



## 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,

in January 2021, your Entrepreneurs fund posted a negative performance of - 0.9%, against a decline of - 0.6% in its benchmark index.

The most salient event of the first month of the year was the inauguration of Joe Biden as the 46th president of the United States. Leveraging the full support of both houses of Congress, President Biden is expected to approve an historic, \$1,900 billion stimulus plan. This announcement, in line with the measures taken by majority of the world's major economies to curb the impact of the pandemic, is one more step in the same accommodative monetary policy that has been in place since 2008 to counteract the financial crisis. The plan is historic by its size and also because this is the first time since the Second World War that such a plan has been decided in large part by governments rather than by central banks. This has diminished central bank independence somewhat and opened the door to a possible resurgence of inflation.

Meanwhile, we think the emergence of virus variants and delays in vaccination campaigns could create attractive entry points on certain stocks, given that the excellent news about vaccine efficiency puts a return to normal life and a normal economy within reach.

Amid the near-zero or negative fixed-income yields that have resulted from that aggressive, accommodative monetary policy, we think investment in the equity markets is particularly attractive. Active management, i.e. highly-selective stock-picking, is a particularly attractive strategy in the current environment. In contrast to passive investors, we invest in a limited number of companies that create shareholder value, whose valuations we consider to be reasonable to low. We have a strong preference for putting companies in your portfolio that have the pricing power needed to increase prices when their costs increase and thereby guard against the risk of inflationary pressures. This contrasts with index funds that make no qualitative distinctions among companies. Lastly, active management will enable us to take advantage of the opportunities created by volatility, which might remain high in 2021.

We thank you for the trust you have placed in us.

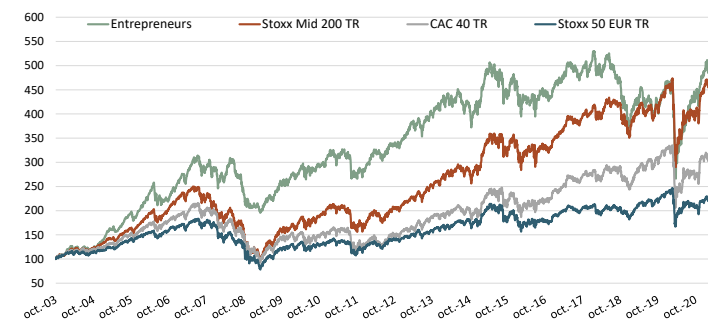
Thierry Flecchia and the management team.

### PERFORMANCE IN EUROS\*

| 29/01/2021        | Entrepreneurs | Stoxx Mid 200 TR | Stoxx 50 EUR TR | CAC 40 TR |
|-------------------|---------------|------------------|-----------------|-----------|
| Since inception** | 385,0%        | 355,1%           | 119,9%          | 202,8%    |
| 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%     |
| 2020              | -0,9%         | -0,6%            | -1,0%           | -2,6%     |
| Month             | -0,9%         | -0,6%            | -1,0%           | -2,6%     |

\*\* On 01/10/2003

### PERFORMANCE SINCE INCEPTION\*



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

### TOP 10 HOLDINGS

|   |      |
|---|------|
| METSO OUTOTEC OYJ (Finland, Capital Goods)              | 4,9% |
| QIAGEN NV (Netherlands, Pharmaceuticals, Biotechnology) | 3,6% |
| G4S PLC (Britain, Commercial & Professional Serv)       | 3,5% |
| DCC (Ireland, Capital Goods)                            | 3,5% |
| AP MOELLER-MAERSK A/S-B (Denmark, Transportation)       | 3,5% |
| SCHIBSTED (Norway, Media & Entertainment)               | 3,4% |
| BRENTTAG AG (Germany, Capital Goods)                    | 3,3% |
| LINDE PLC (Ireland, Materials)                          | 3,3% |
| LUNDIN MINING (Canada, Materials)                       | 3,2% |
| RHI MAGNESITA NV (Netherlands, Materials)               | 3,1% |

### FUND FACTS AND TERMS

|                  |                   |
|------------------|-------------------|
| Launch date      | 01-October-2003   |
| Isin             | FR0010007542      |
| Bloomberg Ticker | FLINENT FP        |
| Reuters (RIC)    | LP600 88694       |
| Fund size (EUR)  | 98,7 Millions     |
| Currency         | EUR               |
| Nav calculated   | 484,96 EUR        |
| Benchmark        | Stoxx Mid 200 TTR |
| Custodian        | CIC               |
| Nav Calculation  | Daily             |
| Cut-Off          | 10am              |
| Fund structure   | UCITS 5           |



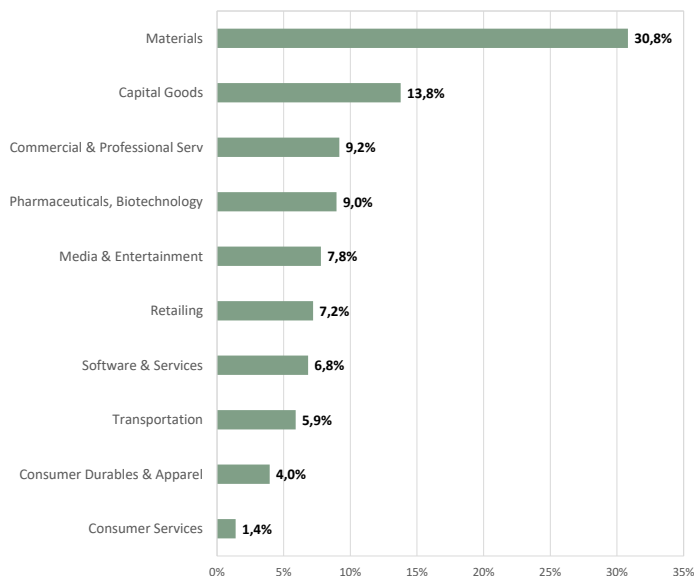
# PREVAL - ENTREPRENEURS

January-21

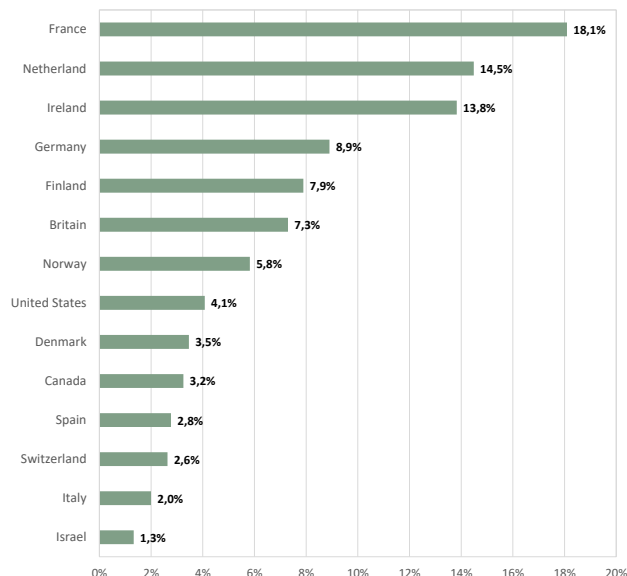
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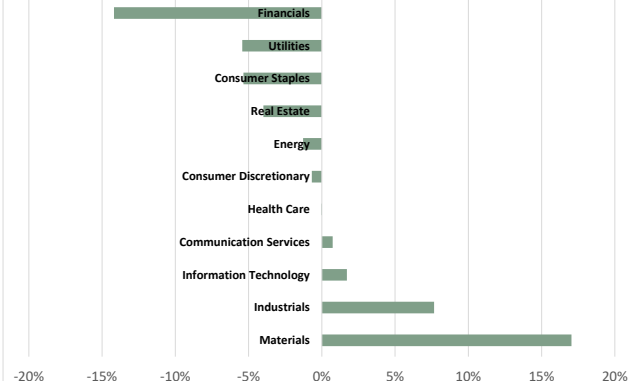
### SECTOR EXPOSURE



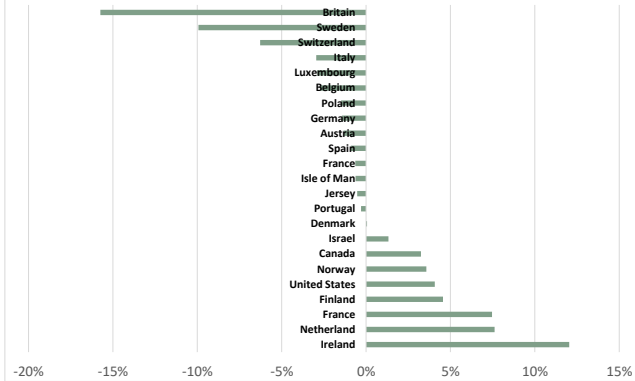
### GEOGRAPHIC EXPOSURE



### RELATIVE SECTOR EXPOSURE



### RELATIVE GEOGRAPHIC EXPOSURE



### PORTFOLIO CONCENTRATION

|                 |       |
|-----------------|-------|
| Top 10 holdings | 35,4% |
| Top 20 holdings | 62,8% |
| Top 30 holdings | 83,8% |
| Total           | 96%   |

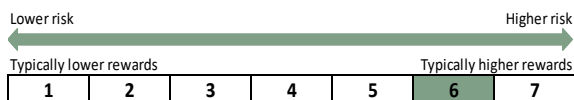
### MARKET CAP (in billion euros)

|                            |     |
|----------------------------|-----|
| > 10                       | 46% |
| 5-10                       | 25% |
| < 5                        | 26% |
| Median Market Cap (BN EUR) | 9,6 |

### STATISTICS

|                       |      |
|-----------------------|------|
| Equity Exposure       | 96%  |
| Cash                  | 4%   |
| Number of Holdings    | 38   |
| Active Share          | 92%  |
| Median Price Earnings | 23,3 |

### RISK PROFILE



### MANAGEMENT FEE AND PERFORMANCE FEE

|                 |   |
|-----------------|---|
| Management fee  | 1,80%   |
| Performance Fee | 20% of any excess return if the NAV outperforms the benchmark |

\*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.