

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.

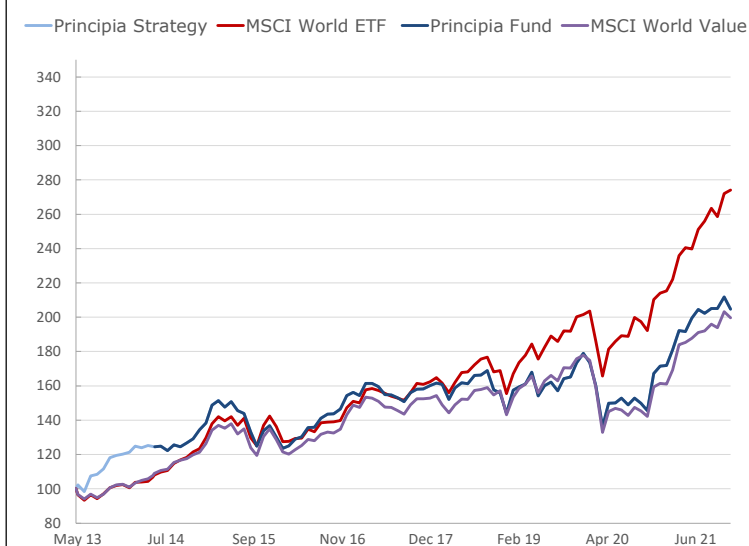
<b>A Class Price</b>	€164.19
<b>Strategy Size</b>	€20,685,160
<b>Minimum</b>	€20,000
<b>Dilution Levy</b>	Max, 15bp
<b>Dealing</b>	Monthly
<b>ISIN Code</b>	NL0010759700
<b>Management Fee</b>	1.5% +/- 0.5%

Based on 3 year rolling outperformance/ (underperformance) vs. the iShares Core MSCI World UCITS ETF


**Commentary**

The largest contributor to performance was Luk Fook (LF). LF has been held in the portfolio for over seven years. It is one of the leading jewellery retailers in Hong Kong and mainland China. The group is run by the founders who own approximately 40% of the company's shares. Results have been strong recently and the company is expanding rapidly in mainland China, with management currently opening new stores at a rate of about 500 per year and guiding to open about 400-500 stores in each of the next few years. The company is also well positioned in terms of being a beneficiary of China's 'common prosperity' drive as well as the likely continuing rise of China's middle class. At the current price LF is trading on a consensus dividend yield of 5.4%, a consensus price to book of 1x, a consensus price to earnings of 9.9x and an estimated price to normalised earnings of 8.5x.

The largest detractor from performance was AIG. AIG is one of the world's largest insurers. It provides property and casualty (P&C) and life and retirement insurance through a wide range of subsidiaries across the globe. The company has relatively recently announced its intention to separate its P&C business from its life and retirement business. The announcement sends a strong signal about management's expectations for continuing improvement of profitability at the P&C casualty business. Separating the businesses will also allow each to be run more efficiently over time. Finally, we believe it could also enable better price discovery as AIG continues to trade at what appears to be an anomalous discount to more focussed peers. At the current price, AIG is trading on a consensus price to book of 0.7x, a consensus price to earnings of 11.4x and a price to estimated normalised earnings of 10x.

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

**Geographic Exposure**

	<b>% of NAV</b>
United States	17.3
Canada	5.3
North America	22.5
Korea	4.8
Greater China	10.5
Other	0.0
Asia ex-Japan	15.3
United Kingdom	19.4
Europe ex-UK	25.7
Europe	45.1
Japan	10.5
Other	3.1
Cash	0.0

**Sector Exposure**

	<b>% of NAV</b>
Consumer Discretionary	10.0
Consumer Staples	10.8
Energy	10.7
Financials	16.8
Health Care	16.1
Industrials	7.1
Technology	4.6
Materials	11.1
Real Estate	0.0
Communication Services	10.8
Utilities	0.8
Cash	0.0

**Top 10 Holdings**

	<b>% of NAV</b>		<b>% of NAV</b>
BAT	5.0	GlaxoSmithKline	4.0
China Mobile	4.8	Tesco	3.6
Sanofi	4.8	Société Bic	3.4
AIG	4.3	Teck Resources	3.2
Honda Motor	4.0	BAE Systems	3.1

**Returns (% net)**

	<b>A Class</b>	<b>MSCI World (V)<sup>2</sup></b>	<b>MSCI World</b>
1 month	-3.34	-1.85	0.77
YTD	19.42	23.67	28.08
1 year	22.48	25.23	30.29
3 years	31.43	27.01	62.31

**Portfolio Statistics<sup>3</sup>**

	<b>Fund</b>	<b>MSCI World</b>
Median Market Cap (\$bn)	29.3	110.3
Weighted Avg. Market Cap (\$bn)	70.3	452.5
Median P/E (FY1)	10.0	20.0
Median P/B (FY1)	1.3	2.7
Median D/Y (FY1)	3.6	2.0
Number of securities	54	1591
Active Share	95.2%	-

**Top 5 Contributors (MTD)**

	<b>%</b>
Luk Fook	0.16
Japan Petroleum Exploration	0.14
Gilead Sciences	0.10
McKesson	0.08
Newmont	0.08

**Bottom 5 Contributors (MTD)**

	<b>%</b>
AIG	-0.43
Société Bic	-0.35
NOV Inc	-0.33
Atos	-0.25
Imperial Brands	-0.20

**Liquidity Analysis**

	<b>% of NAV</b>
1 Day	100
5 Days	100
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 broad 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.

## **MSCI World (V)<sup>2</sup>**

Refers to the MSCI World Value Index

## **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.