EQUAM Global Value Fund

September 2023 quarterly report

Good results of our companies

The economic situation in Europe shows signs of economic slowdown and inflation remains at high levels.

Our portfolio companies continue to perform well and are offering very good protection against inflation. If a recession eventually arrives, we are convinced that our companies will withstand the stress and emerge stronger from it, because they are leaders in their respective niche markets, have low debt and trade at multi-year low valuations.

Incometric Fund - EQUAM Global Value is a mutual fund managed with a value inves methodology. We intend to compound our capital through long-term investment in companies solid businesses that we can acquire at a discount to their Intrinsic Value. We also seek to protec capital investing only in situations where the risk of permanent capital loss is low. We do not ai second-guess short term market movements but rather acquire interests in sound businesse excellent prices. The Fund has an unconstrained mandate that allows us to deploy capital in compa active in regions and sectors where we can find the best investment opportunities. However, w currently focusing our idea generation efforts in the European Small & Mid Cap arena. We General Partners have invested most of our net worth in the fund and our interests are entirely ali with those of our partners and co-investors. EQUAM Global Value is a UCITS IV vehicle and ca invested into throughout most leading financial intermediaries using AllFunds, Inversis, Funds and other platforms.

EQUAM

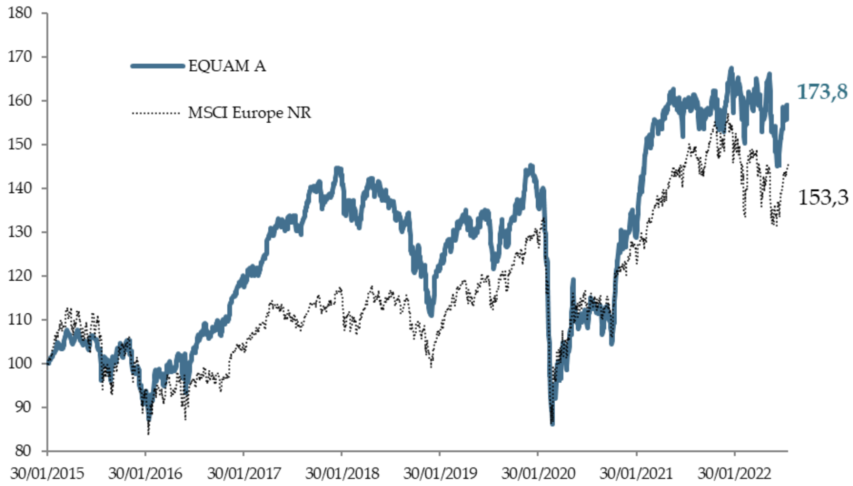
Recent performance of the Fund.

Throughout the third quarter, European indices fell by -2.1%, with the decline accelerating in September. In the same period Equam gained 1%. So far this year Equam has risen 12.3% and the indices, also considering dividends, have gained 8.5%.

Although the year to September remains positive, the indices have suffered cuts of 2.1% in the third quarter. Equam increased 1%.

If we consider the performance since the launch of Equam, a period of almost 9 years, the fund has achieved an annual return of 6.6% compared to 4.9% for the index. In absolute terms, Equam has gained 74% and the European index 54%.

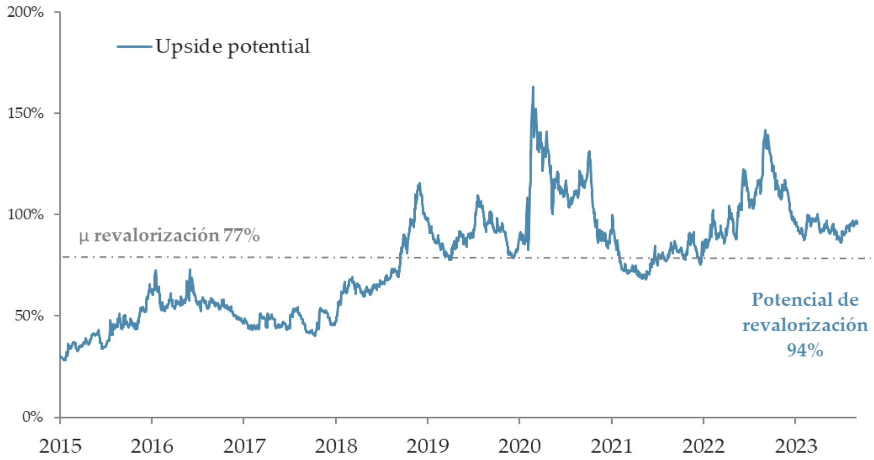
Equam Performance vs. Comparable Index



The fund has a 94% upside, which is high by historical standards and above the average potential since the fund's launch.

EQUAM's NAV evolution and valuation at target prices

The fund's upside potential remains at a record high of around 94%.



Economic outlook.

The economic situation continues to deteriorate little by little. The industrial companies we have visited in recent months confirm a slowdown in orders, which is due both to the fall in final demand and to the reduction of inventories built up over the past year to cope with logistical and energy problems.

Some supply chain and logistics problems that affected the economy in the previous period have been resolved and China has finally abandoned covid restrictions, changes that have helped to improve the economy. On the other hand, inflation, higher energy prices and higher interest rates are affecting demand for some products.

From a statistical point of view, the slowdown in Europe and China is also confirmed and the US continues to create jobs and show GDP growth, as described below.

Industrial production in the US has improved compared to last year, with industrial capacity utilisation rising by +0.7% to 79.4% in the second quarter. GDP has shown an annualised growth of 2.4% in the same period, accelerating from 2.0% in the first quarter. In more recent data, it created 336,000 jobs in September, much more than analysts expected.

In China, industrial production has also picked up, but not significantly and industrial capacity utilisation, at 74.5%, was lower than in the first quarter. GDP growth was 5.5%. Construction activity has been particularly hit hard, with investment falling by -7.3% in the second quarter, even more than in the first quarter (-4.1%).

The European economy is waived, with growth of 0.6% in the second quarter, decelerating from 1.1% in the first quarter. In May, European GDP suffered an annualised decline of -2.2%. Industrial capacity utilisation remains high at 81.2%, albeit down from 82.5% last year. Consumption is also slowing in Europe and in August retail sales fell by more than 0.3%. Construction activity is slowing down from 0.7% growth in the first quarter to only 0.1% in May.

Within the European Union, the German economy, which is suffering from a contraction in activity, deserves special mention. Energy-intensive industrial activity has been hit hard by the energy shock. Industrial investments and external demand have also slowed down significantly. GDP fell by -0.6% in the second quarter.

Although the economic situation is deteriorating, interest rates are still high, and are likely to remain high, as inflation is not under control, oil is still high, and the US economy is showing great strength. It is possible that the economic situation in Europe will continue to deteriorate and at the same time rates will remain high. Our portfolio is designed to protect us from such a situation, always bearing in mind that the stock market is volatile and there will be sharp and unexplainable price rises and falls. Our objective is not to avoid that volatility, but to make sure that our companies will be able to recover from crises.

Our companies continue to show, in general, very good sales and margin growth and we think they are providing excellent protection against inflation. Debt levels are low in all cases and rising rates do not pose any direct financial risk. At the same time, their valuation remains very attractive. The multiples at which they trade are among the lowest we have seen in many years.

But what gives us the most confidence is the ability of our businesses to withstand a prolonged recession. It gives us great confidence to know that as leaders in their respective markets, downturns allow our companies to weather downturns, gain market share and emerge stronger from downturns.

DFS Furniture is a good example of resilience and the ability to emerge stronger from crises. DFS sells sofas in the UK, a sector that is going through a severe downturn due to rising interest rates and the contraction of the UK property sector. The market is down 15% in volume from pre-pandemic levels and the company's sales and profits have fallen by 6% and 50% respectively. The share price is at historic lows, having fallen from £2.70 in 2021 to £1.08. However, DFS continues to report positive earnings and its debt has gone from 1x to 1.9x ebitda, which is perfectly manageable. Most importantly, its market share has further strengthened from 36% of the market to 38%. Weaker competitors cannot withstand the pressure and DFS is capturing its market during the crisis. These are tough times for everyone but those who resist come out stronger when the crisis is over and that is one of the sources of value creation for the long-term investor. For us it is an exceptional investment opportunity because the company is gaining market share and at the same time it is trading at historic lows. It is a stronger and better company, but it is trading at a 60% discount to the highs of just over a year ago.

We feel the same about the rest of our portfolio, which is made up of niche leading companies that have a strong financial position and are trading at very attractive valuation levels. When the recession hits, some of them will suffer sales and share price cuts, but a few quarters later, when the situation improves, they will emerge stronger and even more valuable.

New Investment in Befesa.

During the quarter we have included Befesa, a company dedicated to the recycling of hazardous waste from steel mills and aluminium plants, which we have been following for several years, in our portfolio. We think that with the negative evolution of the share price, now is the time to invest.

During the quarter we invested in Befesa, a world leader in steel dust recycling.

Befesa collects the waste from electric arc steel mills, the steel dust, recycles it and produces a high zinc content compound which it sells on the market. It has a market share of between 40% and 50% in the main regions in which it operates, and manages treatment plants in Europe, the United States, Korea and China. The company has a stable and growing business in terms of volumes but is subject to zinc price volatility, buyer discounts and volatile energy and coke costs. To mitigate this volatility, the company hedges the zinc selling price, thereby achieving stable selling prices.

In recent quarters the company's main economic variables have worked against it. The price of zinc is at a record low, the discount applied by buyers is at a record high and the price of energy and coke is also at a record high. All this, together with the delay in the start-up of the new plants in China, has pushed the share price to historic lows. It is trading at €28 when in 2021 and 2022 it reached €70, a discount of 60%. We believe that this negative situation is beginning to correct itself and that in the medium term the situation will normalise.

The 2023 results are not going to be good and for all the reasons mentioned above, ebitda will be around €200m-230m. However, we estimate that after the normalisation of zinc and coke prices and the progressive increase in occupancy of the Chinese plants, Befesa can reach an ebitda of around €300m with its current structure. It has net debt of around €500m, which represents 2.5x current ebitda and 1.7x recovered ebitda. Applying a multiple of 8x ebitda to this recovered ebitda, the revaluation potential is 70%.

Business developments.

During the third quarter we received an alternative offer on Applus, which slightly improves the previous offer and opens the door to a competitive process.

The results of our companies continued to be generally very good, with a positive evolution of sales and improved margins. The main exceptions to this good performance are some of the industrial companies, as well as DFS Furniture which, as mentioned above, operates in a market heavily affected by the UK property crisis.

One of the companies that has a bad performance is **Rieter,** our company that sells machinery for the textile sector. Although turnover grew by 22%, new orders fell by 63% compared to the previous year. Operating profit has improved compared to the previous year, but the company will undertake a cost-cutting programme to adapt to the drop in orders.

Norma, which sells to the automotive and water projects sector, also suffered a slight drop in orders and a fall in margins, but its sales improved.

The rest of the businesses continued to show good results. Of note was the strength of Sesa, with sales up 21.7% and EBITDA up 24.9%. The companies in the oil sector also continued to perform well.

During the quarter we received new bids for companies in the portfolio, which we discuss below.

As we mentioned in the previous report, on 30 June **Applus** received a takeover offer from Apollo Group (Manzana Bidco) at €9.5, a price we consider to be very insufficient. In September, Amber launched a competing offer at €9.75 per share. Although the price is still in our opinion very low, this offer opens the possibility that the process will become competitive, and the bids will improve substantially. As we indicated in the previous report, we remain on standby for possible improvements in the offer price. The company's results are very good, with sales growth of 8.8% in the first half.

Operating profit grew at an even faster rate of 10.2%.

We have also received an offer to buy and delist **Brodrene Hartmann**, our egg and fruit packaging company. In this case the offer was made at DKK 300 per share, a price which offers no premium to the share price, which is far from any conservative valuation of the company, and which comes at a time when the share price is also depressed by the temporary deterioration in profit margins. The bidder Thornico, which holds 70% of the company's shares, has proposed a delisting of the company and thus intends to force minority investors to sell. Minority shareholders have reacted strongly to this proposal, joining forces to negotiate an improvement with the buyer. In order to approve the delisting, the approval of more than 90% of the shareholders is necessary and the minority shareholders with more weight have enough shares to block the process. In this way the minority shareholders have managed to negotiate with Thornico an improved offer of 20% to 360 kronor per share, which was announced on 12 October. Equam is taking an increasingly active role in this type of transaction, helping to coordinate the minority shareholders in order to improve the offers that seem insufficient to us. We believe this is one of the ways in which we can improve returns for our investors more directly and we will continue to look for any opportunities where we can be active.

Allfunds, one of our most recent additions, has also recently announced that it will be undertaking a strategic review of its business, for which it has engaged two investment banks. The review process will consider the possibility of selling the business or merging the company with a competitor. Euronext had already made a preliminary offer for the company on 22 February, at a valuation of €5,500m, but withdrew it a few days later after failing to reach an agreement with major shareholders. Allfunds currently has a market capitalisation of around €3.4 billion.

TGS, an oil exploration and production company, recently announced its merger with PGS, a major seismic survey vessel owner. The announcement was accompanied by a small capital increase by each of the two companies which was very well received by the market. Sales in the third quarter, June to

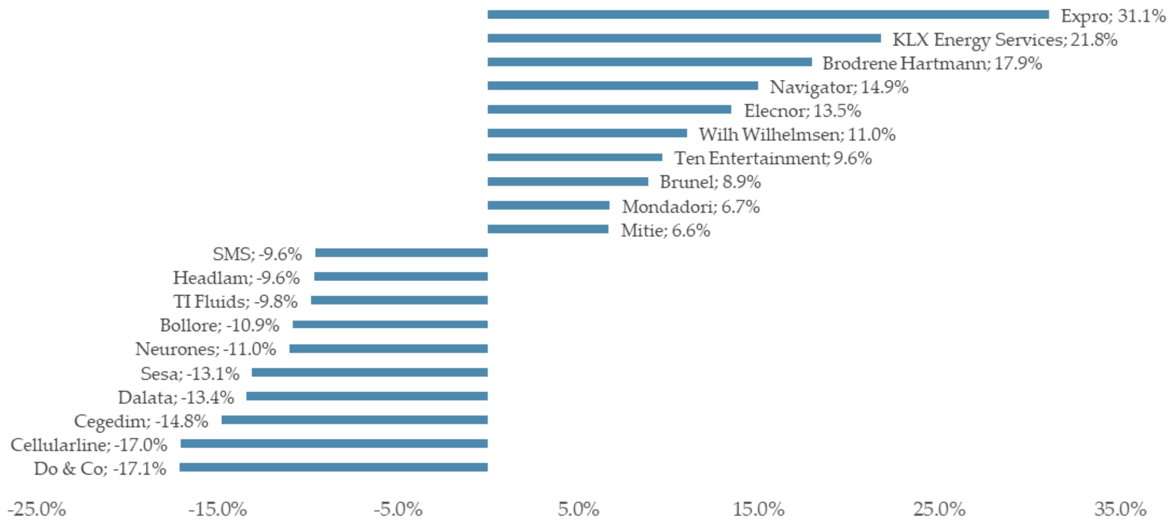
September, were exceptionally good, reaching $293m compared to $119m last year in multi-client contract execution sales and reaching $133m compared to $16m last year in own bookstore sales.

Portfolio situation and fund potential.

After the new companies we have added to the portfolio, we remain invested in 44 portfolio companies. The fund's liquidity was 0.7%, lower than in previous quarters because of the new investments made and the increased weighting of some companies that have fallen.
The following table shows the evolution of the best and worst companies in the portfolio in the quarter.

Best and worst performing companies in the second quarter

Our investments in the oil exploration and production sector, Brodrene Hartmann, Elecnor (electricity engineering which also owns electricity distribution networks and wind farms), Navigator (paper) and Mondadori (publishing) contributed positively during the quarter. The worst performers were Do & Co (airline catering), Cellularline and Cegedim.



Appendix I: Largest portfolio positions.

Company	Country	Weight	Description
Mondadori	EUR	6.1%	Italian oligopoly in book distribution.
Elecnor	EUR	4.9%	Energy concessions and maintenance services.
APPLUS	EUR	4.8%	Technical and vehicle inspection services.
RHI Magnesita	GBP	4.6%	Thermal protection of furnaces. Exposure to raw materials.
TI Fluid Systems	GBP	4.2%	Leading manufacturer of automotive fluid hoses.
TGS ASA	NOK	4.1%	Intangible assets for oil exploration. Net cash.
Expro Group	USD	3.9%	Exploration and production services. Net cash.
Prosegur Cash	EUR	3.8%	Cash transport oligopoly in Spain and LATAM.
Dalata Hotel Group	EUR	3.7%	Irish hotel group in turnaround.
Brodrene Hartmann	DKK	3.2%	Leading manufacturer of cartons (egg cartons).
Smart Metering Systems	GBP	3.0%	Installation and management of smart meters.
AcadeMedia	SEK	2.9%	Swedish education sector. Cyclical, political situation.
Allfunds Group	EUR	2.8%	Largest IF, ETF distribution platform.
Restore	GBP	2.7%	Leader in the document storage sector.
NORMA Group	EUR	2.5%	Sector leader in joining components, clamps.
Total top 15		**57.3%**	
Total porfolio		**99.8%**	
Liquidity		**0.2%**	
Total		**100%**	

EQUAM Global Value, FCP

EQUAMVA LX
174.49€
30 September 2023

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

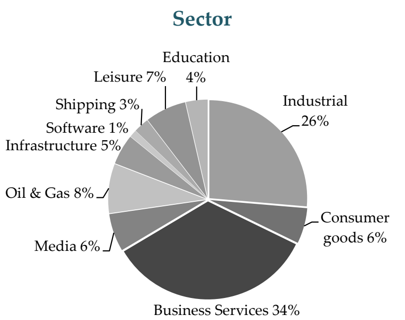
Company	Weight
Arnoldo Mondadori Editore S.p.A.	6.1%
Elecnor S.A.	4.9%
APPLUS SERVICES S.A.	4.8%
RHI Magnesita NV	4.6%
TI Fluid Systems plc	4.2%
TGS ASA	4.1%
Expro Group Holdings N.V.	3.9%
Prosegur Cash SA	3.8%
Dalata Hotel Group Plc	3.7%
Brodrene Hartmann A/S Class B	3.3%
Total Top 10	**43.5%**
Total Equities	**99.8%**
Cash positions	**0.2%**

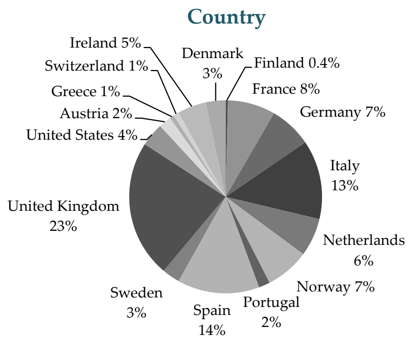
Fund upside potential 94% Positions 44

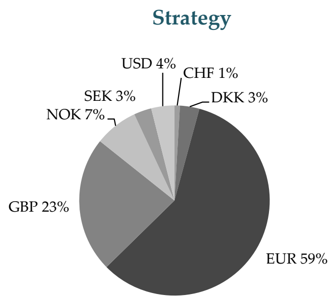
Performance vs indices	EQUAM A	MSCI Europe NR**	Stoxx 50 NR**	Equam vs MSCI
1 month	0.3%	-1.6%	-1.0%	1.8%
3 month	1.0%	-2.1%	-1.6%	3.0%
2023 YTD	12.3%	8.8%	10.0%	3.4%
2022	-3.7%	-9.5%	-1.8%	5.8%
2021	23.6%	25.1%	26.1%	-1.5%
2020	-10.4%	-3.3%	-6.3%	-7.1%
2019	27.2%	26.0%	27.4%	1.2%
2018	-19.2%	-10.6%	-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	73.8%	53.3%	60.0%	20.5%
Inception annual	6.6%	5.1%	5.6%	1.5%

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

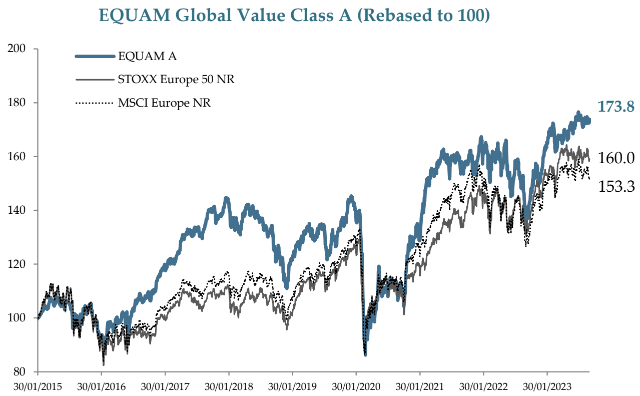
Portfolio summary

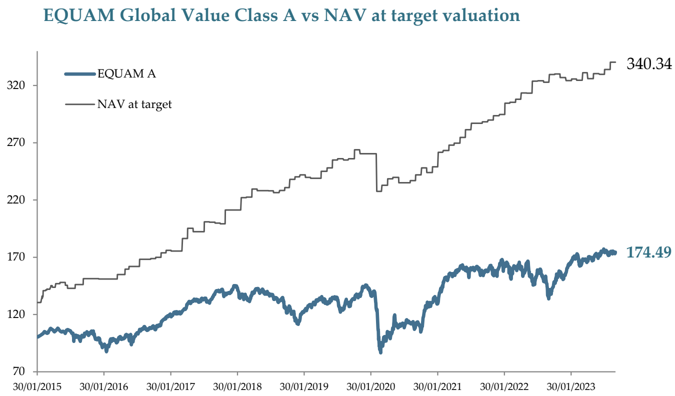






NAV evolution and portfolio data





Incometric Fund - Equam Global Value

Bloomberg (Class A)	EQUAMVA LX
ISIN Class A	LU0933684101
ISIN Class B	LU0933684283
ISIN Class C	LU1274584488
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 C	1% NAV (min 5MEUR)
Fees Class D	1.25% NAV (min 1 MEUR)

Fund Advisor	Equam Capital
Management Company	ADEPA Asset management
Custodian	Quintet
Transfer Agent	ADEPA Asset management