STILL EQUITY FUND

Marketing communication

Data as of June 30, 2022

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. The Fund is actively managed.

NAV per share

A-Class	84.31
B-Class	96.64

Top 5 Holdings	*% of NAV*
Dalata Hotel Group PLC	8.1%
Glenveagh Properties PLC	8.0%
Subsea 7 SA	6.7%
Eurocell PLC	6.7%
Cairn Homes PLC	6.6%

Market Capitalization (EUR)	*% of NAV*
> 10bn	0%
1 < 10bn	25%
< 1 bn	55%

Exposure	% of NAV
Euro area	42%
Norway	7%
United Kingdom	31%
USA	0%
Market Index hedges	0%
Cash	20%

Sector Exposure	*% of NAV*
Industrials	9%
Consumer Disc	29%
Consumer Staples	17%
Materials	10%
Real Estate	0%
Financials	4%
Technology	0%
Energy	7%
Healthcare	4%
Cash	20%

Concentration	*% of NAV*
Top 5	36%
Top 10	64%

Performance (%) *Past performance does not predict future returns. Data is retrieved from the Administrator or Bloomberg.*

	Month	Ytd	2021	2020	2019	2018	2017	2016	2015
Shareclass A*	-8.86%	-16.37%	21.84%	-7.58%	14.07%	-20.61%	2.42%	4.00%	-4.01%
Shareclass B***	-8.78%	-15.88%	23.08%	-6.65%					
Benchmark Index****	-7.73%	-15.95%	25.04%	-3.95%	26.39%				

* Inception in March 2015 **data since January 1, 2019 significant market cap focus change *** Start on January 1, 2020. **** The benchmark index represents the MSCI Europe Total Return Index (NDEEE18 Index, EUR) from Bloomberg. The benchmark is used to evaluate the results of the Fund on a risk adjusted basis only. The Fund does not seek to mirror the positioning of the benchmark and exposures can therefore materially deviate from the benchmark.

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%
Ongoing Charges Figure	1.57%	0.57%
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

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June Review

The Fund posted a decline of -8.8% (Class A shares) in June in the context of extremely weak global equity markets – the MSCI Europe Smaller Company Index declined by -11.8% for the month. Nearly all portfolio stocks declined with the three main portfolio detractors being Subsea 7 (-19.4%), Dalata (-16.8%), and TKH (-20.3%).

Energy stocks were particularly weak during the month as crude prices posted a sharp retracement. However, Subsea compounded matters by announcing a downgrade to profit expectations for 2022. The source of the downgrade was due entirely to performance issues in its renewables business. Management blamed mechanical issues, severe weather, reduced productivity, and delayed construction of a new-build vessel for the company having to take some one-off charges in the next few quarters. Delayed delivery and cost over-runs on offshore wind projects have been relatively prominent in the sector recently and highlight some of the broader industry challenges associated with delivering the rapid growth expected for the offshore wind industry.

In our judgment the share price decline has been overdone. Firstly, the overwhelming source of profits remains the conventional offshore energy business which continues to strengthen with an improved backlog and better contractual terms. Furthermore, a follow up call with management on the trouble projects leading to the 2022 downgrade have confirmed they are tracking to the revised schedule and should be mostly completed by the end of Q3. Management reaffirmed that this downgrade is limited to 2022 with the recovery scenario of 2023 and onwards and company specific medium term targets remaining unchanged. We see the current mishaps in the offshore wind industry as an analogue of the teething problems that the offshore oil industry faced. As the business becomes less volatile in terms of volumes and the potential pitfalls become known, execution should become steadier and more profitable. Following the price correction, the stock now sells at less than 5x EV/EBITDA with a strong profit recovery in store from 2023 onwards.

The myopic focus of investors on macro developments at the expense of company specific news flow could be seen in the decline in the stock of Dalata, despite management issuing a strong trading statement towards the end of June. Management outlined how the recovery in all of its markets is happening faster than anticipated, with the current supply/demand mismatch leaving RevPAR (revenue per available room) significantly ahead of 2019 levels. Revenue trends improved sequentially through the quarter and management is expecting an extremely strong summer trading period. Consequently, profit guidance has been upgraded leading the few analysts covering the stock to increase their 2022 numbers by over +20%. The Group has demonstrated a strong ability to mitigate the inflationary impacts facing the sector, through tight cost management and the recovery in revenue. Dalata's balance sheet position continues to improve, giving it optionality with respect to additional capital deployment and/or cash returns. The company's growth outlook remains robust, and we see more than +70% return potential in the shares given their current depressed levels.

Trading activity in the portfolio was limited to the exit from the position in DXC which was sold following strong price appreciation early in the month. This sale has increased our substantial cash position. While current market volatility does support the portfolio's current defensive posture, it also contains the seeds of a positive environment for future returns. Genuine and more sustainable value is being restored after a period in which asset prices were lifted artificially and distorted by huge and predictable injections of liquidity by central banks. Our portfolio currently sells at a single digit multiple of conservatively estimated future earnings. In addition, while we have been net sellers of equity for an extended period, our buy list of quality names is growing as some individual stocks are in oversold territory, having been technically contaminated by what has been a generalized selloff as liquidity has been receding.

As always, we will focus on the variables that we control: detailed financial due diligence, careful selection of the most compelling risk/reward investments from our universe, and strict adherence to our buy/sell discipline. For long-term investors, it will prove beneficial over time that markets are exiting an artificial regime that was maintained for far too long by the global central banks and that resulted in frothy valuations, relative price distortions, resource misallocations and investors losing sight of corporate and sovereign fundamentals. The promise now is one of a more sustainable destination though it may come with a few more bumps on the way.