



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** €126.24 (A class)  
**Size** €17,508,568 (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

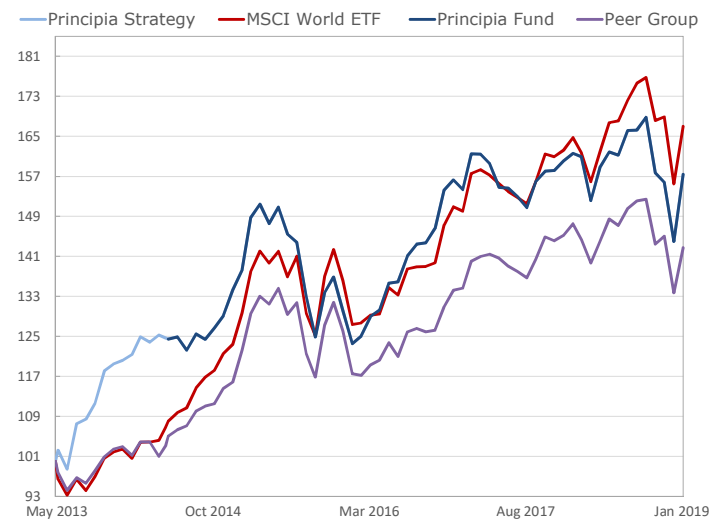


### Commentary

The largest contributor to performance was Oracle. With over 400,000 customers in more than 145 countries, it is one of the largest software companies in the world. The company is continuing to successfully navigate a transition to offering its software via the cloud, and we believe it will likely maintain its dominance in the global enterprise software market. We see the business as high-quality with a strong balance sheet and an attractive cash flow generation profile. Oracle currently trades at a price to estimated normalised earnings of 15.4x.

The largest detractor from performance was Qualcomm. Qualcomm develops and licenses wireless technology and is also a leading semiconductor designer for mobile communications devices. The company continues to be engaged in various legal disputes related to its technology licensing model and pricing. While we acknowledge the high level of uncertainty and range of potential outcomes related to these disputes; we believe that eventual resolutions should at least support a sustainable return on Qualcomm's R&D investments. We believe that once these disputes have been resolved; the market's focus will shift toward Qualcomm's valuable intellectual property; its strong position as an R&D engine for the mobile communications industry and its attractive longer-term organic growth potential. This is particularly as it relates to the current shift toward 5G wireless communication standards; where it is once again emerging as a key stakeholder. Qualcomm currently trades at a consensus dividend yield of 5% and a price to estimated normalised earnings of 9.3x.

### Performance Chart (A class)<sup>1</sup>



Geographic Exposure	% of NAV
United States	33.2
Canada	0.0
North America	33.2
Korea	4.5
Greater China	8.7
Other	0.9
Asia ex-Japan	14.1
United Kingdom	15.2
Europe ex-UK	19.0
Europe	34.2
Japan	9.7
Other	5.3
Cash	3.5

Sector Exposure	% of NAV
Consumer Discretionary	7.9
Consumer Staples	8.5
Energy	5.0
Financials	18.3
Health Care	17.3
Industrials	4.2
Technology	10.1
Materials	0.0
Real Estate	3.0
Communication Services	16.4
Utilities	2.5
Cash	3.5

Top 10 Holdings		% of NAV	
Sanofi	5.5	Derwent London	3.0
Oracle	5.3	Credit Suisse	3.0
Berkshire Hathaway	5.0	Imperial Brands	2.9
AIG	4.5	BAT	2.9
Roche	3.9	Tesco	2.7

Returns (% net)	Fund	Peer Group <sup>2</sup>	MSCI World
1 month	9.34	6.75	7.39
6 months	-5.25	-5.21	-3.02
1 year	-2.59	-3.24	1.36
3 years	27.39	21.47	31.10

Portfolio Statistics <sup>3</sup>	Fund	MSCI World
Median Market Cap (\$bn)	32.8	61.4
Weighted Avg. Market Cap (\$bn)	76.6	150.7
Median P/E (FY1)	14.4	15.5
Median P/B (FY1)	1.6	1.9
Number of securities	46	1633
Number of countries	12	33
Active Share	95.3%	-

Top 5 Contributors (MTD)	%
Oracle	0.68
Derwent London	0.54
Citigroup	0.54
Tesco	0.52
AIG	0.45

Bottom 5 Contributors (MTD)	%
Qualcomm	-0.43
Television Broadcasts	-0.02
Apple	0.02
Sanofi	0.02
Royal Mail Group	0.02

Liquidity Analysis	% of NAV
1 Day	97.02
5 Days	98.33
10 Days	98.33
1 Month	98.33
3 Months	98.33

# NOTICES

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## **Performance Chart<sup>1</sup>**

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 Group<sup>2</sup>**

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 Statistics<sup>3</sup>**

Source: Principia Fund/Bloomberg. Portfolio statistic data is calculated 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.