EQUAM Global Value Fund

June 2023 quarterly report

First signs of economic slowdown

During the second quarter of the year, the first signs of an economic slowdown started to appear, with drops in sales volumes of companies in the industrial sector. Meanwhile, inflation, although far from the peaks reached a few quarters ago, continues at high levels and will most likely remain so for longer than expected.

In this situation, we remain convinced that our portfolio is a perfect choice for long-term investors as we are invested in high quality companies at very attractive valuations. Proof of this is that we have once again received several offers to buy companies in the portfolio.

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.

Stock indices have performed well during the first part of 2023.

During the second quarter of the year, both the fund and the European indices continued the recovery that began in September 2022. This has meant that, compared to the more pessimistic expectations at the beginning of the year, the first half of the year has ended with a significant rise in stock markets. As we always say, it is impossible to consistently anticipate short-term market movements.

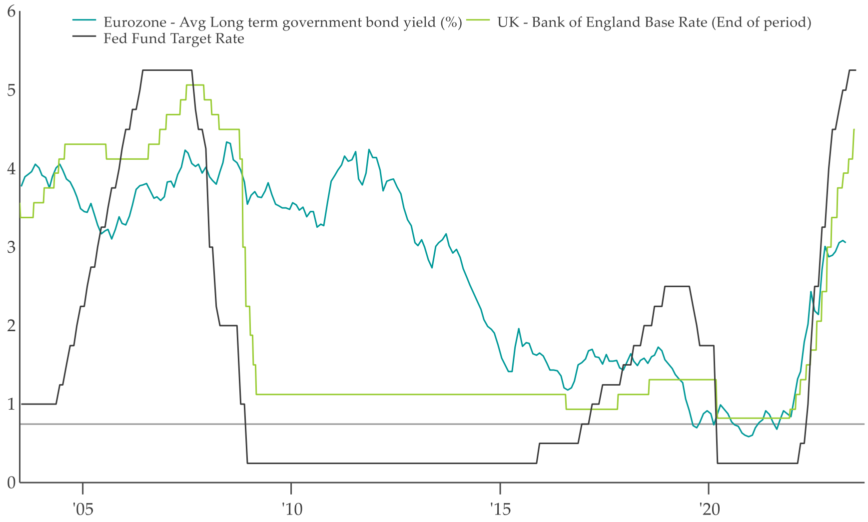
In 2023 Equam has accumulated a revaluation of 11.2% in line with the MSCI Europe index with dividends (11.1%). Taking a longer-term perspective, the Fund's average annualised return since inception is 6.7%, outperforming our comparable indices (including dividends) by 1.2% per annum. The cumulative difference since inception is 15.7% in favour of Equam.

Equam Performance vs. Comparable Index

The first half of the year has been marked by a continuation of interest rate hikes by central banks of the main western economies to control the inflation that they themselves had caused with the ultra-expansionary monetary policies implemented in recent years.

In the first half of the year, central banks have continued their path of rate hikes to control inflation....

Interest Rate Developments

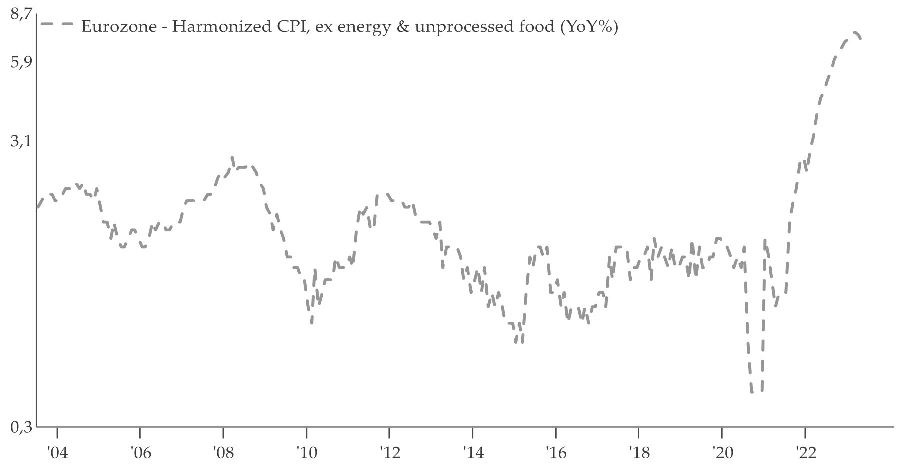


This rapid rate hike brought with it a banking crisis in the first half of the year centred on some US regional banks which prompted rapid intervention by the Federal Reserve. In addition, during the last quarter the first signs of economic slowdown derived from this rate hike began to manifest themselves, with companies with a more industrial component experiencing a certain drop in volumes.

.... However, inflation remains high, and it is likely it will be harder than expected to control.

Meanwhile, inflation, although far from the peaks reached a few quarters ago, continues at high levels and will most likely remain so for some time to come. Inflation is moderating, but underlying inflation, excluding energy and unprocessed food, remains at elevated levels as a result of second round effects especially related to wage increases. In May, in the euro area, prices rose by 6.9% versus a year earlier, excluding energy and food. As we have commented in previous quarters, history shows that inflation, once unleashed, is difficult to control. For this reason, we believe that central banks will be forced to keep interest rates at current levels longer than the market is currently discounting.

Eurozone Underlying Inflation Developments



Our portfolio is a perfect shelter in the current environment: quality companies, pricing power, good cash flow generation and trading at attractive valuations.

In this context, we remain convinced that our portfolio is a perfect choice for any long-term investor as we are invested in high quality companies at attractive valuations. Our portfolio of companies with low debt and very dominant competitive positions in their markets allows them to do better in times of adversity. When the storm passes, they emerge even stronger and more dominant. In the meantime, the wait is good because companies continue to generate strong cash flows which they are using to reinvest in good investment opportunities or/and remunerate shareholders in the form of dividends/share buybacks.

Finally, we believe that while it is true that the normalisation of interest rates may generate a temporary recession in the short term, this normalisation is positive from a longer-term perspective as it will put an end to the artificial distortion in the valuation of different types of assets and to the unproductive investments that take place in an environment of virtually free money.

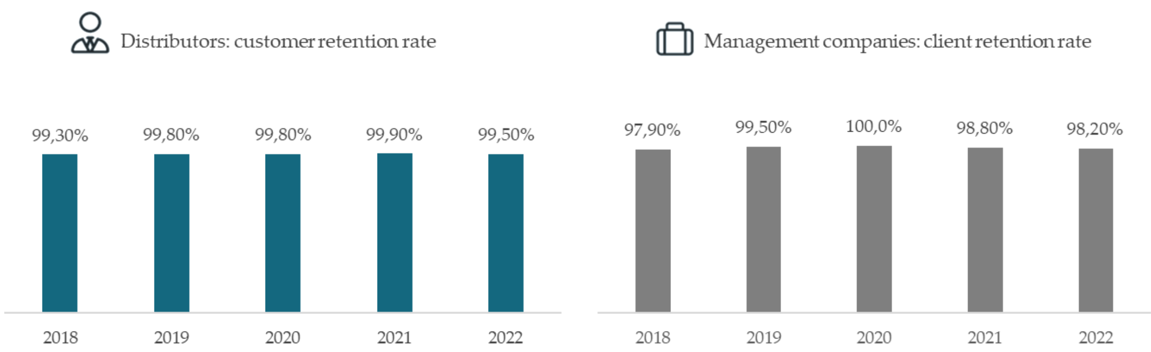
New Investments.

After several quarters in which we had not made many new investments, we have added several new companies to the portfolio in recent months.

Allfunds develops a business with a strong network effect that allows for very high customer retention.

We have started a position in the Spanish (but Dutch listed) company **Allfunds**. In this case it is a company we know very well as we have been clients since the launch of the fund in 2015. Allfunds hosts the world's largest distribution network for mutual funds, ETFs and alternative assets with a market share in the geographies in which it operates of more than 25%. The Allfunds platform gives financial distributors access to the funds marketed by the various fund managers operating on the platform. This is a business with a significant network effect (the more fund managers are on the platform, the more attractive it is for distributors to operate through the platform and vice versa) and therefore with a very high degree of customer loyalty and recurring revenues. The grafic below shows the level of retention in recent years of distributors and fund managers using Allfunds.

Allfunds – Loyalty of Management and Distribution



While it is true that the company has some exposure to market volatility and potential regulatory changes, the business model is highly scalable and has significant avenues for growth. In fact, Allfunds is building around its distribution platform a business of technological solutions and value-added services for both distributors and fund managers that will enable it to increase the part of its revenues that is not linked to market performance.

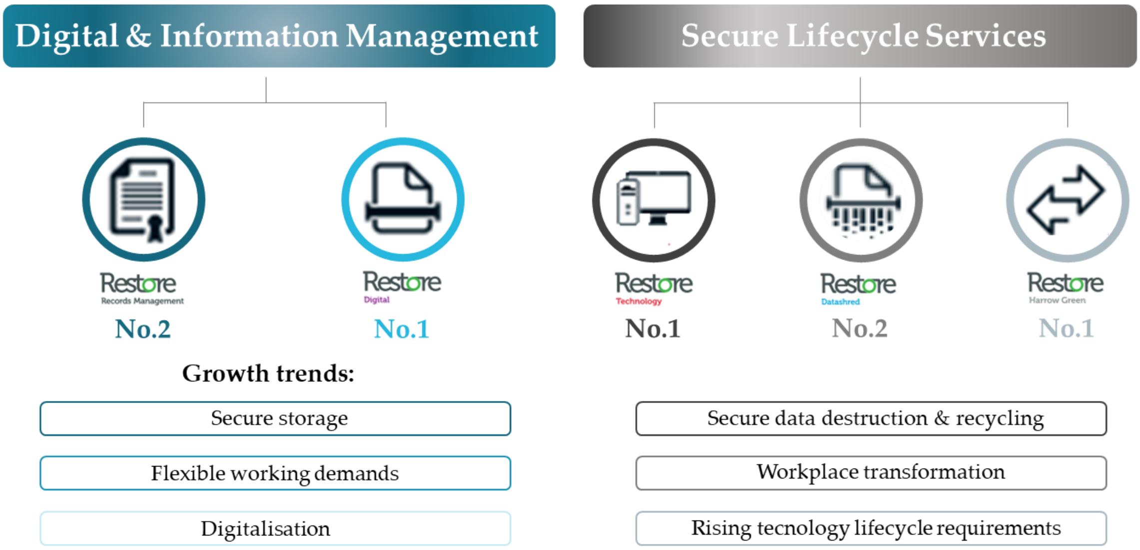
In February this year, Euronext made a takeover bid for Allfunds at EUR 8.5 per share, which was rejected by the company's board of directors and led Euronext to withdraw its offer. The current share price is around EUR 5.5 per share, which represents FCF yield of 7% for a high-quality business with significant growth levers.

We are again investing in Restore plc, a business with recurring revenues and trading at a very attractive valuation.

We have invested again in **Restore**, a British company dedicated to document management (storage, digitisation and destruction). Specifically, Restore provides document box storage services for law firms, universities, hospitals and other companies that need to retain documents for long periods. In addition to its core business of physical document storage, the company's other businesses include document scanning and shredding, recycling of electronic devices and business relocation services. In all these businesses, the company maintains a leading position in the UK market achieving significant economies of scale.

Restore has a stable and predictable cash generation profile. Once a customer has placed their documents in storage they pay £3 per year per box. Because the maintenance cost is so low and the documents may be needed in the future, the boxes are kept for an average of 15 years. Despite the digitisation of many previously paper-based processes, document volumes continue to grow annually, so Restore's occupancy levels continue to rise and storage prices are increasing.

Restore – Business Units



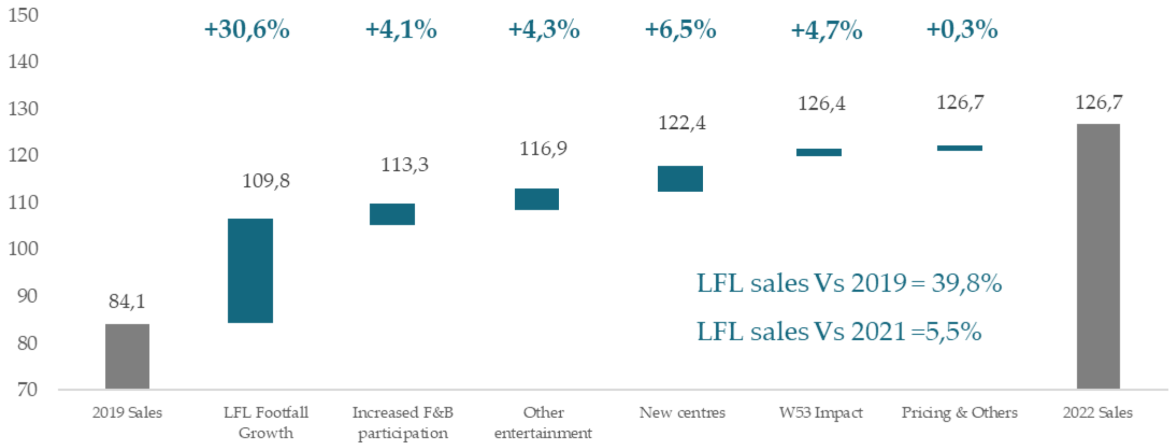
The company has recently announced a reduction in estimates for this year due to lower activity in certain business lines, specifically the digital business (due to a reduction in discretionary spending by companies), document shredding (due to the fall in the price of paper) and technology (due to a fall in the use of recycling services after companies invested heavily in technology in the quarters following the pandemic). In addition, the company has announced a change of management team and the possibility of making some accounting impairments in some of its businesses. All this has caused a drop in the share price, which we have taken advantage of to invest because we remain confident in the resilience of the document management business, which accounts for more than 70% of the company's results, and in the recovery of the other businesses.

Finally, we have made an investment in the **UK bowling sector**. This is a niche sector controlled by two large operators (Hollywood Bowl and Ten Entertainment) which together hold a market share of over 50% and where the remaining operators are small independent companies without the financial strenth to be able to offer the level of service quality of the two leaders. On the other side, this sector has come out of the Covid crisis

The bowling sector in the UK has come out of the post-pandemic phase much stronger and is controlled by two very efficient and well-managed operators.

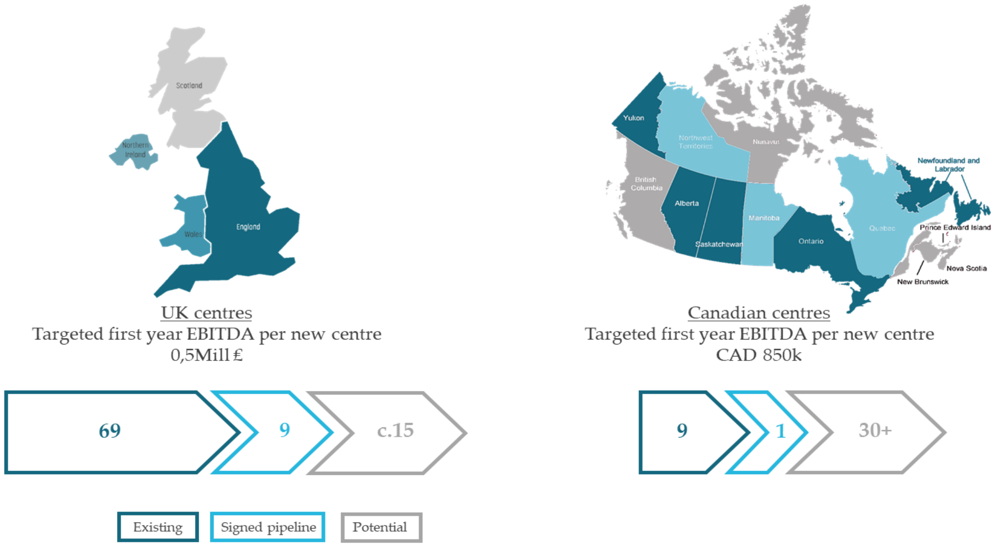
much stronger as demand has not only recovered to pre-pandemic levels but has also experienced significant growth with attendance levels at the centres 30% higher than in 2019. This is explained by the fact that bowling centres have been able to maintain prices compared to 2019 despite the inflationary situation and have become a very interesting entertainment option for the consumer compared to other options. This factor, together with the incorporation of other additional services (gaming machines, escape rooms, etc.) has allowed the companies to experience a very significant growth in results.

Ten Entertainment – Sales development 2019-23



On the other side, growth prospects for the coming years are encouraging as there is still an opportunity to continue to open new centres across the country. In the case of Hollywood Bowl, the company has started its expansion in Canada, a very fragmented market, with little professionalisation and no large operator with national scale, which should offer very good opportunities for consolidation.

Hollywood Bowl – Growth Opportunities



The share price of both companies was hit hard during the pandemic period and, despite current results being well above pre-pandemic levels and maintaining very good growth opportunities, the price has not recovered since then. This has allowed us to invest in this interesting sector at very attractive valuations (below 6x EBITDA in the case of Hollywood Bowl and 5x in the case of Ten Entertainment).

Portfolio companies evolution

After several quarters in which there had been no takeover bids for portfolio companies, new transactions or announcements of interest in some of our investments have started to emerge in the last few months.

New corporate deals around our portfolio companies are emerging again, with bids received for Applus, RHI Magnesita and Lumi.

On the one hand, **Applus** (weight 6.3% of the fund being the first position) announced in March that it had received interest from several potential buyers and had decided to open its books for a preliminary due diligence. On June 30, one of the interested financial investors announced its intention to submit an offer to buy at 9.5 euros per share. We believe that this price continues to undervalue the company and are waiting to see if there are competing offers from any of the other investors who had announced interest in the company.

In the case of **RHI Magnesita** (4.9% of the fund being the third position), the investor *Rhone Capital* has launched an offer for 29.9% of the company at a price of 28.5 pounds per share. In this case we believe that the price is short of any reasonable value for the company, and it is a partial offer, so we have decided not to take part in the offer.

Finally, we have received an offer to buy our investment in the Norwegian education group **Lumi**. In this case it is an offer at a low-price taking advantage of the temporary difficulties the company is experiencing. Although it is an investment with little weight in our portfolio, we have decided to reject the offer and not to sell.

These offers resume the trend of bids over portfolio companies that we had been experiencing over the last few years as shown in the following table.

Recent Takeover Bids in the portfolio

	Date	Company	Country	Transaction	Offer price	Premium	Acquirer
	dec-18	Nice	Italy	cash	3,5	42,86%	Largest shareholder
• T. Offers post 2018	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
• T. Offers post-Covid	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 (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

In terms of portfolio news, **Mondadori** (weight of 6% second position of the fund) updated its estimates for 2023 in June, now expecting the company's operating profit to improve by more than 10% in the year and cash generation to increase by 15% compared to last year to between 65 and 70 million euros.

Mondadori once again surprises the market with an improved earnings outlook yet continues to trade at a steep discount to comparable listed companies.

Mondadori Estimates Update 2023

	New *Guidance*	Old *Guidance*
Revenues	Single-digit growth	Single-digit growth
Adj. EBITDA	High single-digit/low dd	Single-digit growth
EBITDA margin	*16%-17%*	*15%*
Net result	ca +20%	ca +10%
Cash Flow	65-70 m€	60-65m €
ND/EBITDA	ca 1,0x	ca 1,0x

Despite the company's good performance in recent years and the good prospects of continuing the same trend, the company continues to trade at a FCF yield of more than 13% (PER 7x).

On the other hand, **Elecnor** (weight 4.4% of the fund) has decided to end the process of finding a minority partner for its renewable energy subsidiary Enerfin and has announced its intention to sell a majority stake in this subsidiary. We believe that if this operation finally materialises, it will help to enhance the value of this subsidiary and it should be reflected in the share price, which is currently far from any conservative value of the business.

Our investments in the hotel sector (Dalata and Whitbread) are performing well above pre-pandemic levels yet are trading at levels well below those at the time.

The various investments we made in the **tourism sector** (10% weight of the fund) during the most difficult months of the pandemic are experiencing a very strong recovery in their results and are currently at levels of profit and cash generation well above the pre-pandemic years, which is gradually being reflected in share prices. However, there is still much room for recovery in share prices and for example our two investments in the hotel sector are trading below pre-Covid levels even though their results are well above and market positioning has improved as they have been able to gain significant market share against independent operators.

Financial Development - Dalata

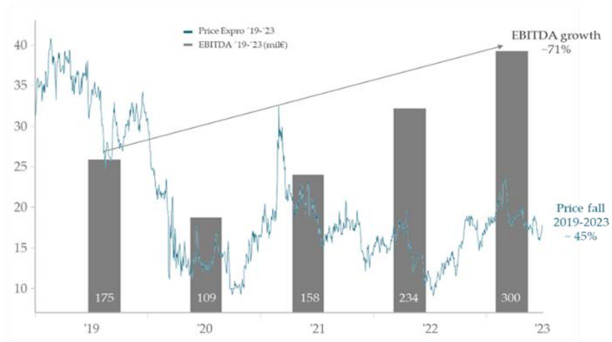
euro millions	2019	2020	2021	2022	2023E	2023 vs 2019
Revenues	429	137	192	558	603	
EBITDA	162	19	63	183	216	33.3%
EBITDA margin		*14%*	*33%*	*33%*	*21%*	
Net Debt	733				755	
Price per share	5.15	3.79	3.72	3.27	4.64	-9.9%
EV/EBITDA	*10.4x*				*8.0x*	

The recovery in the oil and gas sector is delivering outstanding results for our sector companies TGS, Expro and KLXE.

Companies in the **oil and gas services sector** (sector weight of 10% of the portfolio) are experiencing very strong levels of growth and results as the recovery of investment in exploration and production materialises after many years in which these have remained at very depressed levels. However, despite good prospects for this recovery to continue in the coming years, this has not yet been reflected in the share prices of these companies.

Oil investments "Upstream" US$ bn

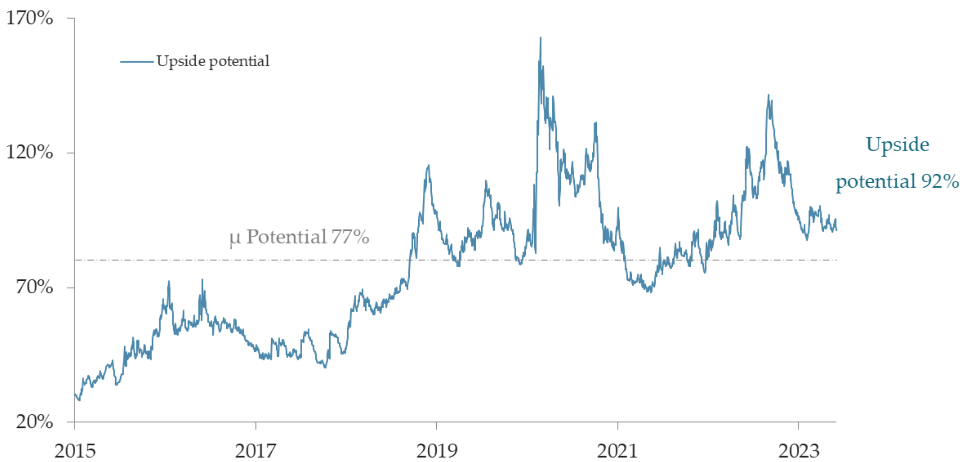
Expro Results vs Share Evolution



As a result, the fund has a potential upside potential of 92%, which is at record highs if we exclude the months when the pandemic started, and prices suddenly dropped.

Fund potential

The fund's potential remains at a record high of around 92%.

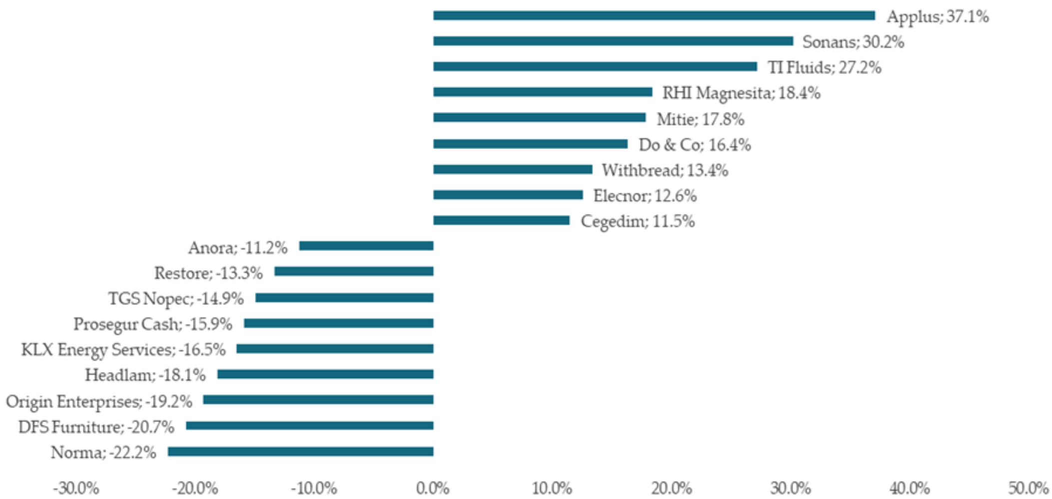


Portfolio situation and fund potential.

After the new companies we have added to the portfolio, we remain invested in 43 portfolio companies. The fund's liquidity was 2.7%, lower than in previous quarters as a result 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



Appendix I: Largest portfolio positions.

Company	Country	Weight	Description
Applus Services	EUR	6.3%	Technical and vehicle inspection services.
Mondadori	EUR	6.0%	Italian oligopoly in book distribution.
TI Fluid Systems	GBP	4.9%	Leading manufacturer of automotive fluid hoses.
RHI Magnesita	GBP	4.9%	Thermal protection of furnaces. Exposure to raw materials.
Elecnor	EUR	4.4%	Energy concessions and maintenance services.
TGS	NOK	4.3%	Intangible assets for oil exploration. Net cash.
Dalata Hotel Group Plc	EUR	4.2%	Irish hotel group in turnaround.
Expro Group Holdings	USD	4.0%	Exploration and production services. Net cash.
Prosegur Cash	EUR	3.6%	Cash transport oligopoly in Spain and LATAM.
AcadeMedia	SEK	3.2%	Swedish education sector. Cyclical, political situation.
Smart Metering Systems	GBP	3.0%	Installation and management of smart meters.
DO & CO	EUR	2.6%	Catering for airlines in recovery phase.
STEF	EUR	2.4%	European leader in the refrigerated food supply chain.
Royal Vopak NV	EUR	2.4%	Chemical storage.
Wilh. Wilhelmsen	NOK	2.3%	Norwegian shipping holding company trading at discount.
Total top 15		**58.6%**	
Total porfolio		**97.3%**	
Liquidity		**2.7%**	
Total		**100%**	

EQUAM Global Value, FCP

EQUAMVA LX
172.82€
30 June 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
APPLUS SERVICES S.A.	6.3%
Arnoldo Mondadori Editore S.p.A.	6.0%
TI Fluid Systems plc	4.9%
RHI Magnesita NV	4.9%
Elecnor S.A.	4.4%
TGS ASA	4.3%
Dalata Hotel Group Plc	4.2%
Expro Group Holdings N.V.	4.0%
Prosegur Cash SA	3.6%
AcadeMedia AB	3.2%
Total Top 10	**45.8%**
Total Equities	**97.3%**
Cash positions	**2.7%**

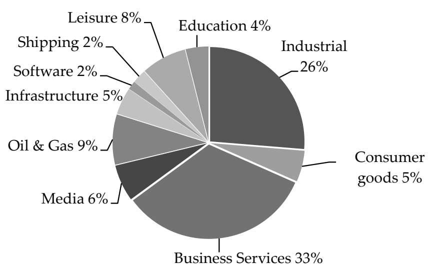
Fund upside potential 92% Positions 43

Performance vs indices	EQUAM A	MSCI Europe NR**	Stoxx 50 NR**	Equam vs MSCI
1 month	3.3%	2.4%	2.1%	0.9%
3 month	3.5%	2.3%	2.8%	1.2%
2023 YTD	11.2%	11.1%	11.8%	0.1%
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	72.2%	56.5%	62.7%	15.7%
Inception annual	6.7%	5.5%	6.0%	1.2%

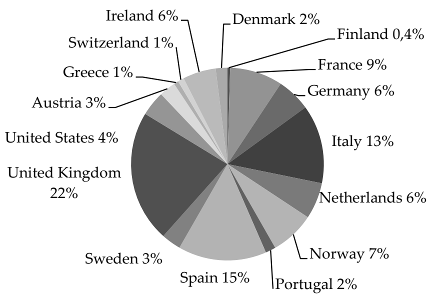
** Return since inception exclude initial 15 days in which the fund was not invested.*
*** NR indices assume dividend reinvestment after withholding tax.*

Portfolio summary

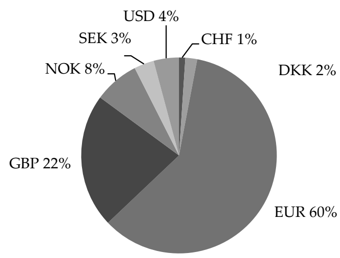
Sector



Country

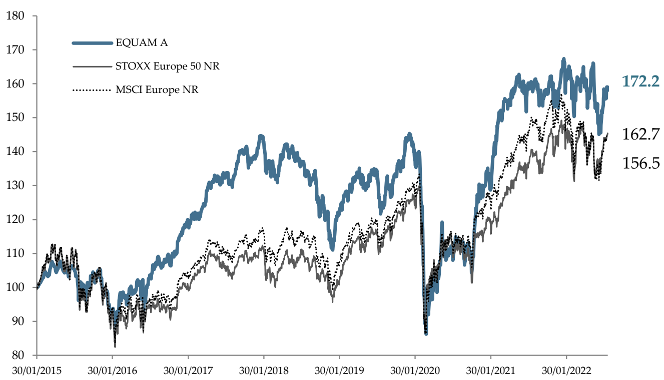


Strategy

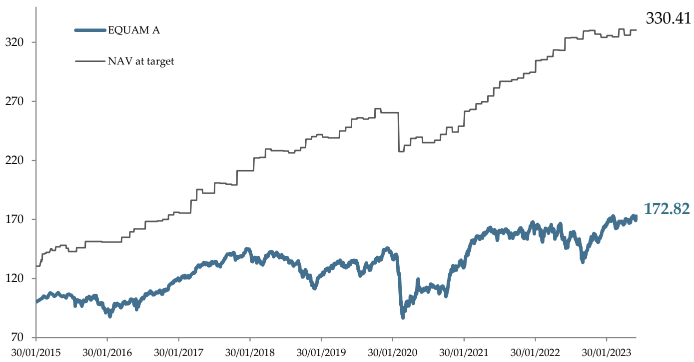


NAV evolution and portfolio data

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.