EQUAM Global Value Fund

Fourth quarter 2023 report

Fund potential still high despite the rises

Nine years after its launch and in an unfavourable environment for our investment style, annualised performance since launch stands at 7.5%, outperforming comparable indices including dividends by 1.9%.

Despite the Fund's significant appreciation over 2023 and doubts about the economy, we are positive about the future. We believe that the ingredients are starting to come together for our investment style (value and mid-cap investing) to begin to reflect its true potential. Our companies continue to perform well and are offering very good inflation protection yet are still trading at low valuations.

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.

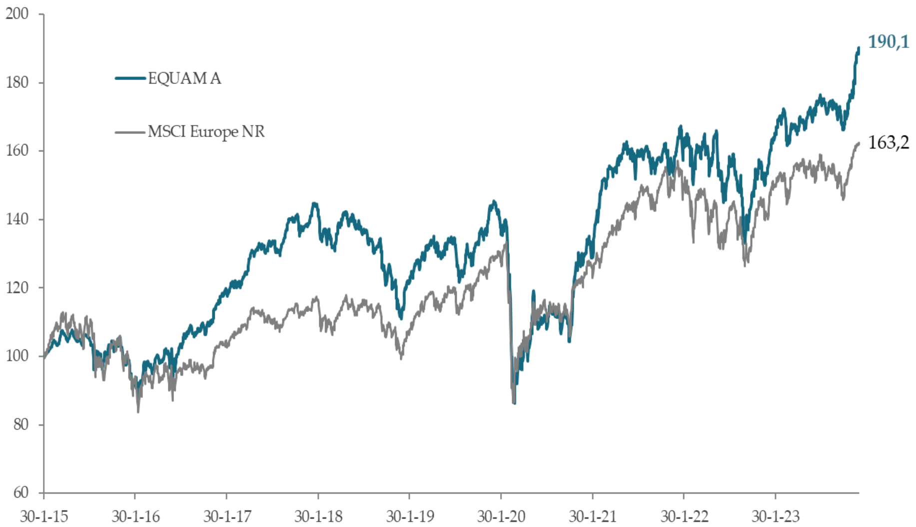
EQUAM Global Value is a UCITS IV vehicle and can be invested into throughout most leading financial intermediaries using AllFunds, Inversis, Fundsettle and other platforms.

Equam recent evolution.

We will close 2023 with a 22.7% revaluation, 7% above the comparable indices with dividend.

After a difficult year 2022 for the markets, in which most investment assets experienced significant falls, in 2023 the world's main stock market indices have experienced a significant recovery. For example, the S&P500 has risen by 26% in the United States and the Eurostox50 and MSCI600 have risen by 15.1% and 15.8% respectively. Against this backdrop, our Equam Global Value fund returned 22.7% in 2023, outperforming comparable indices with dividends by 7%. If we take into account the performance since the launch of Equam, a period of almost 9 years, the fund has achieved an annual return of 7.5% compared to 5.6% for the index. In absolute terms, Equam has appreciated by 90.1% and the European index by 63%.

Equam performance vs. Comparable Index

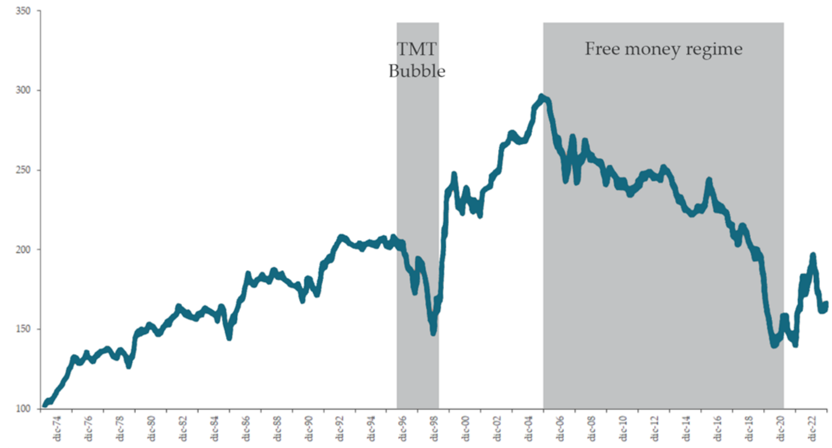


Against an unfavourable backdrop for our investment style, annualized appreciation since launch stands at 7.5%, also outperforming comparable indices including dividends by 1.9% per year.

The revaluation achieved by the fund has been achieved in a context that is not at all favourable for our investment philosophy because of the low interest rates that have favoured larger and higher growth companies. Thus, contrary to the positive historical performance, since the financial crisis of 2008 until 2021, value investments have underperformed relative to investments in growth companies.

Despite the good performance of the period, we are positive about the future. We believe that the necessary ingredients are starting to come together for our investment style to begin to reflect its true potential.

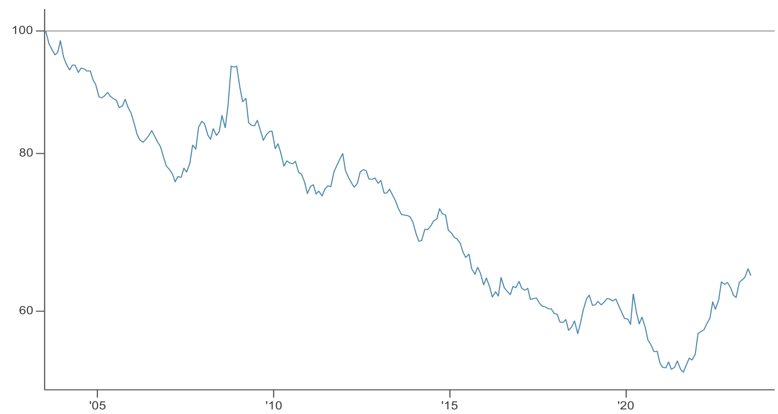
Relative performance MSCI World Value versus Growth



Source: Berenberg.

On the other hand, although we have a flexible mandate with respect to the size of the companies in which we invest, a significant percentage of the portfolio is in small and mid-cap companies (<€2,000 mn). Although often perceived by the market as a riskier segment, on the contrary, we are invested in companies that although in the context of the listed markets may appear small, are all leaders in their respective markets in which they operate and with significant market shares that allow them to strengthen against weaker competitors in times of turbulence. On the other hand, the market segment of small-cap companies has historically experienced better stock market performance. However, in recent years this trend has been different due to the lack of flows towards this type of companies, to the growth of passive investment and the refuge of investors in large-cap companies.

Valuation difference between small/large cap Europe



From the economic point of view, the year was marked by the continuation of interest rate hikes by the main central banks, which began in 2022, and a drop in inflation levels, which nevertheless are still above the targets set by these central banks. On the other hand, the expected recession has not yet arrived, although some signs of a slowdown are beginning to be seen in certain sectors.

At present, after two years of hikes, the markets are anticipating the beginning of a gradual decline in interest rates sometime in 2024 because of getting inflation levels under control. In this sense, it must be considered, as happens many times in life, that the last mile is always the most complicated and, as has happened in other similar moments, it is not impossible that inflation will take longer to be controlled than expected. In any case, we do not like to make predictions about the future or spend too much time on it; we prefer to prepare and protect ourselves against different scenarios. That is why we continue to hold a portfolio of companies with good businesses, solid balance sheets, well protected against inflation and trading at very attractive valuations. What is clear to us, however, is that a return to the artificially low levels we experienced in the decade after the financial crisis would not be desirable until mid-2022. Interest rates that are not artificially manipulated by central banks represent a fundamental pillar of the capitalist economy to correctly remunerate savings, discourage investments that make no economic or financial sense and thus avoid financial bubbles.

New Investments in 2023

In 2023, we have made a total of 7 investments as shown in the following table.

Marlowe provides critical compliance services, with recurring revenues, growth and good cash generation.

New investment in 2023

1Q	2Q	3Q	4Q
NORMA GROUP	allfunds	BEFESA	MARLOWE
	Restore		
	hollywood bowl		
	~~ten~~		

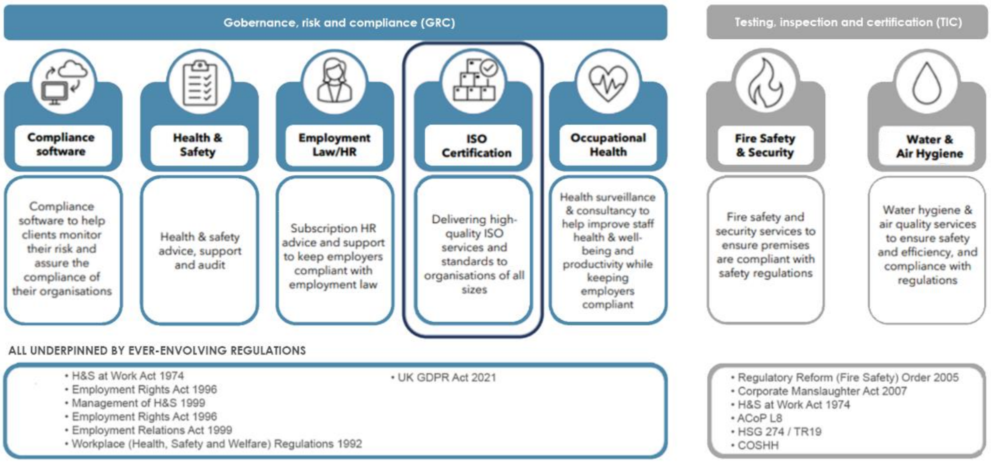
— has suffered a takeover bid

In the fourth quarter we have made a new investment in the United Kingdom, the company Marlowe plc. which provides critical services and software to enable companies to comply with regulations in areas such as occupational safety, health, fire safety, security, technical inspections, etc....

The company offers its services through two divisions: Governance, Risk and Compliance (GRC) and Testing, Inspection and Certification (TIC). GRC encompasses its consulting and software solutions in the areas of compliance software and eLearning, health and safety, labor law and human resources, and occupational health. The ICT division offers services in relation to compliance requirements for safety and fire protection and water and air hygiene.

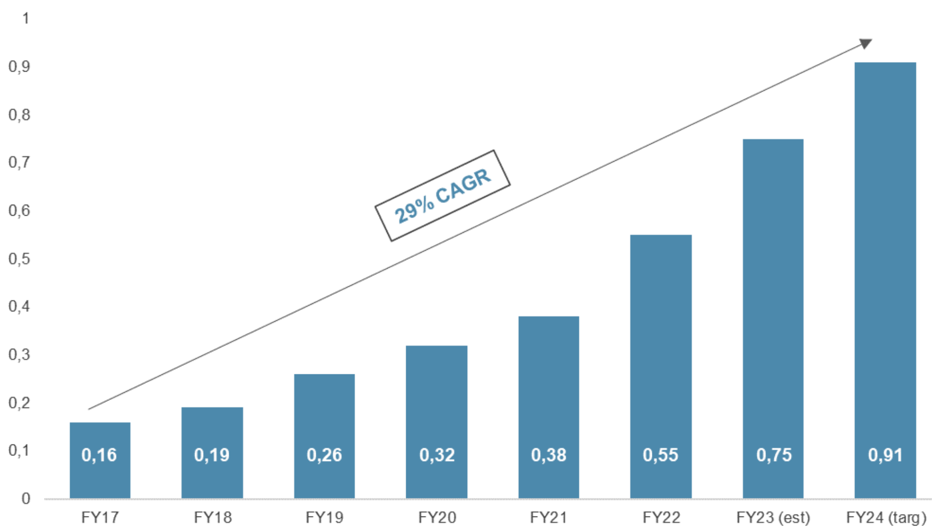
This is a business with recurring revenues, in a highly atomized sector where Marlowe maintains a leadership position, but with small market shares that allow it to continue consolidating the sector through acquisitions. On the other hand, it is a sector with high growth rates due to the increase in regulation, which increases the need for clients to dedicate more resources to the areas of regulatory compliance.

Marlowe Business Description



Following high growth of the business through organic growth and acquisitions the company currently has revenues of £500 mn and EBITDA of just over £80 mn (ex IFRS16). Marlowe has achieved annual EBITDA per share growth of 29% per annum since inception in 2017. With relatively low capital expenditure requirements, the business generates a high level of cash which allows it to fund new acquisitions. Despite this, the company's leverage is at reasonable levels of 2.3x EV/EBITDA.

Financial Evolution of Marlowe



Ebitda per share (ex IFRS-16 £)

In recent quarters, the share price has experienced a sharp correction due to higher than initially estimated levels of extraordinary expenses resulting from the integration and restructuring of the various acquisitions. This situation has allowed us to buy a quality business at a very attractive price (equivalent to a multiple of 6x Enterprise Value / EBITDA and FCF yield of 12%).

Value and Price.

In previous quarterly reports we have tried to show the divergence that occurs in the market between the listed price of companies and the real value of the businesses through investment examples from our portfolio (Mondadori and Applus, which has been the subject of a takeover bid as we will explain later). We return to this same idea, commenting on the case of another investment, the French company LDC Group.

LDC, Europe's leading poultry meat retailer, is another clear example of the strong divergence between share price and intrinsic business value that has occurred in recent years.

LDC has all the characteristics we look for in our investments. A family-owned company with a strong competitive position (market share of over 40% in France and European leader) and a positive net cash position. The poultry meat market is a growth market favoured by the increased penetration of this type of product compared to other types of meat (beef and pork). The company's strong balance sheet has enabled it to take advantage of this situation and LDC has experienced significant growth in recent years (around 8% per year) through a combination of organic investments in its plants and a plan to acquire companies in France and other European countries.

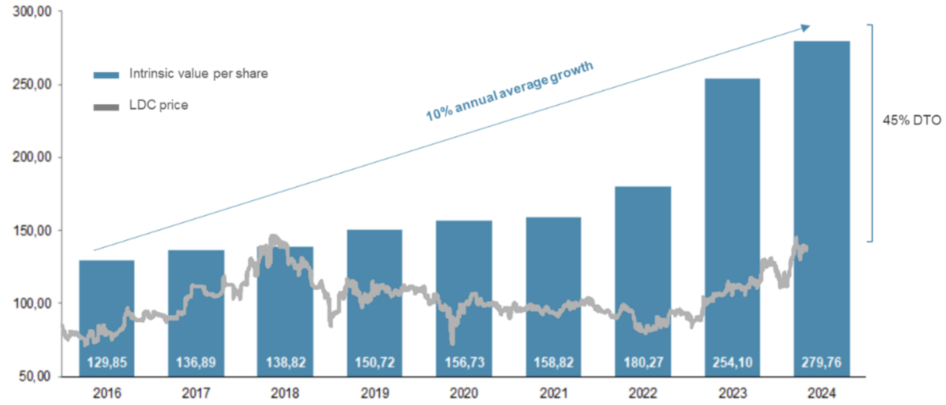
LDC - Historical Financial Performance

(2,4% fund)

€mill	Feb 16	Feb 17	Feb 18	Feb 19	Feb 20	Feb 21	Feb 22	Feb 23	Feb 24	*CAGR*
Revenues	3580	3.827	4.124	4.419	4.428	4.650	5.969	5.846	6.225	8%
EBITDA	285	300	318	359	359	363,6	406,8	555,4	600	10%
margin EBITDA	*8,0%*	*7,8%*	*7,7%*	*8,1%*	*8,1%*	*7,8%*	*6,8%*	*9,5%*	*9,6%*	*8,2%*
Net Debt	-186	-201	-104	-21	-123	-123	-181	-381	-500	

And despite the goodness of the business and the quality of the company, the share is trading at very low levels (3.1x Enterprise Value/EBITDA or 3.7x if we normalize the EBITDA margin of the last year, which has been extraordinarily high)

Price per share vs. Intrinsic Value LDC



	2016	2017	2018	2019	2020	2021	2022	2023	2024
EV/EBITDA implied	4,89x	7,06x	5,45x	4,37x	4,25x	4,01x	4,18x	3,56x	3,13x
Premium (discount) share price vs. intrinsic value	-27,6%	0,8%	-21,1%	-37,2%	-37,5%	-40,7%	-37,9%	-44,7%	-49,4%

This is just one example of the strong disparity in the valuations of our companies. The following table shows the current valuation of the fund's main positions which shows the attractive valuation at which they are currently trading.

Although the fund has performed well during the year, we continue to hold a portfolio of companies with good businesses trading at abnormally low prices well below a conservative valuation.

EV / EBITDA main fund positions

Weight	Company	Description	EV/EBITDA
5,6%	Mondadori	Italian oligopoly in book distribution.	4,8x
5,0%	elecnor	Energy concessions and maintenance services.	1,5x
4,8%	TI Fluid Systems plc	Leading manufacturer of automotive fluid hoses.	3,9x
4,8%	RHI Magnesita	Thermal protection of furnaces. Exposure to raw materials.	6,0x
4,0%	Dalata Hotel Group PLC	Irish hotel group in recovery phase.	5,4x
3,7%	dfs	Leading manufacturer of sofas for retail UK.	2,6x
3,4%	Prosegur Cash	Cash transportation oligopoly in Spain and LATAM	3,8x
3,2%	AcadeMedia	Leading education chain in Northern Europe.	5,2x
3,2%	allfunds	Largest IF and ETF distribution platform.	10,0x
3,1%	Applus	Vehicle and technical inspection services.	7,0x
3,0%	Sesa	Italy's leading specialized IT provider.	7,0x

Takeover bids continue.

During the year 2023 we have received purchase offers on five companies in our portfolio, continuing the trend of recent years in which different investors take advantage of the low valuations of our companies to launch such offers.

Takeover bids on portfolio companies

Date	Company	Country	Transaction	Offer price	Premium	Acquirer
sep-20		Sweden	cash	82,0	12,00%	Paradigm Group
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	tas group	Italy	cash	2,2	23,6%	Gilde (PE)
Nov-21	intertrust GROUP	Holland	cash	20	60,0%	CSC (competidor)
Nov-21	VIVO ENERGY	UK	cash	1,85	24,6%	Vitol group (PE)
May-22	cellularline	Italy	cash	4,41	30,0%	Esprinet
Jun-23	RHI MAGNESITA	UK	Cash	28,5	38,5%	Rhone (PE)
Jul-23	Applus	Spain	Cash	9,75	30,0%	Apollo/Amber (PE)
Sep-23	HARTMANN	Denmark	Cash	360	20,0%	Largest shareholder
Dec-23	ten	UK	Cash	4,125	33,0%	Trive capital (PE)
Dec-23	smsplc	UK	Cash	955	40,0%	KKR (PE)

During the fourth quarter, we received purchase offers for two portfolio companies: Smart Metering Systems and Ten Entertainment.

In the last quarter, the investment fund KKR announced an offer to purchase Smart Metering Systems, a company dedicated to the installation and maintenance of smart gas and electricity meters and the development of battery farms for the maintenance of electrical energy. This is a business with long-term contracts (more than 25 years), high cash generation capacity and inflation protection clauses. The offer received represents a 40% premium to the previous price and is at a 15% discount to our internal valuation. Although the board of directors has supported the offer, the company's largest shareholder (activist fund Primestone Capital) and the founders of SMS have announced that they will not vote in favor of the offer. We have sold a portion of our position, holding the remainder pending further developments, as, although the upside to our current value is not very high, we believe that SMS's ability to continue to create value in the coming years is high.

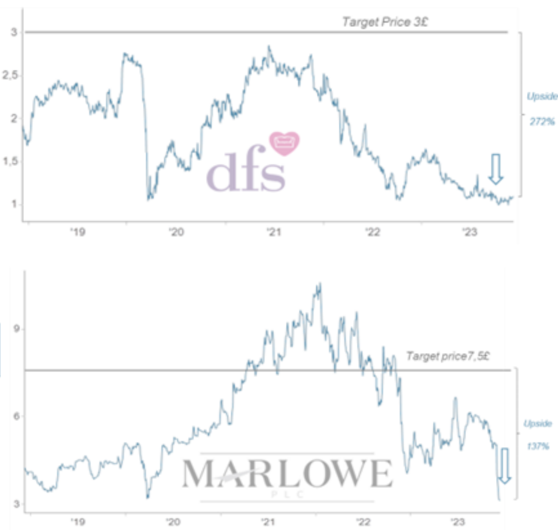
This quarter we also received a takeover offer from Trive Capital for one of the two UK bowling companies in which we had invested at the beginning of 2023, Ten Entertainment. The premium to the pre-offer price is 33%. In this case, we have sold the entire investment, which has enabled us to obtain a total investment appreciation of 55% in 6 months. However, we still maintain exposure to the sector through the Hollywood Bowl company, a leader in the United Kingdom, which has begun to expand into the Canadian market. It is worth remembering that the bowling sector has benefited greatly from the pandemic with bowling center footfall levels 40% above pre-Covid years and yet the share price levels of these companies remain well down on 2019.

Purchase transactions often leave us with a bittersweet taste, because despite the premiums paid, the prices offered often do not reach our intrinsic values. However, our constant ability to generate new investment opportunities allows us to reallocate the liquidity obtained in these transactions to other investments with much greater appreciation potential.

Example Reinvestment of Liquidity from Purchase Offers

...& we buy companies with more potential.

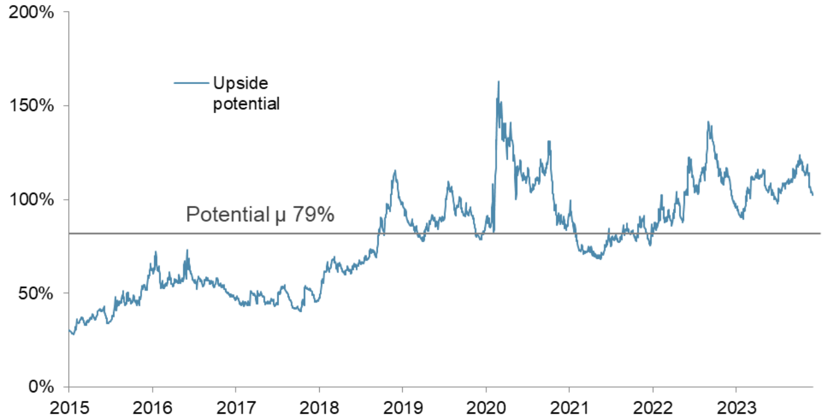
We sell after the takeover bids ...



All this allows us to maintain a very high appreciation potential for the fund despite the significant revaluation of the fund in 2023. Thus, the fund's current potential stands at 102%.

The fund's revaluation potential remains at maximum levels, around 102%.

Equam upside potential



It is also worth mentioning Elecnor's announcement regarding the sale of its renewable energy subsidiary Enerfin. The sale price of 1.8 billion euros is above initial estimates and will provide Elecnor with a cash inflow of more than 1.3 billion euros.

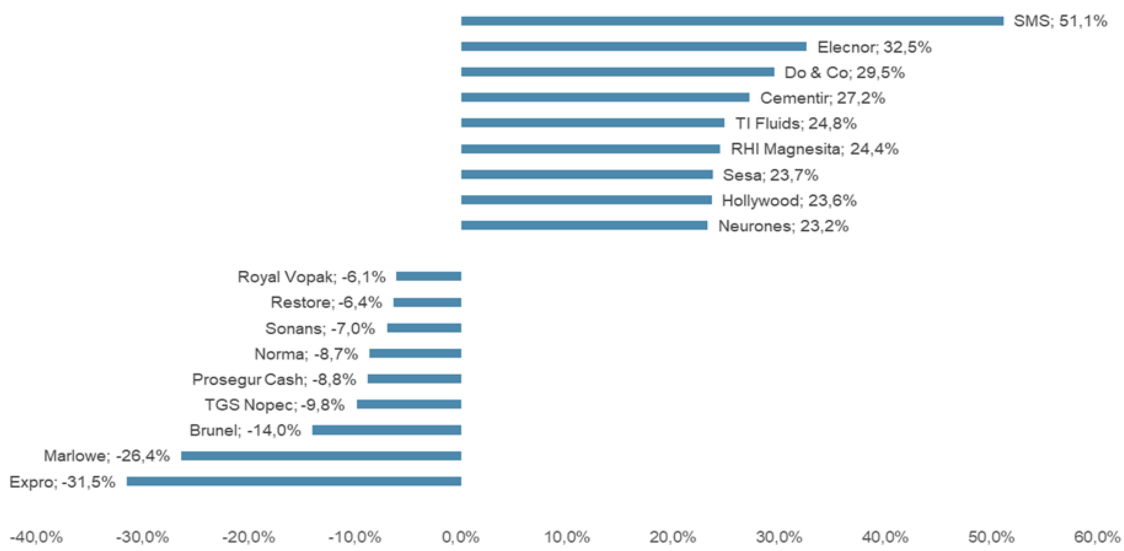
The sale of Enerfin by Elecnor has allowed the realization of an important value that, however, is still not reflected in the company's share price.

In addition, the company holds a 50% stake in Celeo, a company that owns several power transmission lines and which was valued by the third-party investor that entered the capital at approximately 580 million euros. All this means that despite the significant revaluation of the share during 2023, with the current capitalization of 1.7 billion euros and discounting debt and corporate expenses, the value of the infrastructure and projects business continues to be valued at 1.5x Enterprise Value / EBITDA (compared to a fair value of around 7x).

Portfolio evolution.

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

Best and worst performing companies in the fourth quarter



Appendix I: Largest portfolio positions

Company	Country	Weight	Bussines description
Mondadori	EUR	5,6%	Italian book distribution oligopoly.
Elecnor S.A.	EUR	5,0%	Energy concessions and maintenance services.
TI Fluid Systems	GBP	4,8%	Leading manufacturer of automotive fluid hoses.
RHI Magnesita	GBP	4,8%	Thermal protection of furnaces. Exposure to raw materials.
Dalata	EUR	4,0%	Irish hotel group in recovery phase.
DFS Furniture	GBP	3,7%	Leading UK retail sofa manufacturer.
TGS ASA	NOK	3,5%	Intangible assets for oil exploration. Net cash.
Prosegur Cash	EUR	3,4%	Cash transportation oligopoly in Spain and LATAM
AcadeMedia	SEK	3,2%	Leading education chain in Northern Europe.
Allfunds Group	EUR	3,2%	Largest IF and ETF distribution platform.
Applus	EUR	3,1%	Vehicle and technical inspection services.
Expro Group	USD	3,1%	Exploration and production services. Net cash.
SeSa	EUR	3,0%	Leading specialized IT supplier in Italy.
SMS	GBP	2,9%	Smart meter installation and management.
Wilh. Wilhelmsen	NOK	2,5%	Norwegian shipping holding trading at a discount.
Total top 15		**55,9%**	
Total porfolio		**99,6%**	
Liquidity		**0,4%**	
Total		**100%**	

EQUAM Global Value, FCP

EQUAMVA LX
190,79€
29 December 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

Fund upside potential 102% | Positions 43

Company	Weight
Arnoldo Mondadori Editore S.p.A.	5,6%
Elecnor S.A.	5,0%
TI Fluid Systems plc	4,8%
RHI Magnesita NV	4,8%
Dalata Hotel Group Plc	4,0%
DFS Furniture PLC	3,7%
TGS ASA	3,5%
Prosegur Cash SA	3,4%
AcadeMedia AB	3,2%
Allfunds Group plc	3,2%
Total Top 10	**41,3%**
Total Equities	**99,6%**
Cash positions	**0,4%**

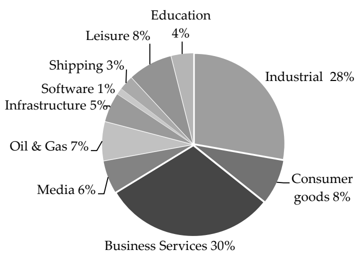
Patrimonio: 62 €mil

Performance vs indices	EQUAM A	MSCI Europe NR**	Stoxx 50 NR**	Equam vs MSCI
1 month	13,3%	10,4%	7,6%	2,9%
3 month	9,6%	4,8%	3,6%	4,9%
2023 YTD	22,7%	15,8%	15,1%	6,9%
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	90,1%	63,2%	67,6%	26,9%
Inception annual	7,5%	5,6%	6,0%	1,8%

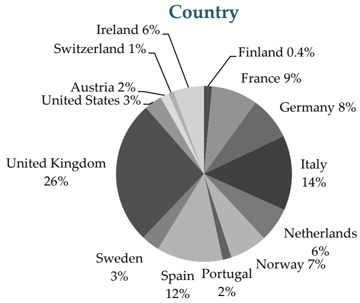
** Return since inception exclude initial 15 days in which the fund was not invested.*
*** NR indices assume dividend reinvestment after withholding tax.*

Portfolio summary

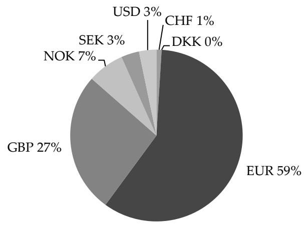
Sector



Country

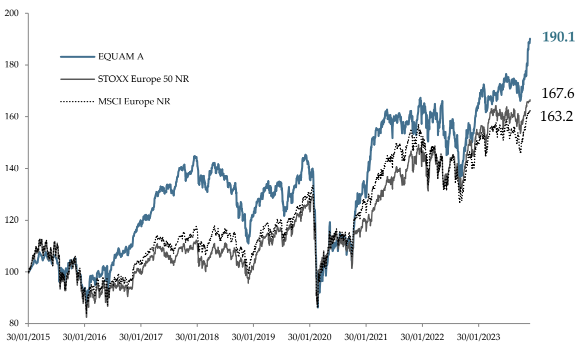


Strategy

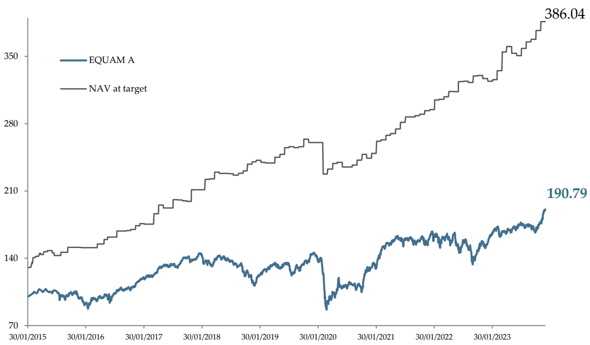


NAV evolution and portfolio data

EQUAM Global Value Class A (Rebased to 100)



EQUAM Global Value Class A vs NAV at target valuation



*The calculation of the potential is purely informative, prepared internally by the management team. Under no circumstances is it guaranteed. The amounts are expressed in euros and the use of the indices is for information purposes only and is not contractual, and the Fund's performance is not linked to the performance of the indices.

Incometric Fund - Equam Global Value

Risk scale:

1	2	3	**4**	5	6	7

Lower risk, typically lower return — Higher risk, usually higher return

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