EQUAM Global Value Fund
Second quarter 2016 report
We keep finding attractive investment opportunities.

During the second quarter of 2016 EQUAM has invested in several European companies that operate in niche markets, have low financial leverage and, thanks to the market's high volatility, we have been able to buy at an attractive discount to our internal valuation.

Additionally, the panic that followed the UK referendum has allowed us to reinforce our investment in those companies of the portfolio whose long term prospects have not been significantly affected but whose prices had suffer most. As a result, the fund is now 96% invested in equities.

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 the majority 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.

Volatility continues

After several weeks of recovery from February bottom levels, volatility has returned to the markets as a result of the UK referendum.

After a sustained recovery from the market lows in February, the last week of the quarter has been affected by the results of the EU referendum in the UK. The result was unexpected for the market and its reaction was very negative, with the Euro Stoxx 50 falling by more than 11% in two days.

As it normally happens in panic situations, extreme price falls are often due to the imbalance in sell and buy orders rather than to structural changes in the intrinsic value of the companies. In this sense, as we will further comment in this report, we think that the long term perspective (and valuation) of the companies in our portfolio should not change significantly in the probable scenarios that are open after Brexit.

A review of similar past situations can help us put things in context. If we analyze the reaction of markets to other events that triggered panic situations we can see how, except for three cases (The Watergate, 1987 Black Monday and Lehman collapse), the market levels prior to the panic were recovered in less than a month. We do not believe that Brexit is comparable to one of these three situations that took longer to recover.

S&P Performance following previous panic situations

Event	Date	Falling Days	Drop (%)	Recov. Days
Tsunami Japan	11 Mar 2011	3	-3.6%	6
Flash Crash	06 May 2010	1	-4.7%	4
Lehman Bankruptcy	15 Sep 2008	121	-45.9%	285
Madrid Bombing	11 Mar 2004	10	-4.1%	18
New York terrorist attacks	11 Sep 2001	5	-11.6%	19
LTCM collapse	23 Sep 1998	11	-10.0%	9
Kuwait invasion	02 Aug 1990	2	-5.9%	30
October 1987	19 Oct 1987	33	-20.8%	223
Reagan shooting	30 Mar 1981	1	-1.2%	4
Nixon resignation	08 Aug 1974	39	-24.6%	143
OPEC oil embargo	17 Oct 1973	6	-1.9%	10
Kennedy assasination	22 Nov 1963	1	-2.8%	2
Cuban missile crisis	22 Oct 1962	1	-2.7%	5
Median		**6**	**-5.3%**	**14**

High volatility and market weakness may continue for some time, but we think the best investment alternative is to buy good businesses at attractive prices.

It is also true that there are still big uncertainties in the market (extremely low interest rates, US elections and the high leverage situation in China), the development of which may lead to further volatility and market weakness. However, we believe it is impossible to anticipate the next market turn and we think that the best long term strategy for all the forseeable scenarios is to invest in good businesses at attractive valuations. We remain fully commited to the process of identifying, analysing and buying these opportunities.

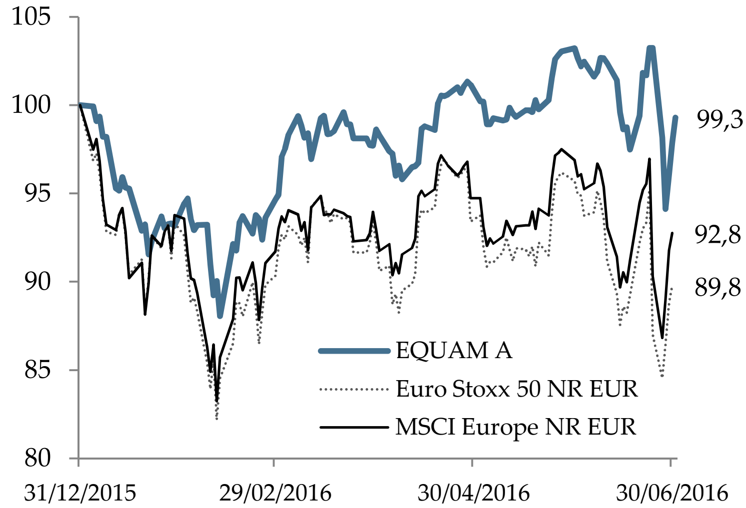
Regarding the evolution of the fund since the beginning of the year, our closing NAV at the end of the first half was 98,72€* (Class D: 100,59€*), which represents a 0,6% fall YTD. We definitely aspire to much higher returns in the long term, but it is also important to highlight that during this time frame the fund has beaten the Eurostoxx 50 Net Return index, which includes reinvested dividends, by almost 10 points and the MSCI Europe NR by 6.5 points.

From a longer term perspective, since January 30, 2015, we have suffered a 1.7% fall in NAV, but have beaten the Eurostoxx 50 NR by almost 9 points and the MSCI Europe NR by 5, in both cases with a much lower volatility and a lower risk profile.

During this last quarter, we have made nine new investments in companies that we believe have a very good upside potential. In the same way, within the natural process of portfolio rotation, we have sold seven investments, one of them was subject to a takeover bid (the third we have received since we launched the fund) just two months after we initiated our investment in the company and at a 40% premium to our average acquisition cost. As a result of these transactions, we have increased the investment level of the fund, reaching 96.2% from 92% at the end of the previous quarter.

As we have always mentioned, our results should be judged over a longer period (from 3 to 5 years), but the current performance reinforce our commitment to continue applying with discipline our principles and investment strategy.

EQUAM vs. European indices** in 2016
(base 100)



** Official NAV for the 1st of July, which is calculated using closing prices of the 30th of June. This allows a fair comparison with indices.*
*** Indices assume the reinvestment of net dividends (after deduction of withholding taxes).*

The effect of Brexit on EQUAM

We believe that should the UK finally exit from the European Union, it should not alter significantly the trade relationship between both areas, and that free trade would continue basically unchanged, as it is the case with Norway and Switzerland. On the other hand, we are confident that the British economy would remain vibrant and that the traditional favorable attitude of its population and government towards economic freedom would reinforce the country's prospects out of the EU (a 15% corporate tax rate has been recently suggested by George Osborne). For these reasons and in these scenarios, we believe that the long term valuation of our investments does not change much after the referendum.

In the short term, however, there are several variables that can have a temporary effect on the results of some of the companies in our portfolio:

- The depreciation of the Pound, if sustained over time, has a direct effect on the financials of some of our companies. UK exporters will have a positive tailwind from a more competitive exchange rate and from the consolidation of foreign revenues at better rates. The market has welcomed this with a 10% increase in Rolls Royce and a 3% in Meggitt in the days following the referendum. On the other hand, Origin, an Irish company that reports in Euros but has a significant business in the UK will be negatively affected by the exchange rate.

- Companies with a high concentration in the UK may suffer due to the uncertainty resulting from the negotiation process and the consequent delays in investment decisions by their customers. The most affected in our portfolio may be Mitie, which in addition to having its business only in the UK, relies on low qualified labor. Restrictions to the free movement of workers to the EU could affect the company's business increasing its labour costs.

- As regards to banks (we hold two Eurozone Banks, ING and Deutsche Pfandbriefbank) the exit of the UK may weaken the whole European project and confidence towards its institutions, including the Euro, which will have a negative impact on its banks.

British companies in EQUAM's portfolio

			Price evolution	
	UK sales	EQUAM	Brexit + 4d	2016
Company	**(%)**	**stake**	**Δ%**	**Δ%**
Mitie Group	96.6%	3.3%	-9%	-21%
Meggitt	9.3%	2.8%	3%	9%
Rolls Royce	13.0%	2.8%	10%	25%
Serco Group	23.4%	3.3%	1%	21%
Berendsen	39.5%	2.6%	-1%	13%
ITE Group**	<5%	2.6%	8%	-9%
Admiral Group	81.3%	1.8%	2%	24%
JLT **	41.4%	2.4%	-1%	1%
Judges Scientific **	16.6%	1.0%	2%	-4%
Wincanton **	100.0%	1.1%	-4%	-1%
Total UK		**23.6%**	**1.1%**	**5.8%**

The evolution of the Pound has a direct impact in the value of our portfolio, and as we pointed out in our previous quarterly report, some months back we decided to hedge part of our exposure and reduce the impact on our fund of a potential devaluation of the pound.

Investment Activity

One of the most important elements in our investment checklist is the quality of the management team. We try to invest in companies that are "owner occupied", where decisions are always focused on shareholders' value creation. This may seem common sense, but unfortunately it is less usual than one could imagine. Managers who work with an owner mentality make decisions with a view on the long term, they have a sizable share in the equity of their companies and both profit or lose from the results of their decisions. It is very important that this culture permeates through the whole organization. Our experience shows that these companies are able to consistently create value for shareholders over time.

The honesty and capacity of the management team and its alignment of interest with shareholders are important in our investment process.

In the second quarter we have acquired stakes in two companies (Neurones and Judges Scientific) that share this culture. Both were founded by successful entrepreneurs and have a long track record of shareholder value creation through de-centralized structures, low base salaries and high remuneration linked to performance, where managers of subsidiaries have a high degree of autonomy for the development of their businesses and where central services just ensure that capital is allocated wherever it can achieve the best returns. These elements put together have resulted in a very relevant organic growth, high discipline in acquisitions and very high returns on invested capital, and, as a consequence, sustained double digit EPS growth for many years. Neurones is a French IT services company and Judges Scientific is a UK based holding of companies that manufacture scientific instruments for laboratories and universities.

We also try to avoid those companies or situations in which, despite being good businesses and successful investment stories, doubts arise over the alignment of interest between managers and the rest of shareholders. For example, during this quarter we analyzed and interviewed the managers of a company that on paper met all our requirements: it was a good business, with sound returns on invested capital, no debt and good growth prospects. However, the company had granted a sizable loan to its main shareholder, and this situation, despite representing no financial risk to the company, generated doubts over management's alignment with the rest of shareholders, making the investment not suitable for Equam.

Brodrene Hartman operates in a boring niche, but we believe it is cheap and can create shareholder value in the coming years.

Another of our investments this quarter would probably delight Fidelity's star investor Peter Lynch, since it meets many of the selection criteria that he describes in his well known book *"One Up On Wall Street"*. The company operates in a boring niche (molded fiber egg cases), it is ignored by the investment community (not one single analyst covers the stock), and has a boring and difficult to remember (and to pronounce) name – **Brodrene Hartmann**. Despite these "negative" characteristics, the company operates in a very defensive market (packaged egg consumption is growing at a healthy rate due to urbanization and is not cyclical) and the market has an oligopoly structure due to the fact that transport costs are high related to the product price and competition is therefore very local.

Additionally, the company is emerging from several years of operational restructuring in the US and Europe. It has closed a factory in Germany, thus improving the balance of supply and demand for the industry in Europe, and is building new capacity in America, where there is a production capacity deficit and prices and margins are high. All these factors will generate growth over the coming years. We have acquired Brodrene at 9.5x current adjusted net earnings and 9.1% Free Cash Flow yield.

La paciencia resulta fundamental para comprar las buenas compañías a precios atractivos

We have also initiated an investment in **Origin Enterprises**, an Irish company that we began to analyze a year ago. Aryzta, one of our portfolio companies, sold its stake in Origin to fund its investment in Picard Surgeles, and when the share price of Origin fell, it attracted our attention. We liked the business, but at that time the price did not offer a sufficient margin of safety. However, this year the price of Origin has fallen further, especially after the EU referendum, so we have had the opportunity to buy shares.

Origin is an Irish company that offers consulting services to farmers to help them improve the yield of their harvests, and sells them the most appropriate seeds, fertilizers and crop protection products for each case. It is a stable business based on long term relationships between farmers and agronomers, has low capital requirements, provides high returns on investment and generates a lot of cash. The company's short term evolution depends very much on each harvest, since harvests determine how much farmers can spend on Origin's advisory services and products. This year's harvest will not be good, due to heavy rains across the main crop growing regions, and the share price has retreated by 35%. We have taken advantage of the lower prices to invest.

ITE Group manages events and trade fairs in emerging markets. It is based and listed in the UK, but most of its business takes place in Russia and other Eastern European countries, and more recently it has expanded to other emerging markets in Africa and Asia. The event management business has many attractive attributes. Each trade fair operates as a small local monopoly, since it is difficult to fill different fairs for one specific industry or area. There is a strong network effect, because exhibitors and visitors get better value from large fairs where all players are present than from smaller ones, making entrance to a consolidated market quite difficult. The business has low investment requirements and exhibitors pay several months in advance so the business benefits from negative working capital. ITE has been struggling for some time, as a consequence of the crisis in Russia and the downturn in Oil and Gas, and the share price is very depressed. However, the business is very resilient, since costs can be adjusted when revenues fall, maintaining margins at reasonable levels. ITE has also used these low times to acquire new fairs and diversify geographically. We believe that even a minor recovery in the countries in which it operates will lead to a sound recovery in earnings and in the share price.

Jardine Lloyd Thomson ("JLT") is an insurance broker based in the UK that has a global reach. The insurance broker business benefits from a reasonable stability and predictability, because once a policy has been signed switching costs are normally greater than the benefits, and clients tend to remain with the broker for several years. In addition to that, the business generates investment returns from the premiums received from clients no yet paid to insurers. In the last years, insurance brokers have seen some revenue pressure because the insurance market is in a very soft phase; strong competition in the insurance and reinsurance markets has caused premiums to fall and this in turn reduces brokers' revenues. In addition to that, the low interest rate environment has also depressed investment income and regulatory changes in the UK have contributed to depressing 2015 profits. Despite this combination of negative circumstances JLT has maintained a very healthy organic growth and has very good long term prospects. The current market situation has allowed us to buy this outstanding business at a very attractive valuation, and we believe that a change in the insurance cycle will make this an outstanding investment.

We have also invested in **Leoni**, the European leader in cabling systems for the automotive sector. The industry has good long term perspectives, since there is an increasing need of cables for electric powered cars and cars carry more electronic gadgets. Despite these good demand fundamentals, the company has been struggling due to an oversized intermediate management structure and to production problems in Romania, depressing operating margins from 5.6% to around 3% last year. Leoni has initiated a restructuring plan to solve these problems, adjusting its middle management teams and the factory in Romania. As is normally the case when a company has internal problems, the market has reacted very negatively and the share price has fallen by 60% in recent months. The current price of Leoni discounts a permanent damage of margins. However, we are confident that the measures taken will allow the recovery of margins in the coming years. Leoni is trading at 6.5x normalized net earnings.

We have also analyzed the contract logistics sector. There is a growing trend to outsource logistics services which provides a stable demand for contract logistics companies over the coming years. Companies that operate in the contract logistics sector achieve good returns on capital and have relatively stable revenues, due to the long term nature of their relationships with customers. In addition to that, there has been a consolidation process that has reduced the intense competition in the logistics business. The sector is trading at high valuations, not just because of its good prospects, but also because the consolidation process continues, now under the lead of XPO, an American operator. Despite the industry's high multiples, we have identified **Wincanton**, the UK leading operator, which is smaller than its multinational competitors and is emerging from a restructuring process, and is trading at a PE of 10.4x and a FCF yield of 9.2%.

We have also increased our exposure to the companies in our portfolio that suffered most.

We would also like to highlight the discipline with which we have increased our investment in the companies of the portfolio whose prices have fallen most in the quarter. We have also taken advantage of the panic that followed the EU referendum to invest a 3.1% of the fund at very attractive prices.

Divestitures

In the last 15 months three companies from our portfolio have received takeover bids.

We have sold our investment in Energy Assets, just two months after our initial investment in the company, because an infrastructure fund launched an offer at a 40% premium over our average cost. Despite the price offered being lower than our target valuation, we decided to sell and reinvest the proceeds in other attractive opportunities. This is the third takeover offer that we have received since we launched the fund in January 2015, after TNT Express and Miba.

We have decided to completely sell out of Orkla because it came very near to our target price, which we had already adjusted upwards in the past in view of the good execution of the restructuring process. We have also sold National Express and Ipsos which had not fully reached our target prices but offered us a good return and were quite marginal positions. We also sold out of Alstom, after reducing our stake by a 40% in the previous quarter when selling shares in the takeover bid launched by the company.

Finally, in the context of our rotation towards European investments, we have sold our investment in Baker Huges (re-investing the proceeds in two other companies of the portfolio with exposure to the oil services industry) and Samsung.

Update on Stallergenes and Hunter Douglas

Regarding our investment in Stallergenes, last April the company issued its full year 2015 results. As expected, they included a significant impact from the closure of its factory in Anthony for 3 months. Together with the results presentation, the management team presented its action plan to relaunch the company now that all the manufacturing facilities are fully operational. After meeting with the team and analyzing the new information we have updated our valuation to consider the probable market share loss and the cash burnt in the process. We estimate the intrinsic value of the company at around 51€ per share, similar to our average acquisition cost but much lower than our original valuation of 85€. Most probably, we have suffered a permanent loss of capital in this investment, but the company trades at 25€ per share and we believe there is a good upside to our new target valuation, so we are keeping the shares for the time being. We continue to closely monitor this investment.

Finally, Hunter Douglas, our largest investment, has announced that the proposed acquisition of Levolor, its main competitor in the US, was approved by the regulators at the beginning of June, and that they expect to close the deal in 30 days. We believe that this transaction is going to add value to Hunter Douglas, since it will consolidate the company's leading market position in the American market and will improve profitability through cost synergies and industrial optimization. These improvements should lead to a relevant increase of results in the coming quarters.

Evolution of the fund.

We have reached a 96.2% investment level, the maximum since we launched the fund.

As a result of the new investments we made in the quarter, our investment level has increased to 96.2% from 89% at the end of March.

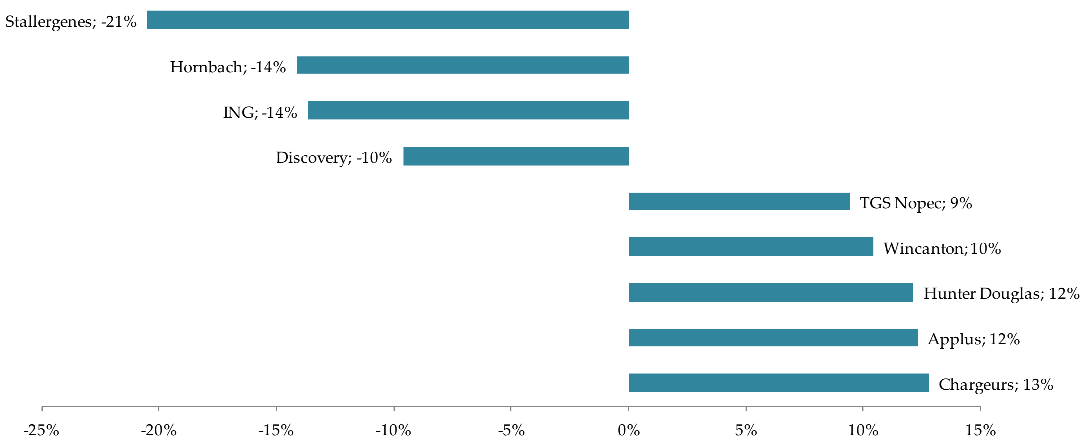
Investments outside Europe have an 11% weight in the portfolio, down 3% from 14% in the previous quarter. The fund has 40 positions and the upside potential if all investments reach our internal target valuations is 62%, up from 44% the previous quarter. This greater upside potential is due to a higher investment level of the fund and to the good opportunities identified during the quarter.

Ten largest investments as of June 30.

Company	Weight	Price	Upside *
Hunter Douglas N.V.	5.3%	42.6	48%
Chargeurs SA	3.8%	10.0	38%
Cegedim SA	3.8%	27.5	38%
Hornbach-Baumarkt-AG	3.7%	24.3	106%
TGS-NOPEC Geophysical Company ASA	3.6%	136.2	147%
Deutsche Pfandbriefbank AG	3.6%	8.9	92%
ING Groep NV Cert. of Shs	3.5%	9.2	80%
Serco Group plc	3.3%	1.1	77%
MITIE Group PLC	3.3%	2.5	57%
Stallergenes Greer	3.1%	22.1	131%
Top 10	**36.8%**		**79%**
Portfolio	**96.1%**		**64%**
Cash	**3.9%**		

Best performers during the quarter were Chargeurs, Applus, Hunter Douglas y Wincanton.

Best and worst performers in the quarter [1]



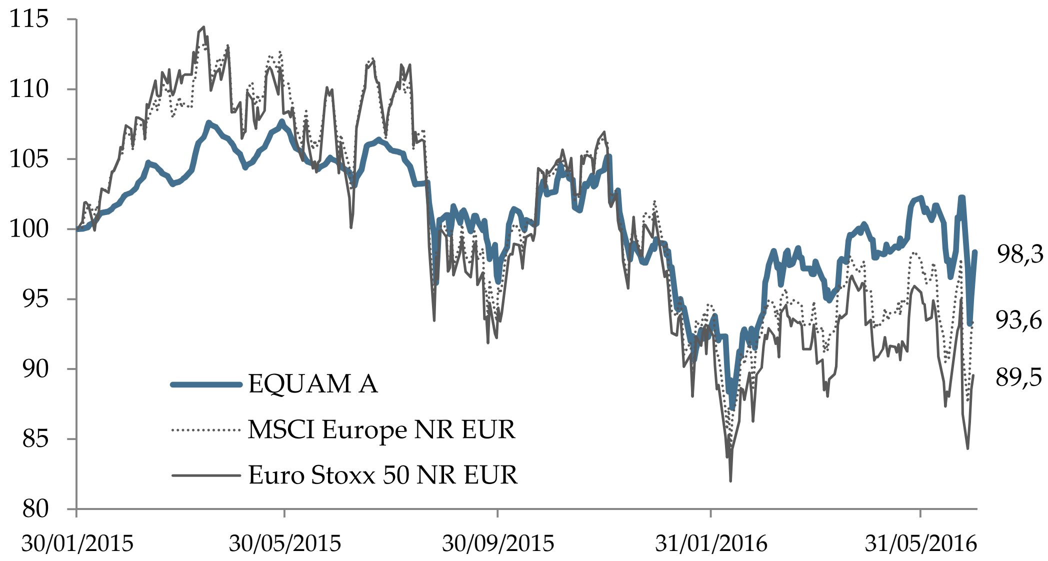
[1] Price change from 3/31/2016 to 6/30/2016. For new investments we have used average investment cost.

Appendix I: EQUAM 20 largest positions.

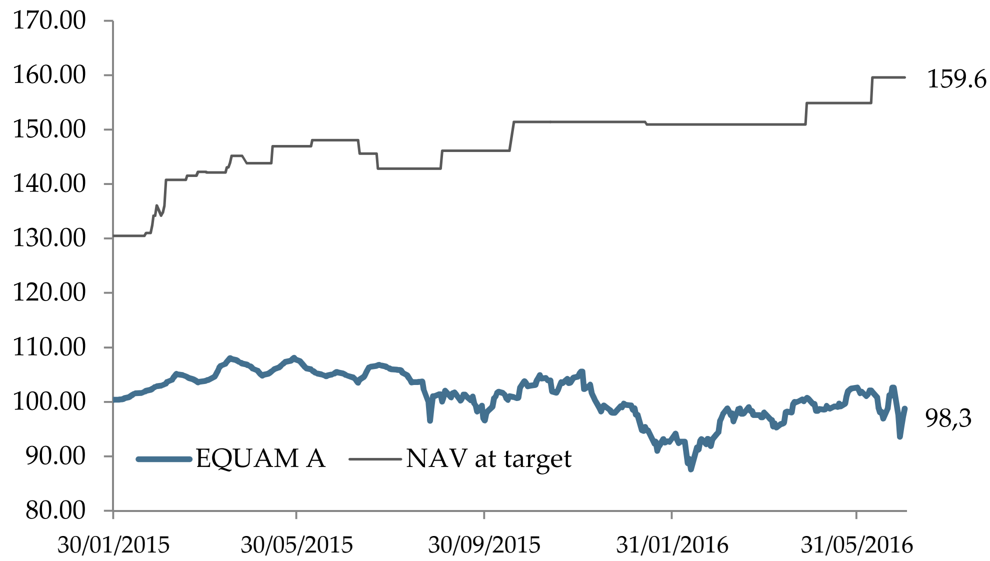
Company	Country	Weight	Value Base Case	Upside
Hunter Douglas N.V.	Netherlands	5,3%	Dominant leader in oligopolistic market.	48%
Chargeurs SA	France	3,8%	Restructuring on track, cyclical recovery	38%
Cegedim SA	France	3,8%	Software for doctors and insurers, stable revenues	38%
Hornbach-Baumarkt-AG	Germany	3,7%	Resilient compounder in repaired market	106%
TGS-NOPEC Geophysical Cc	Norway	3,6%	Countercyclical niche oil services player	147%
Deutsche Pfandbriefbank AC	Germany	3,6%	Recapitalized bank trading at deep discount to BV	92%
ING Groep NV Cert. of Shs	Netherlands	3,5%	Restructured commercial bank	80%
Serco Group plc	United Kingdom	3,3%	Refocused contractor in restructuring, recently recapitalised	77%
MITIE Group PLC	United Kingdom	3,3%	Undervalued compounder in fragmented market	57%
Stallergenes Greer	France	3,1%	Market leader in an oligopoly market	131%
Aryzta AG	Switzerland	3,0%	Undervalued oligopolistic leader.	122%
APPLUS SERVICES S.A.	Spain	2,9%	Sound certification business	26%
Meggitt PLC	United Kingdom	2,8%	Undervalued compounder in low cycle	74%
Indra Sistemas, S.A. Class A	Spain	2,8%	Restructuring defence and IT contractor	90%
Rolls-Royce Holdings plc	United Kingdom	2,8%	Sound oligopoly going through restructuring	69%
NRJ Group SA	France	2,7%	Deep SOPV undervaluation	30%
Berendsen plc	United Kingdom	2,6%	Leading position in a growing market	15%
Tecnicas Reunidas SA	Spain	2,6%	Turnaround of refining engineering company after Canada contract.	28%
ITE Group plc	United Kingdom	2,6%	Deeply undervalued event management company	59%
Jardine Lloyd Thompson Grc	United Kingdom	2,4%	Small, high growth insurance broker at low valuation	39%
Total top 20		**64%**		
Total portfolio		**96%**		

Appendix II: Target valuation and fund evolution

EQUAM vs European NR indices performance



EQUAM vs EQUAM at target prices



NAV evolution

	EQUAM	MSCI Eur	Eurostoxx 50
1 month	-3.3%	-4.3%	-6.2%
3 months	1.0%	-0.2%	-2.6%
YTD	-0.6%	-7.2%	-10.2%
1 year	-5.9%	-11.0%	-13.9%
Since inception *	-1.6%	-6.4%	-10.4%

	EQUAM D	MSCI Eur	Eurostoxx 50
1 month	-3.5%	-4.3%	-6.2%
3 months	1.0%	-0.2%	-2.6%
YTD	-0.7%	-7.2%	-10.2%
Since inception *	0.6%	-7.0%	-11.2%

**Clase 'D' from December 17, 2015*

**EQUAM A excludes the first 15 days since inception where the portfolio was under construction. Indices are Net Return in Euro which assumes the reinvestment of dividends, net of taxes.*

The performance of EQUAM A and EQUAM D has been calculated using official NAV prices for July 1st, which use the closing prices of June 30th, to make a fair comparison with the index.

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Bloomberg (Class A)	EQUAMVA LX
ISIN Class A	LU0933684101
ISIN Class C	LU1274584488
ISIN Class D	LU1274584991

Registered in Spain	CNMV number 587
Fees Class A	1% NAV and 8% profit
Fees Class C	1.50% NAV
Fees Class D	1.25% NAV (min 1 MEUR)

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