EQUAM Global Value Fund
Fourth quarter report 2016
A diversified portfolio with upside potential.

Over the last year the fund has performed well, with a net return greater than 17%. This performance is not explained by a single directional bet nor is it due to a few successful investments; it is the result of the good behavior of most of the components of the portfolio.

Despite this good performance, we believe that the fund maintains its upside potential. Our effort to find new opportunities is leading to good results and we are successfully replacing mature investments with other ones with greater upside.

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.

EQUAM

A stable portfolio in a volatile market.

One of the main characteristics of our methodology is the stability and long term nature of our investments. We do not try to guess the next market move and we do not think that it is possible to consistently predict its movements, up or down. Instead, we want to buy good businesses at good prices and wait while the companies create value and until the market fully recognizes it.

We find it impossible to predict the future movements of the market…

Investors who maintain stable portfolios achieve, in the long run, better results than those who increase or reduce their investment exposure according to their perception of the future evolution of the market. Not only do you have to be right with the market's future evolution (and you have to be right both when buying and selling), but you also assume the risk of missing a significant market revaluation, which may occur in just a few days each year.

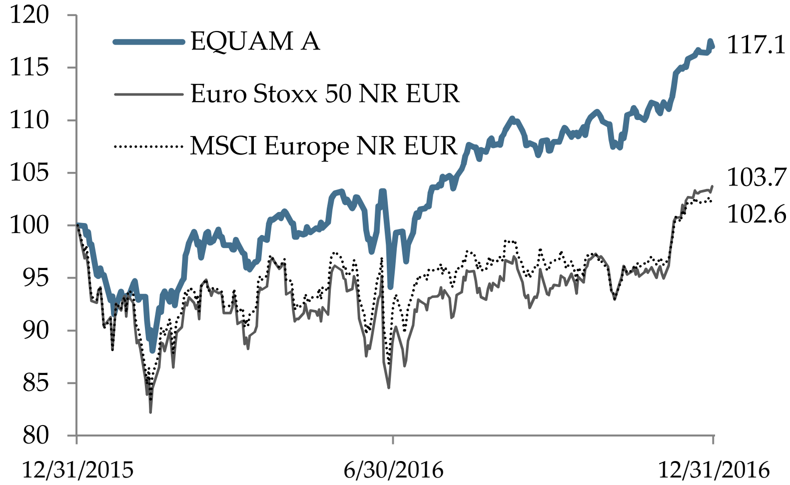
This year was a good example of how difficult it is to time the market and the importance of keeping a relatively stable portfolio. Up until February the markets fell significantly without a very clear cause and then recovered most of their losses. Later came the Brexit vote, with very sharp falls that also recovered within days, and finally, in just a few days in December, again with no clear reason, the market gained almost 10%. We think it is impossible to anticipate these movements.

… and we prefer to take advantages of the opportunities that the market occasionaly presents.

Instead of trying to beat other investors in second-guessing the market, we are determined to buying good companies that we have thoroughly analyzed when there is panic selling and to sell with discipline when they reach our target valuation. Instead of trying to anticipate what the market will do, we take advantage of the opportunities it presents, when they occur.

The results of this process to date are being quite satisfactory for us. This year the fund achieved a 17.1% return, comfortably beating all European indices. This good performance reinforces our conviction that our investment process, focused on the constant search of investment opportunities in Europe, will provide excellent results in the long term. The performance of the fund since inception, about two years ago, around 16%, also beats the indices by a wide range.

EQUAM vs. European Indices* 2016
(base 100)



** Net Return indices assume the reinvestment of dividends received after withholding tax.*

Our portfolio has performed well as a whole, there were no directional bets.

The good evolution of the fund over the year is the result of the good performance of most of its investments; it is not related to a specific sector or company. Our idea generation process has allowed us to build a really diversified portfolio which has performed very well as a whole. Only Chargeurs, which reached our target price in 2016, doubling in value, has contributed with more than 2% to the performance of the fund. The rest of the portfolio has also performed well but still has a significant upside potential.

Our constant effort to find new investments allows us to challenge the investment merits of the portfolio, so that each investment is in a constant competitive process with new and existing ones. When we find an investment with better potential than others in the portfolio, with better quality or greater upside potential, we may sell or reduce the weight in existing investments to make room for the new ones. Thanks to this process the fund maintains its upside potential even after the good performance of the year.

Investment activity

During the fourth quarter we have acquired seven new investments and we have sold six.

One of our new investments is the Greek cosmetics and household goods manufacturing company **Sarantis**, which commercializes its own branded products in Greece and other Eastern European countries. Sarantis has a very stable business which has performed relatively well during the country's severe crisis. It is family owned and has no financial leverage. Despite the fact that the situation in Greece is not yet improving, the prudent management of the company has allowed it to emerge stronger from the crisis, and is already presenting double digit organic growth rates. We believe that its strong balance sheet, with a net cash position, will allow the company to acquire targets available in the Greek market, whether buying tier two brands from multinational competitors or other competitors under financial difficulties as a consequence of the crisis. In this case we did not buy at a 52w low price, but we believe that valuation, at around 9x ebit, was very attractive for a company with such a good quality and growth potential.

We have also bought shares in **Coats plc**, the world's largest manufacturer of industrial thread. Coats produces high resistance sewing thread for Nike, Addidas, GAP, P&G, and other apparel companies. The sector is fragmented and some of its niches are quite competitive, but Coats holds a 28% market share, tripling that of its next competitor, and achieves a return on capital employed greater than 17% (its products represent a low cost for their clients but are of great importance for the final outcome of the product). Coats provides high technology and quality products, and can offer an homogeneous product anywhere in the world, allowing it to work with large multinational companies offering them quality levels that other competitors cannot meet, and thus it is protected from low price competition from China. Coats also has an industrial thread division for specific niches (fire retardant thread, electricity and signal conductive threads…) which have very good growth perspectives. Despite the excellent quality of Coats' businesses, we have been able to invest at a very attractive valuation (5x ebitda) due to a recent corporate restructuring and a change of trading from Australia to the UK; and to the fact that the company was in the process of negotiating its contribution to fund the pension deficits of its retirement plans, which generated great uncertainty. The Company has recently announced an agreement with the regulator on this subject.

We have also invested in Vincent Bolloré's holding company **Bolloré**. The group has investments in Transport and Logistics in Africa, it is the control shareholder in Havas and has a minority but relevant stake in Vivendi. We have invested in the Bolloré group for two reasons. In the first place, Mr Bolloré has demonstrated in the past a capacity to create value by slowly buying poorly managed businesses, changing its management and turning them into successful businesses. In the second place, the shareholding structure of the holding is very complex, with cross-shareholdings among several of the group shareholders, making it difficult to know the exact amount of treasury shares owned by these shareholders. After a thorough analysis of the situation, we have concluded that Treasury shares represent about half of the issued shares, and thus the group trades at a significant discount to its NAV.

The rest of our investments this quarter include **Norma** (a German manufacturer of clamps, connectors and fluid systems), **La Doria** (private label manufacturer of juices and tomato sauce) **Polytec** (manufacturer of plastic components for the automotive industry) and **Fiat Chrysler**.

Divestments

We remain disciplined when executing our investment process.

In the fourth quarter we have sold six of our investments.

Our most relevant divestments this quarter was **Chargeurs**, a French company devoted to the production of protective films for the construction and automotive industries. We made our first investment in April 2015 and since then, a new management team has acquired control of the company and implemented several measures to reinforce the business. The result is that shares have soared by 120% in a few months and have met our price target. Despite the better prospects of the company after the improvements introduced by the new team, we believe that we have achieved most of the return we were expecting and we have decided to sell, with an IRR of 75%.

We have also sold our investment in **Naturhouse**. We made our initial investment in January 2016, after a severe fall in the share price which occurred after the IPO, at a free cash flow yield of around 12% (for a company without debt and with growth prospects). In less than 8 months the share price increased by 50%, coming near to our target price, and we started selling. Although the price has recently lost some ground, we have continued to sell to make room for better opportunities. We have achieved an IRR of 65%.

Another of our divestments this quarter was **Mettka**, a Greek engineering company which designs and executes projects in the Middle East. The company has a net cash position and trades at very low multiples. In this case, regrettably, we have not sold because the share price has reached our target valuation. We decided to sell when we had better insight on how the majority shareholder of the company, Mitilineos, was pooling the company's cash with other group companies. This is common practice for multinational groups of companies, but we do not think it is adequate for the minority investor in Mettka, who should, at least, receive dividends when the controlling shareholder wants to use its cash. Some weeks after selling our shares, in an additional turn against minority shareholders interest, Mitilineos launched a takeover bid for Mettka at a 15% discount over its trading price. In the case of this investment, thanks to our selling before the takeover bid, our return has only been slightly negative (-8%). Our experience with Mettka reinforces our view that we have to invest in companies where managers are aligned with all shareholders and if possible, always at the top of the holding.

We have also sold our shares in **Abertis**. When we bought Abertis, at a time of maximum pessimism last February, we thought it was a very good opportunity. It was trading at more than 8% Free Cash Flow yield, which is high for a concessions business, and had a high financial leverage which on the other hand is completely normal for a motorway company. Abertis had several of its concessions in a very mature phase, so there was some uncertainty over the reinvestment of its cash flows outside its core market. Since we bought Abertis they have made some reasonable investments, but there is still a reinvestment risk. In addition to that, Hispasat, its satellite business is facing an overcapacity situation in

Latinamerica, which can lower its profitability over the coming years. For these reasons, and considering that we are finding several opportunities which offer a better free cash flow yield, have lower leverage and less business risk, we have decided to sell our share and make room for better investments. We have achieved an IRR of 20% including dividends.

In the framework of our rotation towards European investments, we have sold **Discovery** and **Bank of New York**, American large cap companies that we believe have less upside potential than what we are finding in Europe. After these divestments there are only three American companies in our portfolio: Verisign, Crown and KLX, which in aggregate represent around 5% of the fund. All three investments have a unique business model that we like and that we cannot find in Europe, and we thus expect to keep these companies in the portfolio while we believe that they can continue to create value for us.

Portfolio and NAV evolution.

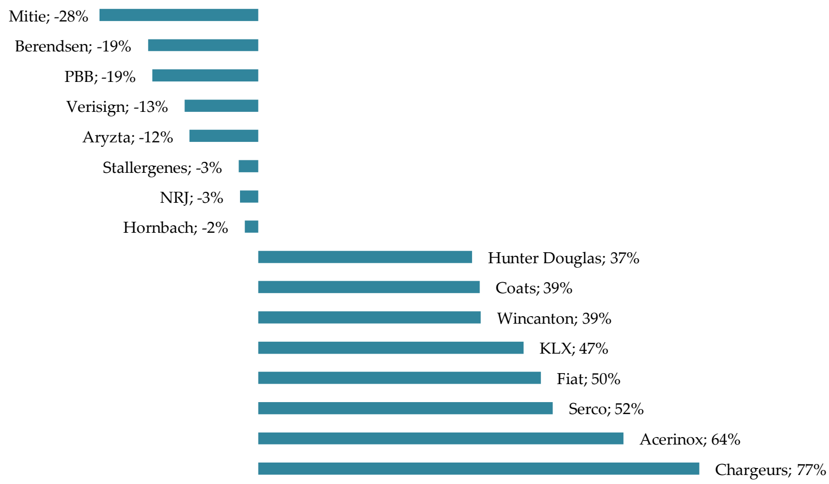
As a result of the recent investments, the fund's upside potential remains high.

After these seven new investments and the six divestments, we have 43 companies in the portfolio. Once we have reached this number, we believe that prior to including new investments it is wise to assess their upside and compare it with the rest of the companies of the fund, selling those that offer lower potential. We have already done this with Abertis, Naturhouse and with the American investments.

Despite the good performance of the fund in the quarter, the upside potential of the portfolio, using our target prices as a reference, remains high at around 47%. As we said earlier, our constant search for new investment opportunities allows us to keep the good upside potential.

Contribution to the performance of the fund.

The following table shows the performance of the best and worst companies of the portfolio, over the year or since we made our initial investment.



The good performance of the fund is due to the positive evolution of most of its investments.

Apart from the good performance of Chargeurs, we would like to highlight the good evolution of TGS, Hunter Douglas and Serco. Hunter Douglas is our largest investment and keeps posting good growth and has, in our opinion, a significant upside potential. It has acquired its main competitor in the US and we believe that this transaction will generate very relevant synergies.

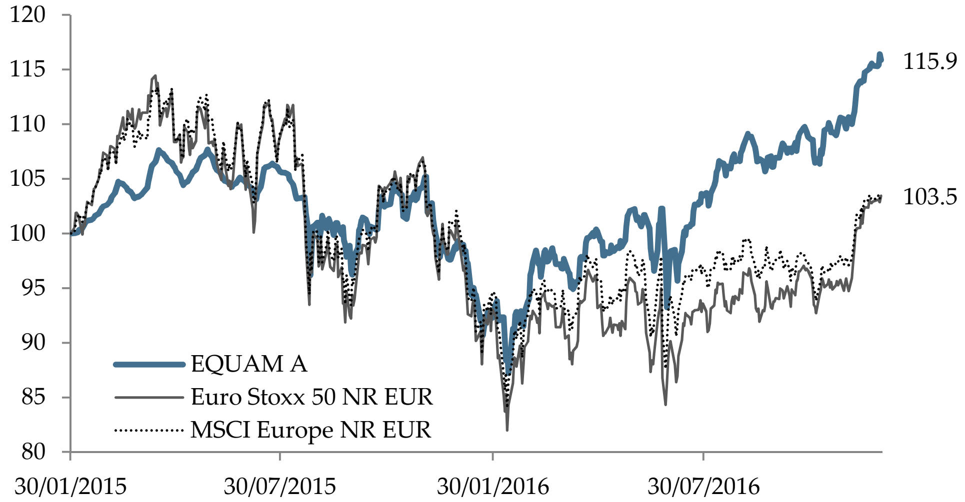
Our investment in TGS and Serco is a good proof of the need to have patience and to buy with discipline in panic situations. In both cases the share prices suffered significant falls and were down by more than 25% from our initial investment. In both instances we decided to make additional purchases of shares at more attractive prices, since our investment thesis and valuation had not changed. We are currently generating very good capital gains in both investments which still maintain good upside potential.

Appendix I: EQUAM Portfolio.

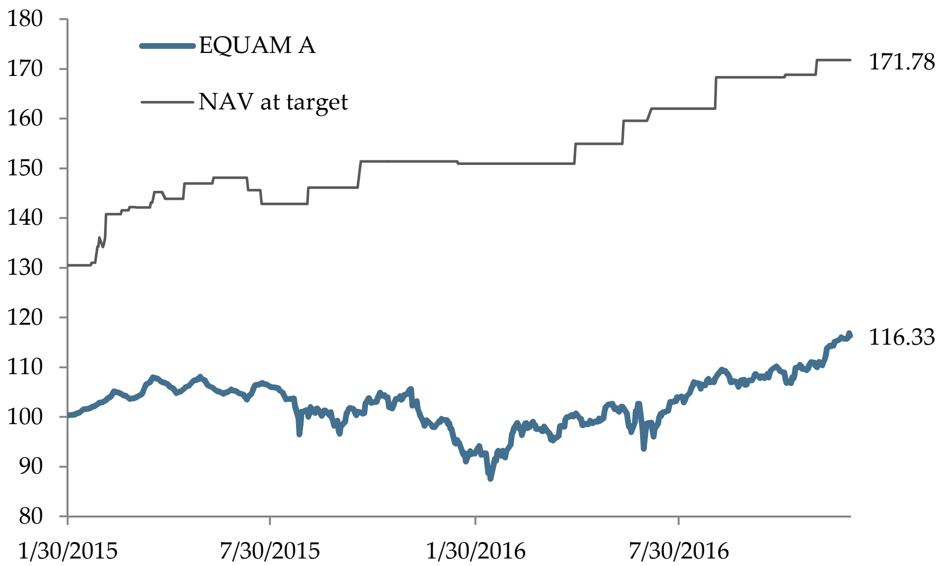
Company	Country	Weight	Value Base Case	Upside
Hunter Douglas N.V.	Netherlands	5,0%	Dominant leader in oligopolistic market.	29%
TGS-NOP	Norway	3,6%	Countercyclical niche oil services player	76%
Berendsen	United Kingdom	3,5%	Leading position in a growing market	61%
ING	Netherlands	3,4%	Restructured commercial bank	23%
MITIE	United Kingdom	3,0%	Undervalued compounder in fragmented market	74%
Stallergenes	France	3,0%	Market leader in an oligopoly market	65%
Bollore	France	2,9%	Complex holding company, well managed at a discount	91%
Hornbach	Germany	2,9%	Resilient compounder in repaired market	81%
Deutsche Pfandbrief	Germany	2,9%	Recapitalized bank trading at deep discount to BV	86%
Navigator	Portugal	2,8%	Lowest cost pulp and paper manufacturer at low valuation.	23%
Aryzta	Switzerland	2,6%	Undervalued oligopolistic leader.	78%
ITE Group	United Kingdom	2,5%	Deeply undervalued event management company	48%
Coats Group	United Kingdom	2,5%	Worldwide leader for industrial and clothing strings	45%
Cegedim	France	2,5%	Software for doctors and insurers, stable revenues	45%
Swatch	Switzerland	2,5%	Swiss luxury watches manufacturer in turnaround.	29%
Meggitt	United Kingdom	2,4%	Undervalued compounder in low cycle	54%
Serco	United Kingdom	2,4%	Refocused contractor in restructuring, recently recapitalised	37%
Rolls-Royce	United Kingdom	2,3%	Sound oligopoly going through restructuring	80%
KLX, Inc.	United States	2,3%	US based wholesaler for aerospace and Oil & Gas	49%
LEONI	Germany	2,3%	German manufacturer of cabling systems under restructuring	77%
Total top 20		**57%**		
Total portfolio		**95%**		
Liquidity		**5%**		
Total fund		**100%**		**47%**

Appendix II: NAV evolution and target valuation of the fund.

EQUAM vs Indices since launch



EQUAM 'A' and fund value at target prices.[1]



[1] The increase in our target value estimate is the result of replacing mature investments with new opportunities with greater upside. We have not made any material change in the target value of our investments.

	EQUAM A	MSCI Europe NR	Eurostoxx 50 NR
1 month	5,2%	5,8%	7,9%
3 months	8,4%	6,1%	9,9%
YTD	17,1%	2,6%	3,7%
1 year	17,1%	2,6%	3,7%
Since inception *	15,9%	3,5%	3,4%

* *Excludes the first 15 days during which the fund was not invested.*

Indices are Net Return in Euro, which assume reinvestment of dividends after withholding tax.

Bloomberg (Class A)	EQUAMVA LX	Registered in Spain	CNMV number 587	Fund Advisor	Equam Capital
ISIN Class A	LU0933684101	Fees Class A	1% NAV and 8% profit	Management Company	ADEPA (Lux)
ISIN Class C	LU1274584488	Fees Class C	1.50% NAV	Custodian	KBL (Lux)
ISIN Class D	LU1274584991	Fees Class D	1.25% NAV (min 1 MEUR)	Transfer Agent	European Fund Admin.