EQUAM Global Value Fund

June 2022 quarterly report

Uncertainty continues

Just when economies and companies had managed to start recovering from the impact of the Covid lockdowns, new challenges have arrived. The expansionary monetary and fiscal policies of the last few years have finally led to price increases not seen in decades, which will require an adjustment of interest rates by central banks. We remain convinced that efforts should not be directed at trying to anticipate short-term market movements, but rather focus on the search of investments in high quality companies that trade at low valuations. This is the optimal strategy to protect savings and achieve attractive capital gains in the medium and long term.

Incometric Fund - EQUAM Global Value is a mutual fund managed with a value investing methodology. We intend to compound our capital through long-term investment in companies with solid businesses that we can acquire at a discount to their Intrinsic Value. We also seek to protect our capital investing only in situations where the risk of permanent capital loss is low. We do not aim to second-guess short term market movements but rather acquire interests in sound businesses at excellent prices.

The Fund has an unconstrained mandate that allows us to deploy capital in companies active in regions and sectors where we can find the best investment opportunities. However, we are currently focusing our idea generation efforts in the European Small & Mid Cap arena.

We, the General Partners have invested most of our net worth in the fund and our interests are entirely aligned with those of our partners and co-investors.

EQUAM Global Value is a UCITS IV vehicle and can be invested into throughout most leading financial intermediaries using AllFunds, Inversis, Fundsettle and other platforms.

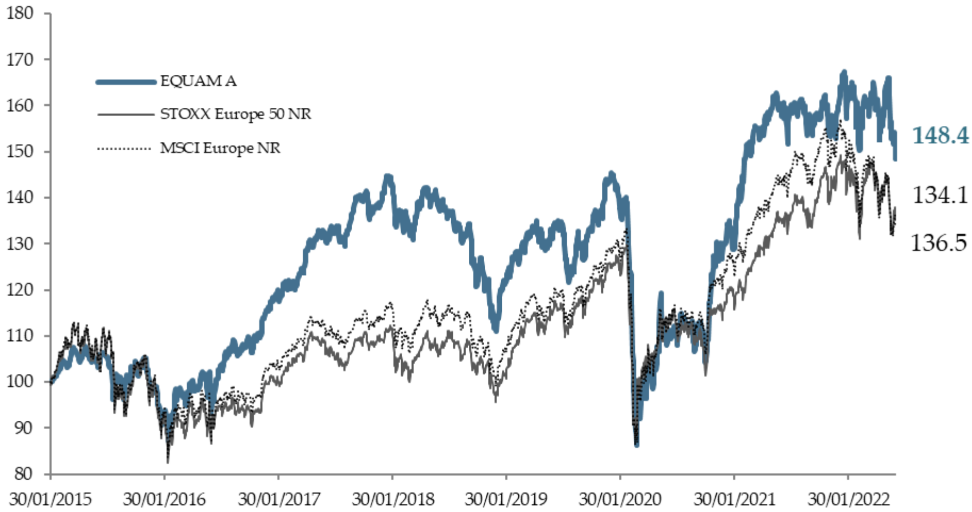
Recent performance of the Fund

Equity markets have suffered significant corrections during the first half of 2022.

The price fall experienced by the main stock market indices during the first quarter intensified during the second quarter of the year, especially in those parts of the market that had performed best in recent years. European indices fell by around -10/-14%, while the S&P500 fell by nearly 20% and the NASDAQ by nearly 30%. In this context, Equam closed the first half of 2022 with a more moderate fall of 7.2%.

From a longer-term perspective, the fund's average annual return since inception is 5.5%, outperforming our comparable indices (including dividends) by 1.4%

Equam Performance vs. Comparable Index



We believe that not much time should be spent trying to anticipate short-term market movements.

These stock market corrections can be explained by the current global economic scenario. The first part of 2022 has confirmed that the inflation that began to appear in 2021 will be more persistent and will consolidate at higher levels than initially expected. This is not surprising, considering the prolonged expansionary monetary and fiscal policies from central banks and governments respectively. Additionally, erratic energy policies have caused a very significant shortfall in the level of investment in hydrocarbon exploration required to replace the reserves that the world is consuming. We are now beginning to pay for these policies the form of high energy prices.

This high level of inflation has forced Central Banks of all major economies to bring forward and intensify the interest rate hikes they had planned for the coming quarters. The Federal Reserve raised interest rates by 75 basis points in June and has announced that it will continue to raise them progressively this year to levels of at least 3.25/3.5%. On the other hand, the European Central Bank has announced its first rate hike this July and subsequent hikes from September onwards. We believe that despite being painful in the short term and coming too late, the normalisation of rates is desirable and healthy from a medium/long term perspective, since it will gradually eliminate the distortions created in the economy and in the markets and avoid prolonging a situation which, as time went by, was becoming increasingly unsustainable.

The big questions in this situation are, on one hand, to what extent may the gradual normalisation of interest rates impact economies, even leading to a recession in the coming quarters and, on the other hand, how will the increase in interest rates affect countries such as those in southern Europe, which are facing this situation with government debt levels at historic highs and their homework unfinished.

We don't have an answer to these questions, since at Equam we do not concentrate our efforts in trying to make macroeconomic predictions. We seek to take advantage of the different situations and to protect our capital from potentially adverse scenarios.

The best way to protect our wealth is to be invested in good assets that can create value in different macro scenarios.

We should not spend too much time trying to anticipate short term market changes or to determine what is the best time to invest. Staying invested in real assets is the best strategy to protect capital from inflation and to benefit from the growth of the economy over the long term. And this is especially the case with a portfolio like Equam's, that is well protected from the foreseeable scenarios:

- As we have commented in previous reports, the inflationary situation has not taken us by surprise. We believe that most of our portfolio is protected from inflation, either because companies have contractual relationships that allow them to automatically pass on inflation, because their competitive position allows them to negotiate these increases with their clients, or finally because they are companies related to commodities and therefore benefiting from the current inflationary situation.

- From the point of view of a possible recession, a relevant share of our portfolio is invested in businesses with low cyclicality and therefore relatively little exposure to a possible economic slowdown.

- The leverage ratios in the portfolio are low and will allow companies to avoid getting into financial trouble even if their activity should temporarily contract.

- Finally, and we think most importantly, the portfolio continues to trade at very low valuation levels and in our view not reasonable or comparable to the price levels that a natural buyer of such companies would be willing to pay for them. In fact, the portfolio's FCF yield is currently around 12%, the lowest level since we launched the fund. This makes the wait easier, because companies continue to generate very high levels of cash relative to their stock market value and continue to reinvest in attractive new investment opportunities and/or return that capital to shareholders. As we noted in the previous quarter, many portfolio companies have been recently announcing extraordinary capital returns in the form of extraordinary dividends or share buybacks.

The table below provides a summary of the fund's main investments and their position with respect to the variables mentioned above: inflation, recession, debt level and market valuation.

Ranking of the main positions of the Equam portfolio

Weight	Company	Business Description	Inflation protection	Resilience to recession	FCFy	Debt level
5.8%	TGS	Seismic exploration for the oil sector			10.0%	Net cash
5.1%	Mondadori	Publishing books and magazines			13.2%	1.1.x net debt /ebitda
5.0%	Applus	Technical and vehicle inspection			12.0%	2.8x net debt / ebitda
4.6%	DO&CO	Catering Services			11.1%	1.4x net debt / ebitda
4.6%	Prosegur	Cash management			15.3%	2.0x net debt /ebitda
4.0%	Dalata	Hotels			11.4%	1.7x net debt / ebitda
3.8%	elecnor	Energy concessions and maintenance services			10.0%	0.5x net debt /ebitda
3.5%	TI Fluid Systems	Supplier for the automotive industry			15.0%	1.8 net debt / ebitda
3.1%	smsplc	Installation and management of smart meters			8.0%	Net cash
3.1%	RHI Magnesita	Refractory product manufacture			17.0%	1.5x net debt / ebitda
3.1%	The Navigator Company	Uncoated paper manufacturing			9.0%	Net cash
3.0%	AcadeMedia	Education services			12.6%	1.1x net debt /ebitda
2.9%	Wilhelmsen	Maritime services			14.0%	2.8x net debt / ebitda
2.9%	Vopak	Storage of chemical products			9.5%	1.4x net debt / ebitda
2.4%	SOL	Industrial and medical gases			12.5%	2.0x net debt /ebitda

Although some of the companies in the portfolio do have a more cyclical component, such as TI Fluids or RHI Magnesite, we believe that the current share price level more than reflects any very negative economic recession scenario.

Another relevant issue is the situation of the European economies and more specifically the excessive level of debt of the southern European countries and the financial implications that a gradual increase in interest rates may have. In this regard, it should be remembered that although we invest mainly in European companies, they are exposed to the world economy. In this sense, in terms of revenue generation, our portfolio is adequately diversified with the following geographical exposure: Europe 60%, America 30%, Asia 15%, and other regions 10%.

Mondadori is a good example of a complete decorrelation between share price and business value.

Value and price

Mondadori has achieved a 21% average annual growth in value per-share over the last 6 years and currently trades at a 48% discount to a conservative intrinsic value.

On many occasions have we expressed our surprise at the gap between the quoted price of companies and the real value of the business. We would like to return to this point by commenting on one of the main companies in Equam's portfolio, the Mondadori book publishing group, as an example of market irrationality.

Mondadori is the leading book publishing company in the Italian market for both trade books and textbooks. It is a business with barriers to entry, good profitability, and significant cash generation due to a low level of investment needs. Although the sector does not show strong growth, it is very stable and relatively unexposed to the economic cycle, so it should not suffer in a scenario of economic slowdown. In addition, Mondadori has managed to generate a lot of value through various acquisitions in recent years and various initiatives that have enabled it to improve its profitability. Finally, it has repositioned its business, reducing to an almost marginal level the weight of magazine publishing (a business of poorer quality and with a negative structural trend), which currently accounts for less than 5% of the group's total EBITDA.

Mondadori Financial Performance

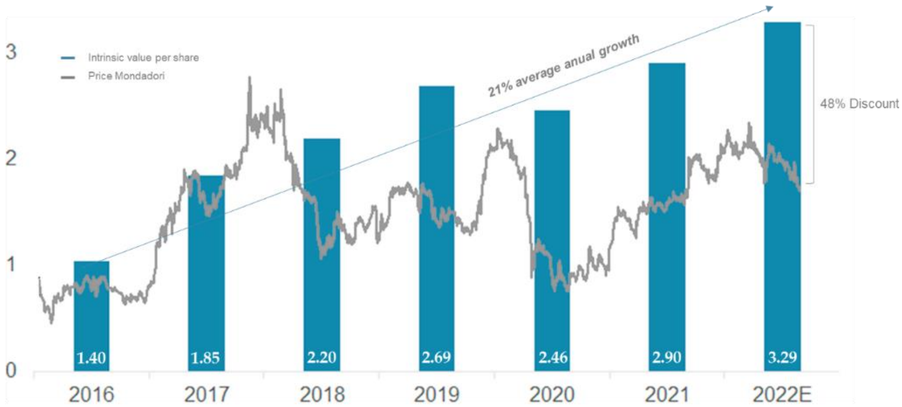
€million	2016	2017	2018	2019	2020	2021	2022PF
Nº shares	261	261	261	261	261	261	261
Sales	**941,3**	**970,8**	**891,4**	**884,8**	**744,0**	**781,2**	**890,0**
EBITDA	**67,0**	**84,00**	**90,2**	**94,6**	**82,0**	**90,0**	**122,0**
margin EBITDA	7,1%	8,7%	10,1%	10,7%	11,0%	11,5%	13,7%
Net debt	**-263,6**	**-189,2**	**-147,2**	**-55,4**	**-14,0**	**37,5**	**-120**
Net debt /EBITDA	3,9x	2,3x	1,6x	0,6x	0,2x	-0,4x	1,0x

All this has been reflected in a very significant value creation process in recent years because of both EBITDA growth and the reduction of the company's debt. We estimate that the value of the company has grown by around 21% per year over the last 6 years, going from a conservatively estimated value per share of 1.04 euros to a current valuation of around 3.3 euros per share. On the other hand, although the company had a small drop in profits during the Covid quarters, cash generation remained high and in 2021 it had already recovered its pre-Covid profitability level. Another example of the importance of focusing on the medium/long term and not so much on the temporary outlook.

Against this backdrop, the company's share price has been erratic, and the company has gone from trading at 8.5x EV/EBITDA in 2016/17 to current levels of 4.7x EV/EBITDA. This current valuation level compares to the 9-10x multiples that have been paid in private deals for similar companies (Santillana in Spain or Editis in France). This multiple contraction is surprising for a company that has a much better business profile than 6 years ago, a much lower level of debt and a stronger market position. Additionally, after several years focused on reducing its debt, the company has recovered its dividend policy and at current share price levels offers a dividend yield of 4.7%.

The following graph shows the share price evolution compared to the evolution of the company's value per share over the last six years.

Price per share vs Intrinsic Value Mondadori



Implied EV/EBITDA	8.49x	8.72x	6.58x	6.27x	4.98x	5.50x	4.66x
Share price prem. (disc) vs. intrinsic value	12.1%	12.4%	-22.3%	-23.3%	-38.6%	-29.7%	-47.8%

** Intrinsic value estimated at a multiple of 8x EV/EBITDA vs. comparable transactions in the range of 9-10x.*

Changes in the portfolio

During the second quarter of the year we made no new investments. Although we have been closely monitoring several companies for some time, the strong market volatility combined with the steep discount of the portfolio companies has resulted in us not adding new companies.

However, we have made some divestments of companies with lower upside potential and a small weighting (Restore and Fresenius Medical) and we have increased our weighting in some of the companies with better prospects (Applus and Elecnor).

We have taken advantage of the volatility in the market to strengthen our positions in Elecnor and Applus.

In the case of **Applus**, a company that offers inspection and laboratory services, after a few quarters of contraction during lockdown, the company has gradually recovered its revenues and profitability, although it is still slightly below the pre-Covid situation. We believe this is a relatively stable business, with recurring and significant cash generation. However, the company's share price is at historical lows and trades at a discount of more than 50% to its peers, which is why we have taken the opportunity to increase the weight in the portfolio.

Regarding **Elecnor**, the company has recently announced its desire to bring in a financial partner for its renewable energy concessions division (wind and solar in Spain and Latin America), where it has 1,565 MW in operation and a project portfolio that will allow it to grow significantly in the following years. We believe that this transaction will set a market benchmark for the valuation of this division, as happened with the transaction within its energy transmission business, in which the infrastructure investment fund ADP also became a shareholder.

Additionally, a bid for another portfolio company was announced during the quarter. On this occasion, the Italian company Esprinet announced its interest in Cellularline if it was allowed access to company information for due diligence.

With the possible takeover bid from Cellularline, we will have received 7 takeover bids in the last quarters.

This potential offer brings to seven the number of takeover bids we have received for portfolio companies in recent quarters since the post-Covid recovery began. We are waiting for Esprinet to officially confirm its takeover offer, but in any case, we believe that, once again, the price offered is well below the fair value of the company.

Tender offers in the portfolio

• T. Offers post 2018

• T. Offers post-Covid

Date	Company	Country	Transaction	Offer price	Premium	Acquirer
dec.-18	Nice	Italy	cash	3.5	42.86%	Largest shareholder
mar.-19	STALLERGENES	France	cash	37.0	42.91%	Ares Life Sciences Fund
apr.-19	Parques Reunidos	Spain	cash	14.0	29.63%	Corp. Fin. Alba + EQT
may.-19	Spectrum	Norway	stock	61.0	8.61%	TGS Nopec (industrial)
jul.-19	LATÉCOÈRE	France	cash	3.9	34.15%	Searchlight Private Equity
sep.-20	Internationella Engelska Skolan	Sweden	cash	82.0	12.00%	Paradigm Capital
dec-20	HunterDouglas	Holland	cash	82.0	60.7%	Largest shareholder
mar-21	Cerved	Italy	cash	9.5	34.9%	GIC Singapore Fund / ION
oct-21	tasgroup an owl company	Italy	cash	2.2	23.6%	Gilde (p.equity)
nov-21	intertrust GROUP	Holland	cash	20	60.0%	CSC (competitor)
nov-21	VIVO ENERGY	UK	cash	1.85	24.6%	Vitol Group (p.equity)
may-22	cellularline	Italy	cash	4.41	30.0%	Esprinet***

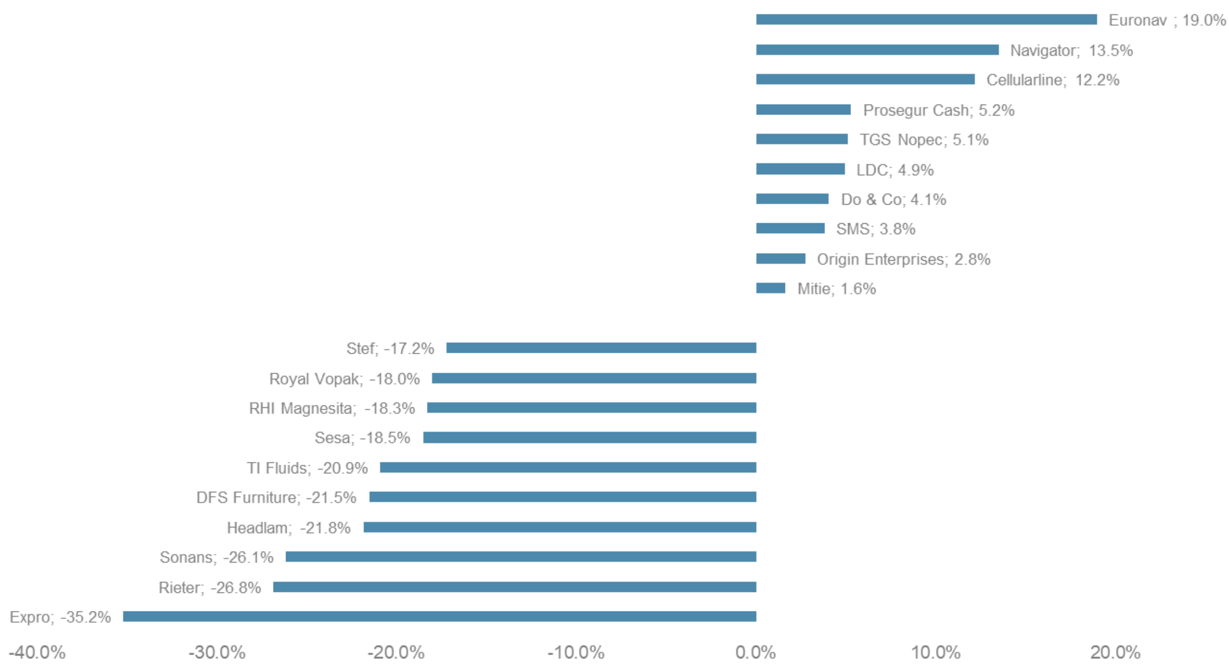
***: Cellullarline takeover bid NOT concluded

Portfolio situation and fund potential.

After the movements we have made during 2022, we have 42 companies in our portfolio. The fund's liquidity remains as in previous quarters at a low level of around 2%.
The following table shows the evolution of the best and worst companies in the portfolio in the quarter.

EQUAM

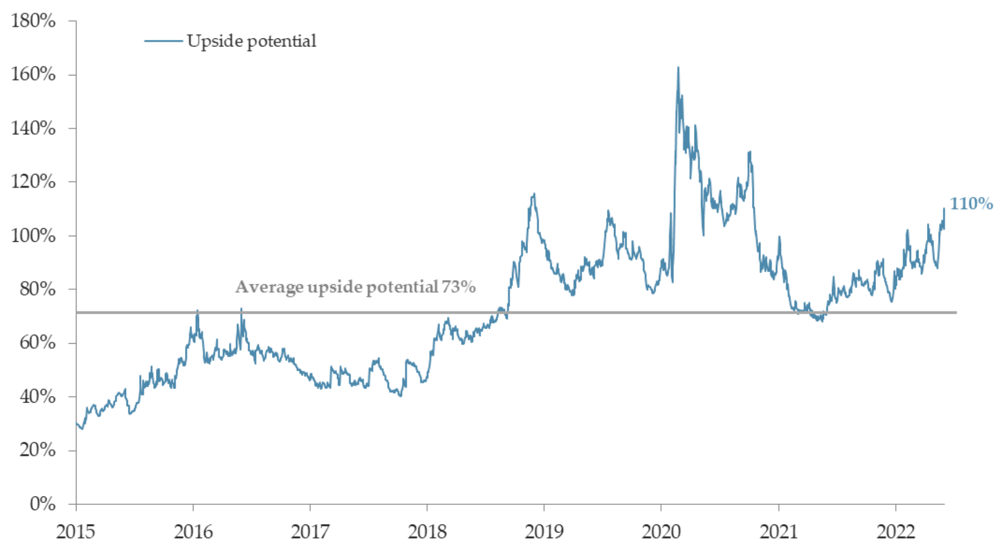
Best and worst performing companies in the second quarter



With the recent falls, the fund's upside potential has shoots up to a record high of 110%.

After the recent falls and the changes made to the portfolio, the fund's potential has returned to peak levels, standing at 110% at the end of the half year compared to an average potential since launch of 73%.

Fund potential



Appendix I: Largest portfolio positions

Company	Country	Weight	Description
TGS	Norway	5,8%	Intangible assets for oil exploration. Net cash.
Mondadori	Italy	5,1%	Italian oligopoly in book distribution.
APPLUS	Spain	5,0%	Technical and vehicle inspection services
DO & CO	Austria	4,6%	Catering for airlines in recovery phase.
Prosegur Cash	Spain	4,6%	Cash transport oligopoly in Spain and Latin America.
Dalata	Ireland	4,0%	Irish hotel group in turnaround.
Elecnor	Spain	3,8%	Energy concessions and maintenance services
TI Fluid	UK	3,5%	Leading manufacturer of automotive fluid hoses.
SMS	UK	3,1%	Installation and management of smart meters
Navigator	Portugal	3,1%	Lowest cost paper producer in the industry
RHI Magnesita	UK	3,1%	Thermal protection of furnaces. Exposure to raw materials
AcadeMedia	Sweden	3,0%	Swedish education sector. Cyclical, political situation
Wilh. Wilhelmsen	Norway	2,9%	Norwegian shipping holding company trading at discount.
Expro Group	EE. UU	2,9%	Exploration and production services. Net cash
Royal Vopak	Netherlands	2,9%	Chemical storage
Total top 15		**57%**	
Total portfolio		**97,8%**	
Liquidity		**2,2%**	
Total		**100%**	

EQUAM Global Value, FCP

EQUAMVA LX
148.95€
30 June 2022

Description

EQUAM Global Value invests in a diversified portfolio of companies with clear business models and solid capital structure when they trade at a significant discount to their intrinsic value. We are patient, long term investors.

EQUAM Global Value is subject to strict risk management and diversification parameters to minimise the risk of permanent loss of capital. Our investment portfolio is the result of a thorough analysis, investing only in situations with quantifiable and limited downside and with asymmetric risk return profile, where upside potential exceeds significantly downside and stress test scenarii. In the absence of compelling investment opportunities, we are able to hold cash patiently.

EQUAM Global Value is a Luxembourg - domiciled UCITS fund. EQUAM Capital is the registered financial advisor to the Fund, and is devoted exclusively to the research and analysis of potential investments for the Fund.

Main holdings & performance

Company	Weight
TGS ASA	5.8%
Arnoldo Mondadori Editore S.p.A.	5.1%
APPLUS SERVICES S.A.	5.0%
DO & CO Aktiengesellschaft	4.6%
Prosegur Cash SA	4.6%
Dalata Hotel Group Plc	4.0%
Elecnor S.A.	3.8%
TI Fluid Systems plc	3.5%
Smart Metering Systems PLC	3.1%
Navigator Company SA	3.1%
Total Top 10	**42.7%**
Total Equities	**97.8%**
Cash positions	**2.2%**

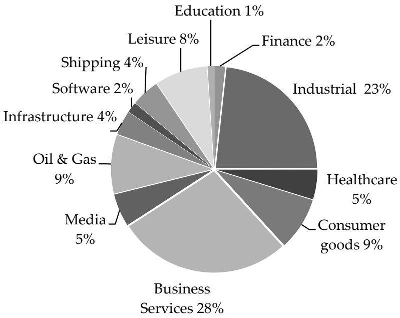
Fund upside potential 110% Positions 42

Performance vs indices	EQUAM A	MSCI Europe NR**	Stoxx 50 NR**	Equam vs MSCI
1 month	-9.5%	-7.7%	-6.0%	-1.8%
3 month	-7.2%	-9.0%	-6.0%	1.8%
2022 YTD	-7.7%	-13.8%	-7.9%	6.1%
2021	23.6%	25.1%	26.1%	-1.5%
2020	-10.4%	-3.3%	-6.3%	-7.1%
2019	27.2%	26.0%	27.4%	1.2%
2018	-19.2%	-10.6%	-10.2%	-8.6%
2017	21.7%	10.2%	9.2%	11.5%
2016	17.0%	2.6%	0.6%	14.4%
2015	-1.1%	0.9%	-0.3%	-2.0%
Inception	48.4%	34.1%	36.5%	14.3%
Inception annual	5.5%	4.0%	4.3%	1.4%

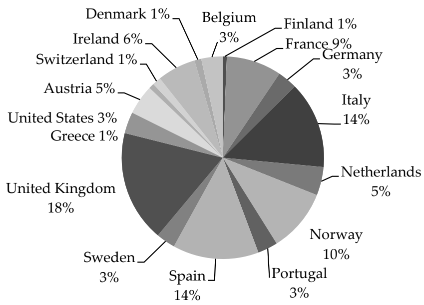
** Return since inception exclude initial 15 days in which the fund was not invested.*
*** NR indices assume dividend reinvestment after withholding tax.*

Portfolio summary

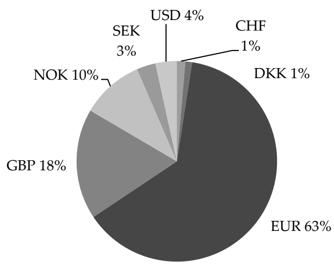
Sector



Country

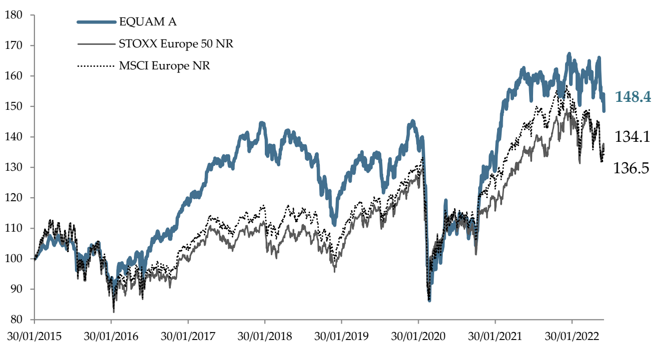


Strategy

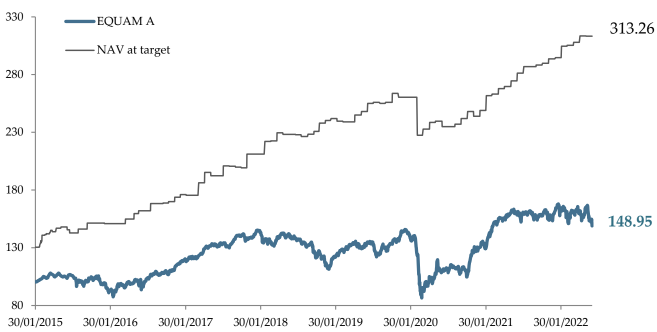


NAV evolution and portfolio data

EQUAM Global Value Class A (Rebased to 100)



EQUAM Global Value Class A vs NAV at target valuation



Incometric Fund - Equam Global Value

Bloomberg (Class A)	EQUAMVA LX
ISIN Class A	LU0933684101
ISIN Class B	LU0933684283
ISIN Class D	LU1274584991

Registered in Spain	CNMV number 587
Fees Class A	1% NAV + 8% profit
Fees Class B	1.85% NAV
Fees Class D	1.25% NAV (min 1 MEUR)

Fund Advisor	Equam Capital
Management Company	ADEPA (Lux)
Custodian	Quintet
Transfer Agent	European Fund Admin.