STILL EQUITY FUND

Marketing communication

Data as of December 31, 2022

PRIVIUM FUND MANAGEMENT

SVMpartners SUSTAINABLE VALUE INVESTING

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	79,50
B-Class	91,63

Top 5 Holdings	*% of NAV*
Subsea 7 SA	10,2%
Dalata Hotel Group PLC	8,2%
C&C Group PLC	8,2%
Sligro Food Group NV	6,8%
Fnac Darty SA	6,3%

Market Capitalization (EUR)	*% of NAV*
> 10bn	0%
1 < 10bn	39%
< 1 bn	49%

Regional exposure	% of NAV
Euro area	50%
Norway	10%
United Kingdom	27%
USA	0%
Market Index hedges	0%
Cash	12%

Sector Exposure	*% of NAV*
Industrials	27%
Consumer Disc	28%
Consumer Staples	15%
Materials	0%
Real Estate	0%
Financials	0%
Technology	3%
Energy	14%
Healthcare	0%
Cash	12%

Concentration	*% of NAV*
Top 5	40%
Top 10	69%

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*	-2,82%	-20,63%	21,84%	-7,58%	14,07%	-20,61%	2,42%	4,00%	-4,01%
Shareclass B***	-2,73%	-19,73%	23,08%	-6,65%					
Benchmark Index****	-3,44%	-11,54%	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

December Review

The Fund recorded a decline of -2.8% (Class A shares) in the final month of the year. Most stocks in the portfolio declined during the month against a backdrop of weak returns for global risk assets. The most notable detractors to overall portfolio performance were Dalata (-5.2%), DCC (-7%), and Eurocell (-3.3%). There were no notable gainers during the month worthy of mention.

Dalata was the only holding in the portfolio that provided a trading update during the month. Trading in the second half of the year was ahead of management expectations as the strong recovery in H1 had continued up until the end of November. Looking ahead to 2023, while management is monitoring the economic backdrop it has not seen any indication of a slowdown in trade levels to date. Engagement with corporate customers and tour operators on demand and pricing has been “positive”. Combining this with the expected continued normalisation of international travellers, the Group is cautiously optimistic on the outlook for 2023. We remain very positive on the Dalata investment case. The recent update will lead to profit upgrades for both 2022 and 2023. The mix of a well invested modern estate, its excellent management team, a strong balance sheet and positive free cash flow dynamics are not captured in the current share price which remains -45% below pre-COVID highs despite the company returning to record levels of sales and cash generation.

As stated in our previous monthly update, European smaller companies have had an extremely difficult experience during 2022 which has created a pool of high attractive investment opportunities in our judgment. Having maintained high levels of cash for much of the year we finally started to deploy some of this cash, initiating two new positions in November. In December another new position was established in the German defence electronics company – **Hensoldt**

Hensoldt specialises in the provision of sensors, electronic warfare equipment, and avionics and optronics equipment to armed forces and certain non-defense customers. It is the #1 Defence Electronics company in Germany and #3 in Europe. The business was carved out from Airbus and acquired by private equity in 2017 before going public in September 2020. Hensoldt will benefit significantly from the announced step-change in German/European defence spending following the Russia/Ukraine events. The company is a key supplier to Germany which is poised for overproportionate growth in spending for all three branches of its armed forces: the navy, air force, and army. In addition, defense electronics is a growth area, as its share in new build systems keeps growing from 20-25% in systems’ older generations to 35-45% in current generation. Next generations will embed an even higher share. With Hensoldt being the only pure play defence electronics company in Europe, it will inevitably benefit and grow its market share. The company is entering this strong demand backdrop with an already record order book (2.4x 2019 level) and pipeline (3x 2019 level). Sales visibility is very high and provides a profit growth path that is not correlated to general economic growth. Management’s financial targets imply very strong sales growth, EBITA margin improvement, and FCF generation for the next several years. As a newly listed company we think investors will want to see evidence that these targets can be achieved. If this evidence is forthcoming in the coming year, then we see scope for a significant re-rating of the shares.

In brief, the valuations of our portfolio holdings remain at muti-year lows despite current evidence of solid growth and our expectations for the continuation of this growth in the medium term. We have been extremely patient in deploying capital to new investment opportunities this year but now judge it appropriate given the combination of depressed valuations and investor sentiment. We judge there to be significant upside to our holdings and expect a positive recovery in 2023.