



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** €139.21 (A class)  
**Size** €20,817,285 (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

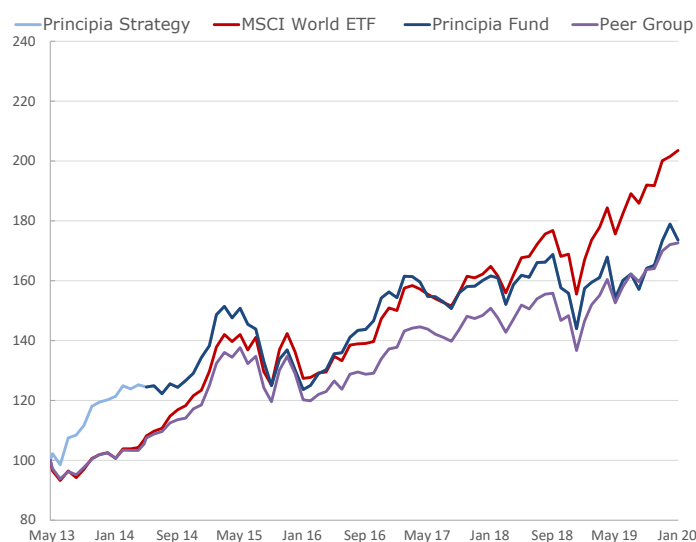


### Commentary

The largest contributor to performance was BAE Systems (BAE). UK listed BAE is one of the largest defence contractors in the world. The stock performed well in January; predominantly due to the announcement that it is proposing to buy Collins Aerospace's GPS business. The proposed deal was well received by the market. The GPS business will make BAE the largest supplier of military GPS receivers and it also strengthens the groups positioning as a key supplier to the US Department of Defence. At the current price BAE is trading at a consensus dividend yield of 3.6% and a consensus price to earnings of 13.9x.

The largest detractor from performance was Tech Resources (Teck). Teck is a diversified miner which primarily supplies coking coal (used to make iron), zinc and copper. It is the largest exporter of seaborne metallurgical coal and the third largest zinc miner. Despite recent cyclical weakness, we believe these materials have promising futures based on long-term demand vs. supply dynamics. This is particularly true for copper which is used intensively in clean or renewable energy production. There are no cost-effective substitutes for copper within many of its industrial uses and at the same time there is increasing difficulty in developing copper deposits around the world. We believe Teck is well managed and is relatively well capitalized. At the current price, Teck is trading on a consensus price to book of 0.4x, a consensus price to earnings of 6.2x and a price to estimated normalised earnings of 3.7x.

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



Geographic Exposure	% of NAV
United States	30.2
Canada	2.1
North America	32.3
Korea	4.2
Greater China	8.9
Other	0.0
Asia ex-Japan	13.2
United Kingdom	18.2
Europe ex-UK	20.1
Europe	38.3
Japan	10.3
Other	1.0
Cash	0.5

Sector Exposure	% of NAV
Consumer Discretionary	9.0
Consumer Staples	9.4
Energy	6.5
Financials	20.4
Health Care	14.4
Industrials	8.8
Technology	5.0
Materials	2.9
Real Estate	1.8
Communication Services	15.6
Utilities	2.1
Cash	0.5

Top 10 Equity Holdings	% of NAV
Berkshire Hathaway	5.8
China Mobile	3.0
Sanofi	5.2
BAT	3.0
AIG	4.7
UBS	2.8
Honda Motor	3.2
Oracle	2.8
Credit-Suisse	3.2
Roche	2.8

Returns (% net)	Fund	Peer Group <sup>2</sup>	MSCI World
1 month	-2.97	0.29	1.03
YTD	-2.97	0.29	1.03
1 year	10.27	17.85	21.91
3 years	12.47	25.36	35.67

Portfolio Statistics <sup>3</sup>	Fund	MSCI World
Median Market Cap (\$bn)	32.5	75.0
Weighted Avg. Market Cap (\$bn)	81.8	227.4
Median P/E (FY1)	11.4	17.6
Median P/B (FY1)	1.4	2.1
Number of securities	47	1638
Number of countries	14	33
Active Share	95.7%	-

Top 5 Contributors (MTD)	%
BAE Systems	0.23
SPDR Gold Shares	0.20
British American Tobacco	0.14
Roche	0.13
NetEase	0.11

Bottom 5 Contributors (MTD)	%
Tech Resources	-0.60
National Oilwell Varco	-0.42
BMW	-0.31
Schlumberger	-0.27
Honda Motor	-0.25

Liquidity Analysis	% of NAV
1 Day	96
5 Days	99
10 Days	100
1 Month	100
3 Months	100

# NOTICES

Do not run any unnecessary risk. Read the Key Investor Information Document. This communication is neither an offer to sell nor a solicitation to invest. Past performance is not indicative of future results. The value of investments and any income generated may go down as well as up and is not guaranteed. Privium Fund Management B.V. is authorized and regulated by the Dutch Authority for the Financial Markets ([www.afm.nl](http://www.afm.nl)) as an Alternative Investment Fund Manager. The Fund and its manager, Privium Fund Management B.V., are held in the register of Dutch Authority for the Financial Markets. The prospectus of the Fund and the Key Investor Information Document can be downloaded via the website of the Fund Manager, [www.priviumfund.com](http://www.priviumfund.com). The performance overviews shown in this communication have been carefully composed by Privium Fund Management B.V. No rights can be derived from this communication.

## **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.