,6%
SCHIBSTED (NORWAY, Media & Entertainment)	3,6%
SALESFORCE.COM INC (UNITED STATES, Software & Services)	3,4%
NEWMONT GOLDCORP (UNITED STATES, Materials)	3,1%

### FUND FACTS AND TERMS

Launch date	10 avril 2015
Isin	LU1132347094
Bloomberg Ticker	PREWWIE LX
Fund size (EUR)	148,6 Millions
Currency	EUR
Nav calculated	137,82 EUR
Benchmark	MSCI World AC Total return net Euros
Custodian	Crédit Suisse Luxembourg
Nav Calculation	Daily
Cut-Off	3pm
Fund structure	UCITS 5



PREVAL

# WORLD WINNERS

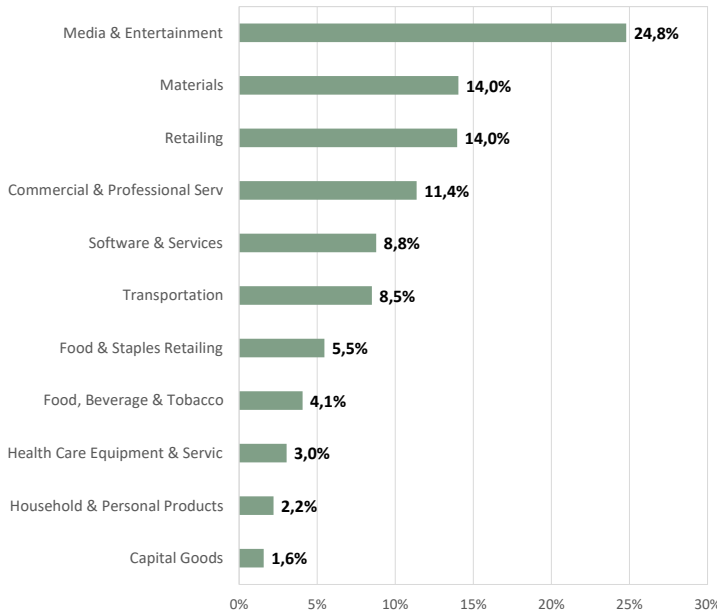
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## Monthly factsheet

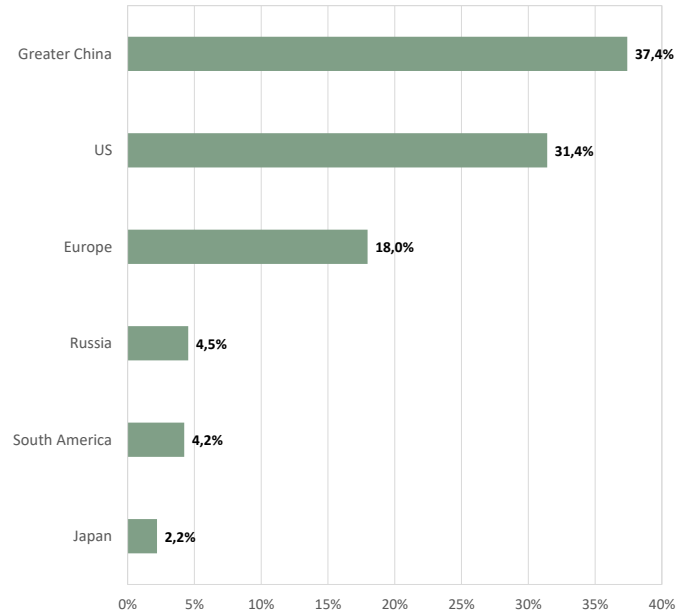
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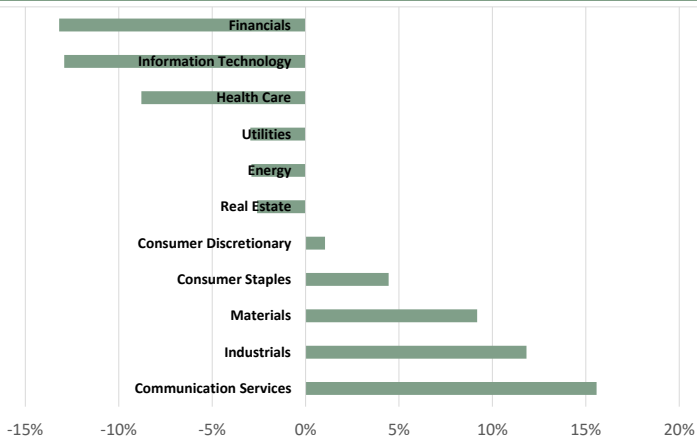
### SECTOR EXPOSURE



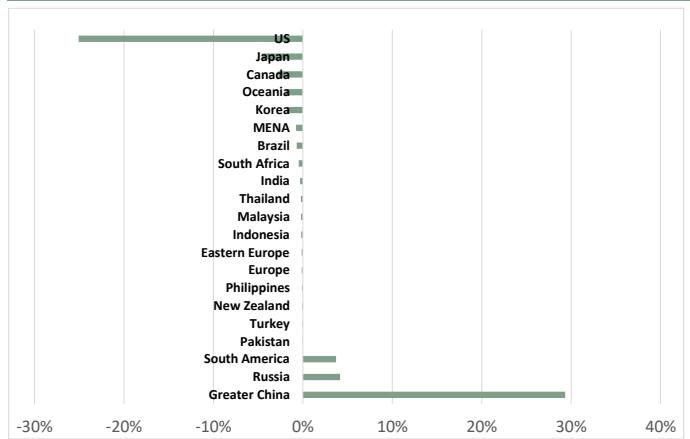
### GEOGRAPHIC EXPOSURE



### RELATIVE SECTOR EXPOSURE



### RELATIVE GEOGRAPHIC EXPOSURE



### PORTFOLIO CONCENTRATION

Top 10 holdings	48,3%
Top 20 holdings	75,3%
Top 30 holdings	92,8%
Total	98%

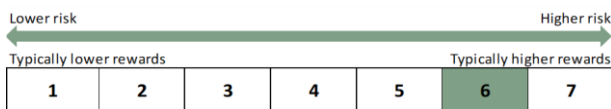
### MARKET CAP (in billion euros)

> 10	53%
5-10	28%
< 5	17%
Median Market Cap (BN EUR)	13,6

### STATISTICS

Equity exposure	98%
Cash	2%
Number of holdings	34
Active Share	93%
Median Price Earnings	24,5

### RISK PROFILE



### MANAGEMENT FEE AND PERFORMANCE FEE

Management fee 1,20%

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.