



PRINCIPIA FUND

FACTSHEET AT 31 DECEMBER 2018

The Fund aims to earn a higher long-term return than the average of the world's developed equity markets, as represented by the iShares MSCI World UCITS ETF. The investment philosophy is value oriented. Investments are selected after implementing detailed fundamental research, with the objective of finding opportunities where there is a large discrepancy between price and intrinsic value. The Fund will likely differ materially from the performance benchmark in order to achieve its objective.

Price €115.46 (A class)
Size €15,845,214 (strategy)
Minimum €20,000
Dilution Levy Max, 15bp
Dealing Monthly
Management Fee 1.5% +/- 0.5%
 Based on 3 year rolling outperformance/ (underperformance) vs. the iShares Core MSCI World UCITS ETF

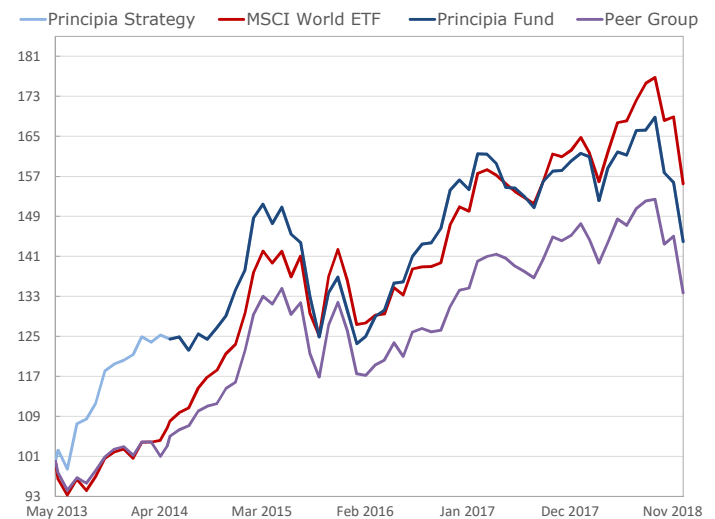


Commentary

The largest contributor to performance was Korea Electric Power (KEPCO). KEPCO is South Korea's majority state-owned electricity provider. The company's profitability is likely to benefit considerably from a recent steep fall in raw material input prices. In addition, profitability is also improving due to a normalisation in utilization of its coal and nuclear power plants which had recently undergone unusually strict maintenance checks. KEPCO currently trades at a price to tangible book value of 0.31x and a price to estimated normalised earnings of 6.4x.

The largest detractor from performance was Citigroup. Citigroup is one of the world's largest financial institutions. The company's earnings (and that of the entire banking industry) have above average sensitivity to economic conditions and general business sentiment. The decline during December was more a function of a severe "risk-off" environment as it related to economically sensitive stocks than anything company specific. The company's balance sheet is strong, and its double-digit ROE continues to expand. Citigroup currently trades marginally below tangible book value and at a price to estimated normalised earnings of 8x.

Performance Chart (A class)¹



Geographic Exposure	% of NAV
United States	33.2
Canada	0.0
North America	33.2
Korea	4.6
Greater China	9.0
Other	1.3
Asia ex-Japan	14.9
United Kingdom	16.2
Europe ex-UK	18.9
Europe	35.1
Japan	9.8
Other	5.5
Cash	1.6

Sector Exposure	% of NAV
Consumer Discretionary	7.3
Consumer Staples	8.0
Energy	4.8
Financials	17.8
Health Care	16.7
Industrials	6.0
Information Technology	11.5
Materials	0.0
Real Estate	3.3
Communication Services	16.7
Utilities	2.6
Cash	1.6

Top 10 Holdings		% of NAV	
Oracle	5.9	Qualcomm	3.4
Sanofi	5.8	Derwent London	3.3
Berkshire Hathaway	5.0	Credit Suisse	3.0
AIG	4.6	Imperial Brands	2.9
Roche	4.1	KEPCO	2.8

Returns (% net)	Fund	Peer Group ²	MSCI World
1 month	-7.58	-7.81	-7.92
6 months	-10.71	-9.16	-7.49
1 year	-10.07	-9.36	-4.16
3 years	10.62	6.05	14.22

Portfolio Statistics ³	Fund	MSCI World
Median Market Cap (\$bn)	31.9	60.8
Weighted Avg. Market Cap (\$bn)	76.6	146.7
Median P/E (FY1)	13.7	15.1
Median P/B (FY1)	1.5	1.9
Number of securities	46	1645
Number of countries	12	33
Active Share	95.3%	-

Top 5 Contributors (MTD)	%
KEPCO	0.24
Nexon	0.13
SPDR Gold Shares	0.13
NetEase	0.07
Celgene	0.04

Bottom 5 Contributors (MTD)	%
Citigroup	-0.54
Oracle	-0.52
Discovery Communications	-0.49
AIG	-0.45
Fluor	-0.40

Liquidity Analysis	% of NAV
1 Day	97
5 Days	98
10 Days	98
1 Month	98
3 Months	100

NOTICES

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Performance Chart¹

Principia Strategy refers to the same strategy run in a trading account, measured one year prior to launch. The performance of the account has been calculated by Custom House and accounts for all costs and fees.

Peer Group²

The Peer Group represents average global equity fund performance and is comprised of the average of Global Large-Cap Blend Equity funds which invest principally in the equities of large-cap companies from around the globe as defined by Morningstar: © 2019 Morningstar Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/ or its content providers, (2) may not be copied or distributed; and (3) is not warranted to be accurate, completely or timely. Neither Morningstar nor its content providers are responsible for damages or losses arising from any use of this information.

Portfolio Statistics³

Source: Principia Fund/Bloomberg. Portfolio statistic data is intra-month at the time of publishing this report. Median P/E and P/B metrics are based on consensus data. Active share data is calculated once per quarter.