



# WORLD WINNERS

December-18

Monthly Factsheet

Share Class A

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

## FUND MANAGER'S COMMENTARY

In December, World Winners was down 7.8% – in line with the MSCI World Index (€) – but ended the year 18 percentage points lower at -22.9%, bringing its performance out par with that of the benchmark since it was created on April 10th 2015. The fund was also notably affected during the year by its strong exposure to Chinese consumer companies, which paradoxically were the first victims of the trade war started by Trump. These trade tensions, the end of the US central bank's quantitative easing and the rise in rates led to a slump across all the equity markets. In Europe, the contrarian approach distanced us from defensive growth companies, the valuations of which were excessive even though they held up well over the year. In contrast, the stocks we hold – despite being already significantly undervalued at the beginning of the year – were affected by their cyclical perception in a context where the market began to anticipate a recession. Lastly, the fund was affected by its significant underexposure to the US market, again for valuation reasons, whereas this region of the MSCI World Index largely overperformed in 2018, mainly driven by the FAANG stocks which rose by 7% on average over the year.

A fairly sharp slowdown in the global economy now seems to include markets haunted by the ghost of 2008, although we think the situation is far better (no confirmed financial crisis). For the first time since the fund's inception, its exposure to China exceeded 30%, given the very low valuation of companies in our universe. Our Chinese stocks showed prospects of solid growth, in underpenetrated/defensive sectors or niches (classified ads, baby milk, nutritional supplements, breweries, snacks, etc.), at ratios that we could never have imagined at the time your fund was launched. The catalyst for freeing up this stock could be a China-US trade agreement, in the best interests of both parties, and that could occur before March 1st 2019.

The sharp drop in the markets resulted in clear under-valuations. We took advantage of the correction to improve the appreciation potential, quality and liquidity of the portfolio. For a good management team, a period of underperformance during a period of market correction is often an excellent entry point. We believe that our ideas, which were treated particularly badly in 2018, will come out on top as soon as fears of an economic crisis are dispelled. We are even more confident, given this decline, in the prospects of a further sharp appreciation of the securities in your fund, and would like to take this opportunity to wish you an excellent year in 2019.

Thierry Flecchia

Arnaud de Grainville

## FUND FACTS AND TERMS

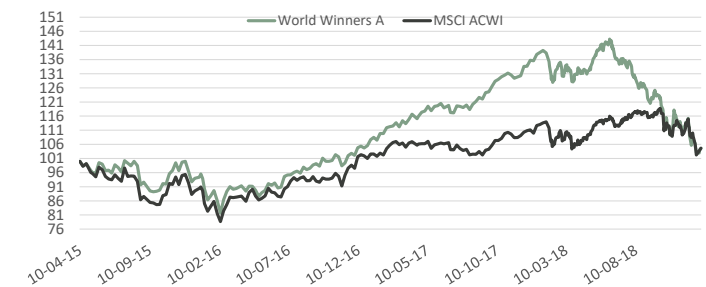
Launch date	10 April 2015
Isin	LU1132346872
Bloomberg Ticker	PREWWAE
Fund size	172.1 Millions
Currency	EUR
Nav calculated	104,58 EUR
Benchmark	MSCI World AC Total return net Euros
Custodian	Credit Suisse Luxembourg
Nav Calculation	Daily
Cut-Off	3 p.m
Fund structure	UCITS 5

## PERFORMANCE IN EUROS

31-12-18	World Winners - A	MSCI ACWI
Since Inception *	4,6%	4,6%
2015 *	-4,5%	-9,1%
2016	10,4%	11,1%
2017	28,5%	8,9%
2018	-22,9%	-4,8%
Month	-7,8%	-7,9%

\* On 10/04/2015

## PERFORMANCE SINCE INCEPTION

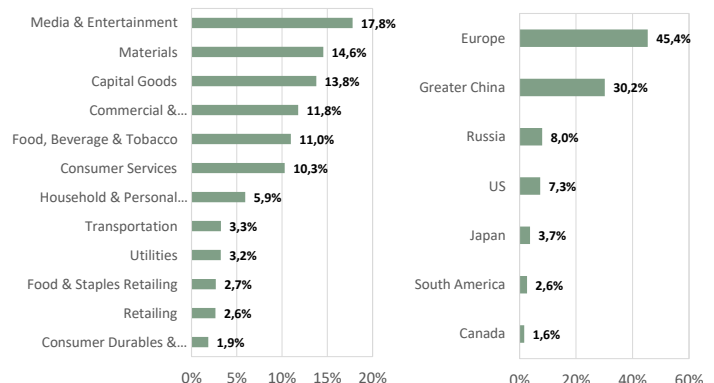


Past performance is no guarantee of future performance.

## TOP HOLDINGS

G4S PLC (BRITAIN, Commercial & Professional Serv)	8,1%
58.COM INC-ADR (CHINA, Media & Entertainment)	4,5%
SHISEIDO CO LTD (JAPAN, Household & Personal Products)	3,7%
DALI FOODS GROUP CO LTD (CHINA, Food, Beverage & Tobacco)	3,5%
VALMET OYJ (FINLAND, Capital Goods)	3,4%

## SECTORAL & GEOGRAPHICAL DISTRIBUTION



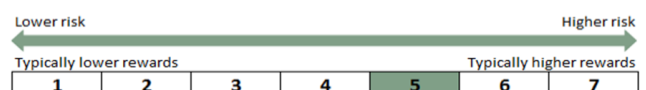
## MARKET CAP (In billion euros)

> 10	32%
5-10	23%
< 5	43%
MEDIAN MARKET CAP (BN EUR)	5,7

## STATISTICS

EQUITY EXPOSURE	99%
CASH	1%
NUMBER OF HOLDINGS	38
ACTIVE SHARE	98%
MEDIAN PRICE EARNING	16,3

## 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

PREVAL – limited company with a capital of €250.000 – RCS Luxembourg B 190081 – CSSF authorization S00000993 – 11 Boulevard Royal L2449 Luxembourg - +352.28.26.77.1