



## Monthly factsheet

Preval - 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)
- 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,

The Entrepreneurs fund advanced by +5.6% over the course of 2020, outperforming its benchmark index by +490 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 +84% 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.

Despite difficulties in stopping the pandemic and uncertainty about how effective and how rapid vaccination campaigns will be, Europe entered a general economic recovery at the end of the year, driven by sectors such as e-commerce and healthcare, while sectors linked to tourism and aerospace continued 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 Entrepreneurs fund was driven by Metso Outotec (mining equipment – Finland), Schibsted (media – Norway) and CRH (materials – Ireland). Conversely, the fund's positions in Ceconomy (retailing – Germany), Arysza (industrial bakery – Ireland) and Informa (events – United Kingdom) 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.

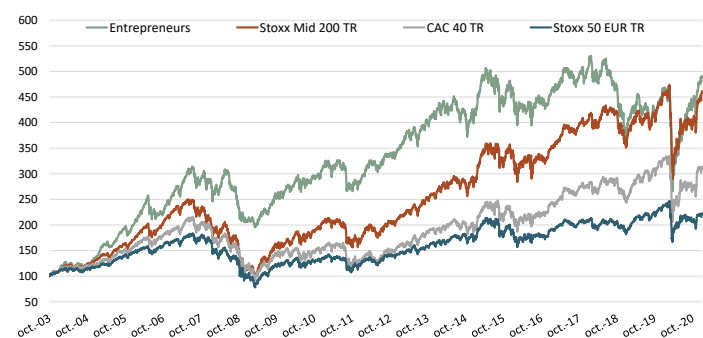
Thierry Flecchia and the management team.

### PERFORMANCE IN EUROS\*

31/12/2020	Entrepreneurs	Stoxx Mid 200 TR	Stoxx 50 EUR TR	CAC 40 TR
Since inception**	389,5%	358,0%	122,1%	210,8%
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	5,6%	0,7%	-6,3%	-5,0%
Month	3,2%	3,9%	1,9%	0,8%

\*\* On 01/10/2003

### PERFORMANCE SINCE INCEPTION\*



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

### TOP 10 HOLDINGS

G4S PLC (Britain, Commercial & Professional Serv)	4,9%
AP MOELLER-MAERSK A/S-B (Denmark, Transportation)	4,7%
METSO OUTOTEC OYJ (Finland, Capital Goods)	4,5%
SCHIBSTED (Norway, Media & Entertainment)	3,6%
LINDE PLC (Ireland, Materials)	3,5%
BRENTTAG AG (Germany, Capital Goods)	3,2%
POLYMETAL INTERNATIONAL PLC (Jersey, Materials)	3,2%
PROSUS NV (Netherland, Retailing)	3,1%
LUNDIN MINING (Canada, Materials)	2,9%
QIAGEN NV (Netherland, Pharmaceuticals, Biotechnology)	2,8%

### FUND FACTS AND TERMS

Launch date	01-October-2003
Isin	FR0010007542
Bloomberg Ticker	FLINENT FP
Reuters (RIC)	LP600 88694
Fund size (EUR)	99,5 Millions
Currency	EUR
Nav calculated	489,47 EUR
Benchmark	Stoxx Mid 200 TTR
Custodian	CIC
Nav Calculation	Daily
Cut-Off	10am
Fund structure	UCITS 5



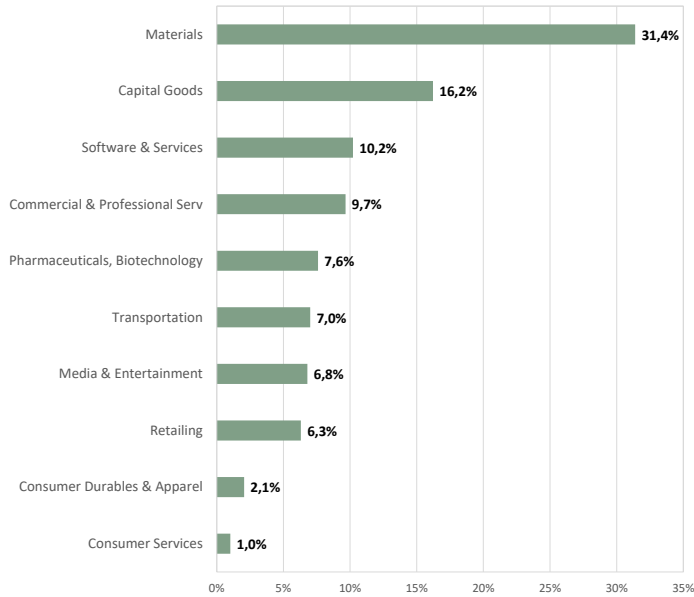
# PREVAL - ENTREPRENEURS

December-20

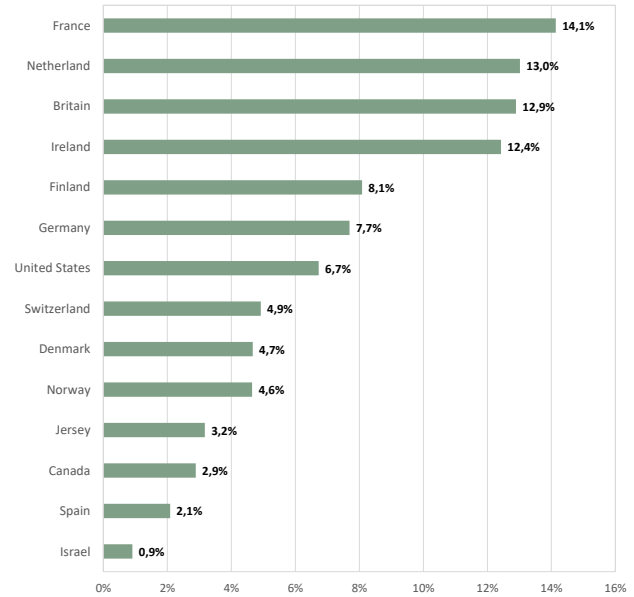
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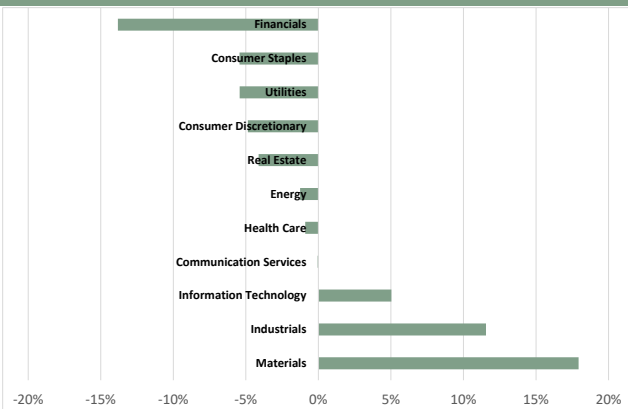
### SECTOR EXPOSURE



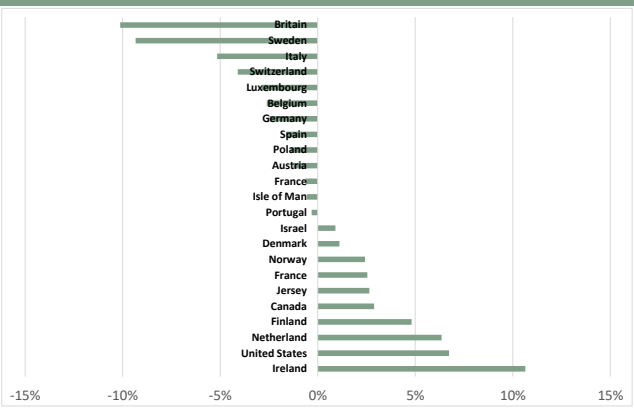
### GEOGRAPHIC EXPOSURE



### RELATIVE SECTOR EXPOSURE



### RELATIVE GEOGRAPHIC EXPOSURE



### PORTFOLIO CONCENTRATION

Top 10 holdings	36,3%
Top 20 holdings	60,8%
Top 30 holdings	80,6%
Total	98%

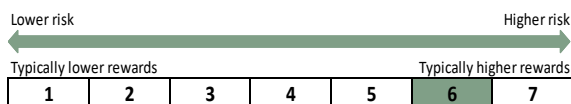
### MARKET CAP (in billion euros)

> 10	44%
5-10	32%
< 5	22%
Median Market Cap (BN EUR)	9,7

### STATISTICS

Equity Exposure	98%
Cash	2%
Number of Holdings	44
Active Share	93%
Median Price Earnings	22,2

### 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.