



# WORLD WINNERS

July-17

Monthly Factsheet

Share Class A

**World Winner invests in about fifty international market-leading companies with a contrarian investment approach.**

## FUND MANAGER'S COMMENTARY

During the month, the value of shares in your World Winners fund gained +1.5%, strongly outperforming its benchmark index, which fell -0.3%. Since the start of the year, it has delivered a performance of +12.8%, compared with +2.8% for the index.

This month's outperformance primarily reflects the positive response from investors to the initial half-year earnings figures released by various companies held within World Winners.

The main contributors in July included ServiceMaster (USA, \$5bn market capitalisation, 2016 revenues/EBITDA of \$2.7bn/\$667m). ServiceMaster is a residential services company that operates in two areas in the US, with market-leading positions: 1/ Terminix: pest control and prevention, and 2/ American Home Shields (AHS): insurance and above all breakdown services for domestic appliances. We invested in this company in November 2016. With Terminix, we appreciated its strong cash generation and highly recurrent business, as well as the fact that this sector has seen relatively little consolidation to date in the US. With the second business line, we primarily appreciate the low penetration rate and strong organic growth (8-10%). When we built our position, the company was priced at 11x its operating profit, which represented an anomaly when we consider that its competitors in the Terminix division (around two-thirds of ServiceMaster) - Rollins and Rentokil - are respectively priced at 30x and 21x, as well as the fact that the rest of the business (AHS) is a high-growth recurrent activity with good margins.

On 26 July, when it released its earnings, ServiceMaster announced that it was spinning off its two activities. This spin-off will enable the company to achieve a valuation that is more aligned with its peers. We therefore strengthened our position at the end of July following this welcome, but quite unexpected announcement.

This investment case illustrates our ability to identify, with our contrarian approach, companies that combine strong barriers to entry with positions in growing, relatively noncyclical sectors and high levels of free cash flow.

Our research work is continuing to move forward with a firm focus on growing value for your portfolio. Our extensive global reach is already enabling us to detect some outstanding deals that are undervalued and we are optimistic about your fund's potential for appreciation. We will continue to closely monitor these earnings reports, with more scheduled throughout the summer...there is no summer break in our business!

Thierry Flecchia

Arnaud de Grainville

## FUND FACTS AND TERMS

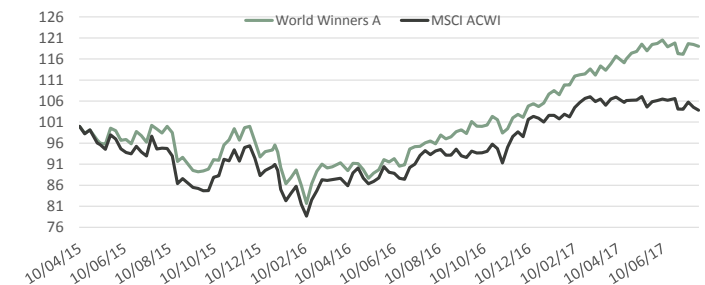
|                  |                                      |
|------------------|--------------------------------------|
| Launch date      | 10 April 2015                        |
| Isin             | LU1132346872                         |
| Bloomberg Ticker | PREWWAE                              |
| Fund size        | 126,1 Millions                       |
| Currency         | EUR                                  |
| Nav calculated   | 119,00 EUR                           |
| Benchmark        | MSCI World AC Total return net Euros |
| Custodian        | Credit Suisse Luxembourg             |
| Nav Calculation  | Weekly                               |
| Cut-Off          | Thursday 3 p.m                       |
| Fund structure   | UCITS 5                              |

## PERFORMANCE IN EUROS

| 28/07/2017        | World Winners - A | MSCI ACWI |
|-------------------|-------------------|-----------|
| Since Inception * | 19,0%             | 3,8%      |
| 2015 *            | -4,5%             | -9,1%     |
| 2016              | 10,4%             | 11,1%     |
| 2017              | 12,8%             | 2,8%      |
| Month             | 1,5%              | -0,3%     |

\* On 10/04/2015

## PERFORMANCE SINCE INCEPTION



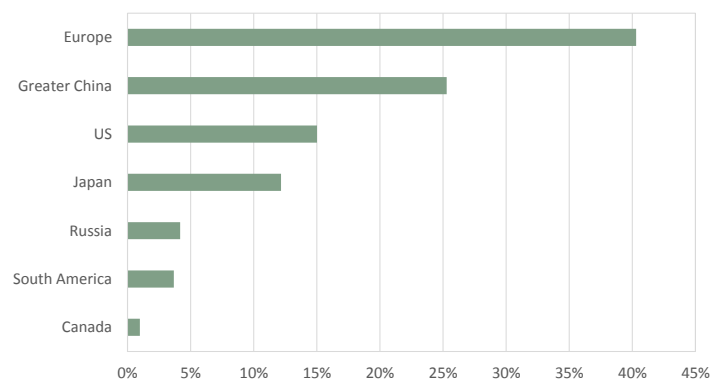
## TOP HOLDINGS

|                              |      |
|------------------------------|------|
| G4S PLC                      | 6,7% |
| VEOLIA ENVIRONNEMENT         | 4,5% |
| SERVICEMASTER GLOBAL HOLDING | 4,1% |
| SHISEIDO CO LTD              | 4,0% |
| NINE DRAGONS PAPER HOLDINGS  | 3,2% |

## TOP SECTOR

|                        |       |
|------------------------|-------|
| Industrials            | 22,4% |
| Consumer Staples       | 19,9% |
| Materials              | 19,5% |
| Consumer Discretionary | 19,2% |
| Information Technology | 9,0%  |

## GEOGRAPHICAL DISTRIBUTION



## MARKET CAP (In billion euros)

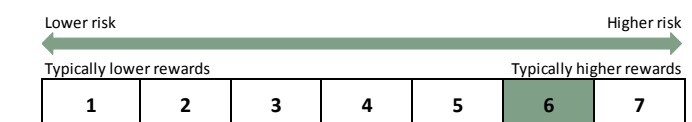
|                            |     |
|----------------------------|-----|
| > 10                       | 32% |
| 5-10                       | 32% |
| < 5                        | 37% |
| MEDIAN MARKET CAP (BN EUR) | 5,8 |

## STATISTICS

|                      |       |
|----------------------|-------|
| EQUITY EXPOSURE      | 102%* |
| CASH                 | -2%*  |
| NUMBER OF HOLDINGS   | 42    |
| ACTIVE SHARE         | 99%   |
| MEDIAN PRICE EARNING | 18,8  |

\* performance fee invested

## 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 |

The representative of the Fund in Switzerland is Hugo Fund Services SA, 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.

Non contractual document. For further information, please refer to the Prospectus and the KIID - available in the management company headquarters or on our website [www.preval.lu](http://www.preval.lu)

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