STILL EQUITY FUND

Data as of **August 31, 2021**

Investment objective

The Fund employs a disciplined value approach to select stocks of companies that are poorly covered by the sell-side analyst community. This lack of coverage may result in poor investor understanding of the investment case and mispricing of the company stock. This approach is research intensive and Fund assets will be concentrated in 15 to 20 high conviction positions. Risk is identified not in terms of volatility or index deviation but is a function of overpaying or overestimating a company's prospects. The Fund employs a high degree of conservatism on both these fronts. The Fund will invest primarily but not exclusively in European listed securities and retains the flexibility to opportunistically hedge against general market declines. The fund may also hold cash as a natural market hedge.

NAV per share	
A-Class	101.60
B-Class	115.41

Top 5 Holdings	*% of NAV*
Yew Grove REIT PLC	8.6%
Eurocell PLC	8.0%
Glenveagh Properties PLC	7.8%
Dalata Hotel Group PLC	7.5%
TKH Group NV	6.6%

Market Capitalization (EUR)	*% of NAV*
> 10bn	0%
1 < 10bn	46%
< 1 bn	42%

Exposure	% of NAV
Euro area	48%
Norway	5%
United Kingdom	31%
USA	4%
Market Index hedges	0%
Cash	11%

Sector Exposure	*% of NAV*
Industrials	15%
Consumer Disc	27%
Consumer Staples	14%
Materials	14%
Real Estate	9%
Financials	0%
Technology	4%
Energy	5%
Cash	11%

Concentration	*% of NAV*
Top 5	38%
Top 10	67%

Performance (%)

	Month	Qtd	Ytd	2020	2019	
Shareclass A*	1.62%	3.17%	22.80%	-7.58%	14.07%	
Shareclass B**	1.72%	3.36%	23.63%	-6.74%		
NDEEE18 Index	2.08%	3.92%	19.98%	-3.95%	26.39%	Official benchmark

* Inception in March 2015, data since January 1, 2019 significant market cap focus change ** Start on January 1, 2020

Fund Terms

	Class A	Class B
ISIN	NL0011055249	NL0014130445
Inception	March 31, 2015	January 1, 2020
Managment fee	1.25%	0.25%
Mpartners	1.00%	0.00%
Privium	0.25%	0.25%
Min. subscription	EUR 10,000	EUR 10,000
Dealing frequency	Monthly	Monthly
Redemption	10d notice	10d notice
Benchmark	NDEEE18 Index*	NDEEE18 Index*

* MSCI Europe total return Index

Service providers

Investment Manager	Privium Fund Management
Investment Advisor	M partners
Depositary	Darwin Depositary Services
Custodian	ABN AMRO Clearing Bank
Administrator	Apex Fund Services
Auditor	Ernst & Young Accountants
Legal Advisor	Van Campen Liem
Fiscal Advisor	STPtaxlawyers

August Review

The Fund (Class A shares) recorded a return of +1.6% for the month and the year-to-date performance now stands at +22.8%. The main positive contributors to performance were **TKH** (+16%), **Glenveagh** (+8.4%), **and Arcadis** (+12.4%). The main detractors from portfolio performance were **Eurocell** (-3.7%) and **DXC** (-8.1%).

During the month three of our holdings announced their H1 results. **DXC**, our U.S. IT services turnaround holding, reported its third consecutive quarter of improving performance metrics. The historic pace of revenue declines has markedly improved. The book-to-bill ratio (a leading indicator of future growth) has been above 1 for five quarters in a row. Since taking over as CEO in 2019, Mike Salvino has resolved most of the troubled client accounts responsible for the historic inability to grow revenues. Positive business momentum combined with strict cost discipline is leading to both improved profit margins and cash flow generation. In addition, successfully executed divestitures over the last two years has repaired the balance sheet and now allows management to accelerate the pace of the corporate digital shift. Despite reaffirming full-year guidance the stock has retreated following the earnings report, serving to widen the valuation discount to its main peer group. We do expect this valuation gap to close in the coming quarters, as a return to positive organic revenue growth and further margin improvement provides confidence to investors that the turnaround story is intact and has room to grow.

We have detailed in past updates the attractive investment opportunity currently available in the Irish housebuilding sector. The country suffers from a chronic shortage of housing and there are currently only two housebuilders of sufficient scale able to assist in overcoming this housing deficit. We have a significant portfolio allocation to both companies – **Glenveagh Properties** and **Cairn Homes**. The former company reported H1 results that were comfortably ahead of expectations. The company is still in the early stages of a production ramp up given the Irish Covid-related restrictions on housing activity in the first quarter. However, management reiterated its production targets for 2021 (production capacity is already sold out for the year) and highlighted that visibility into 2022 was improving on the back of a strengthening order book.

This progress is a significantly positive for cash flow and we now estimate that the company could end the year with a net cash position, which will both accelerate the investment in increased production capacity and create room for further shareholder returns. Despite the recent strong rise in the stock price, the company remains significantly undervalued compared to other European housebuilders despite a far more attractive supply/demand backdrop.

TKH, the Dutch industrial group, reported a +22% increased in operating profit which was substantially ahead of guidance provided as recently as May. The new guidance for the full-year 2021 was also significantly ahead of analyst expectations leading to several profit upgrades. Since the start of the year the order book has increased by +49%, with over 90% expected to be recognized as revenue within 12 months. Management mentioned particularly good order intake in subsea connectivity systems, vision technology, and tyre building. The positive earnings momentum at TKH has only just begun and the stock still sells at a substantial discount to peers despite a much more robust earnings outlook.

There were no new investments or exits during the month. Portfolio activity was centered on reallocating capital to those names which had unjustifiably lagged in our estimates. With most of our companies having now reported on H1, our confidence has only grown in the current strong profitability and the positive outlook. Strong operating momentum combined with still attractive valuation discounts should lead to solid portfolio returns over the near term.