EQUAM Global Value Fund
Quarterly report 2019
History repeats itself.

The first quarter of the year has shown, once again, the importance of remaining patient when investing.

After last year's fourth quarter panic we have experienced a significant recovery. Considering the impossibility of anticipating these short-term market fluctuations, we insist on the approach of investing in listed companies as if they were private, forgetting about short term price changes except to take advantage of buying or selling opportunities in individual companies when they are extreme.

Despite the strong recovery, which still does not compensate for last year's fall, the fund's potential remains at historic high levels (85%), and we maintain our full confidence on the fund's potential to outperform.

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 V vehicle and can be invested into throughout most leading financial intermediaries using AllFunds, Inversis, Fundsettle and other platforms.

Strong market recovery

Following the drop in 2018, markets have recovered during the first quarter of 2019.

The beginning of 2019 has confirmed once again that patience is the most valuable asset for an investor's success.

As we always insist, short term market fluctuations are unpredictable and we should avoid the temptation to try to anticipate those movements, trying to sell before the decline and buy before the recovery. We believe it is impossible to do this in a systematic way and experience shows that those who try, underperform the market. The 2018 plunge was unpredictable and so has been its recent recovery. Consequently, those that panicked and sold at the end of the year have missed the recent recovery.

On the contrary, those investors that have remained calm during the year-end market drop have recovered a good part of the losses in a very short period of time. Peter Lynch reminded his readers that investors in his fund had achieved lower returns than his fund as they were investing and selling at the wrong time. He always insisted on the importance of maintaining investments in the fund at all times in order to take advantage of its value creation process. It has been very satisfying for us to see that the bulk of our investors have continued to trust our portfolio and investment process during the recent market volatility.

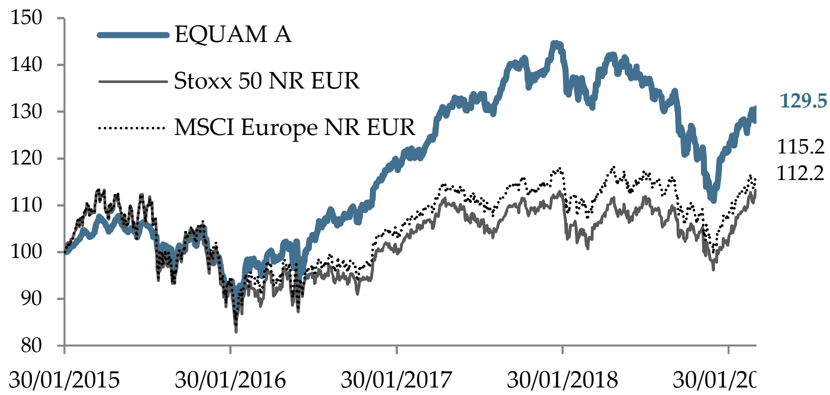
Despite this year's recovery, which still does not fully compensate for last year's losses, the fund's potential stays at historical high levels. Most companies in the portfolio have released positive year-end results and future guidance which, together with the attractive valuation at which they are trading, make us feel very confident about the future performance of the fund.

We also insist that in order to achieve attractive long-term positive results it is key to maintain positions permanently over the life of an investment. This is what we do with our own investment in the fund. We think this stability is necessary because the company's value creation process is steady and slow, but its recognition by the market is in most occasions erratic and sudden. A good set of results, good non anticipated news or an acquisition offer are different events that might trigger a rapid revaluation that recognises the full value created over several years in just a few days. Only those investors sufficiently patient to remain calm in different market situations will be able to profit from these opportunities.

We also prefer to maintain our wealth in a diversified portfolio of companies as we think any other alternative is much worse. In this sense, the companies in our portfolio are trading at least at a 30% discount to their intrinsic value and are able in most cases to re-invest their profits in new projects that can provide attractive returns. The combination of these two factors, both the narrowing of the valuation gap and the reinvestment at attractive returns, allow good long-term returns. Alternative investments which try to reduce short term volatility, such as fixed income, deliver guaranteed but very low returns which in most cases remain below inflation rates. In our view, it's a sure way to lose purchasing power over the long run.

Equam performance since inception more than four years ago is a good sample of what we are trying to explain. Despite last year's sharp drop the fund accumulates a 6.4% annual return, well above the 3.5% return for the European indices and the close to zero return of the European 10 year bond.

EQUAM Global Value performance since inception.



Investments

Restore plc has a recurrent business and is trading at an attractive valuation.

We have made a new investment in the British company **Restore plc,** devoted to the long-term storage of physical documentation for law firms, universities, hospitals and other firms. It also provides document shredding and digitalization services and office relocation services. For all these services the company maintains a leading position in the UK market, achieving significant economies of scale.

Restore plc has a strong and predictable cash flow generation capacity. Once a customer has decided to store its documents with Restore, it pays a 3£ annual fee per box for the service. Since those documents could be necessary in the future and the cost to keep them is low, boxes are stored for an average of 15 years. Despite the rising penetration of digitalisation, the increasing amount of data generated allows for volumes of physical documents to continue to grow every year, improving Restore's occupancy level year by year. This leads to a rise in turnover and profitability for the company.

In addition to organic growth, Restore has executed several acquisitions throughout time which have been successfully integrated. Following the purchase of a company, Restore moves the boxes of the target company to one of their warehouses and closes the empty ones, achieving obvious synergies.

We met the company more than three years ago, but it has been traditionally trading at very high multiples and we could not invest. However, the recent departure of the CEO, who has decided to retire, and the high volatility in the UK mid cap companies, have negatively impacted the share price. We have been able to invest in Restore with a large margin of safety (9% FCF yield). The company has a reasonable leverage ratio of 2.1x net debt / EBITDA.

We have invested in CVS Group following the recent drop in its share price.

We have also invested in another UK company, **CVS Group plc**, the market leader in the veterinary sector. As in the case of Restore, we had also been following this company for quite some time, attracted by the stability of its revenues (visitors to veterinary centres are very recurrent) and the good cash conversion of its business. The recurring and stable nature of its revenues and cash flows has attracted several private equity firms that have been investing heavily in the sector.

Despite the attractive characteristics of the company, we were never able to invest due to the high multiples at which CVS Group was trading. However, at the end of January, the company released its preliminary year-end results, revealing that its margins were below market consensus due to the increase in labour costs and the consolidation of recent acquisitions in the farm sector which achieved lower margins. This situation, together with the announcement of a slowdown in the acquisition pace due to the high multiples prevailing in the industry, brought a significant drop in the share price with the company trading at a 10% FCF yield. We took advantage of this situation and decided to invest in the company as we regarded the margin squeeze derived from the labour inflation situation as temporary and the company's decision to temporarily stop its acquisition program as prudent.

Divestitures

During the first quarter we have sold our investment in **Stallergenes**, the French manufacturer of allergy vaccines, following the tender offer launched by the company's majority shareholder. We initially invested in Stallergenes in 2015 attracted by the company's growth prospects, its net cash position and a depressed valuation. Additionally, it was controlled by a financial investor with a broad experience in the healthcare industry. Regrettably, a few months after we started investing, Stallergenes suffered certain setbacks in the implementation of a new ERP at its manufacturing plant in France. Due to these problems, the authorities forced them to close their facility for four months, during which Stallergenes lost market share to its most important competitor and its share price fell from 55€ to 22€.

Because of this unexpected situation, we decided to revise our valuation and adjusted it down to 51€ from our initial 69€ target. Despite the problems suffered, the company maintained a significant market position and solid balance sheet with net cash. In addition, the potential was still high after the share price decline, so we decided to remain invested.

We have finally received a tender offer at 37€, which is around 11% lower than our average buying price. We believe our decision to maintain the investment after the initial drop was correct as the stock has recovered 68% from the lowest price reached following that event. Once again, patience combined with a rigorous analysis, have proven to be every investor's best asset.

Another lesson from this investment is the importance of

Forex has impacted results of several companies in the portfolio.

diversification, avoiding too much concentration on a particular investment. No matter how sound the analysis of an investment may be, the future will always remain unpredictable. Unexpected and unforeseeable events may always occur, so investors are, in our opinion, better suited with a diversified portfolio. As we have mentioned in previous letters, an element of our investment process includes the analysis of diversification. We avoid concentration not only by investing in several companies but also understanding and diversifying different potential risk areas (oil, interest rates, inflation, etc…).

Portfolio companies results

During this first quarter most of our companies have released their 2018 annual results. Those results have been good in most cases, contrary to what one could think when looking at 2018 fourth quarter share prices performance.

Our portfolio companies have in general released a good set of results .

We highlight the positive results of **Brunel** – Dutch temporary staffing company with a strong focus on Oil & Gas – with a 16% and 90% increase in revenues and results respectively and **Serco** – UK services outsourcing company – which has improved its operating profit by 40% as it is making good progress in its restructuring process. Other companies that have also achieved a good set of results, significantly improving their operating profits (in brackets), are **Franks International** (+475%) **Bolloré** (+33%), **Piaggio** (+28%), **Hunter Douglas** (+24%), **SMS** (+28%), **NRJ** (+23%), **Admiral** (+18%), **Sarantis** (+18%), **Sesa** (+16%), **Cementir** (+7%) and **Mondadori** (+7%). Most of them have been in our portfolio for several years and some of them have required our patience to prove their capacity to improve or recover their earnings power.

Among those companies that have achieved results below expectations we highlight **Latecoere**, devoted to the manufacturing of aerostructures for the aerospace sector, which has announced a 46% drop in its operating profit as a result of the negative impact of foreign exchange rates, problems with one supplier and the restructuring process that the company is currently implementing. Despite this situation, we remain confident on the attractiveness of this investment as the company is trading at a very depressed valuation. In fact, Searchlight, a private Equity firm with a good knowledge of Latecoere and the aviation sector has recently acquired a significant stake in the company at a price 22% higher than the current trading levels.

Other companies that have also been affected by forex movements are **Prosegur Cash** and **Brodrene Hartmann**. Both are present in Argentina and have been forced to make some accounting adjustments because of hyperinflation. Prosegur has been the most affected, with a 24% drop in operating profit. It is precisely due to the situation in Argentina and the resulting share price drop, that we were able invest at a very attractive valuation. We see this situation as temporary and the company has experience with the country and inflation situations.

We would also like to mention **Rieter**, the leading manufacturer of spinning machinery for the textile industry, which has suffered a 17% fall in its operating profit as demand remains weak. The sector is suffering from the overcapacity in China, and it is taking longer than expected to solve this situation. We have been invested in the company for three years and although we were expecting a quicker recovery, we remain confident about the investment. The market recovery will come sooner or later and, in the meanwhile, Rieter maintains a very solid cash position, is restructuring its manufacturing capabilities and lowering its breakeven point while trading at very low multiples on current results. As it always happens, once the recovery comes, we will benefit not only from the improvement of results but also from a rerating of the stock.

Protector Forsikring, the Norwegian insurance company in which we invested last year, has also experienced a drop in its results, mainly due to losses in its change of ownership insurance line. As in the case of Prosegur Cash, we took advantage of this situation to invest in the company. Protector has decided to abandon the business line and the rest of the business presents very healthy prospects.

As for the rest of the portfolio, results have been good and the leverage of the companies in the portfolio remains low or at prudent levels, the only exception being **Parques Reunidos** which, following a recent acquisition has increased leverage to a slightly higher level than we are comfortable with.

The contrast between the good set of results of our portfolio companies and their share price performance last year makes us insist in the importance of having an entrepreneurial approach when investing in the stock market, concentrating on understanding the businesses and their potential risks well and taking advantage of the market's extreme fluctuations to buy at low prices and sell at reasonable valuation levels.

Some investors may be concerned about the potential risk of a coming recession and may prefer to maintain a high proportion of cash in their portfolios. As we mentioned before, we believe it is extremely difficult to anticipate recessions and their impact on prices, so instead of trying to predict them, we prefer to take advantage of them.

Fund evolution and its portfolio.

After the recent investments and divestments, we have 47 companies in our portfolio with a close to 100% investment level.

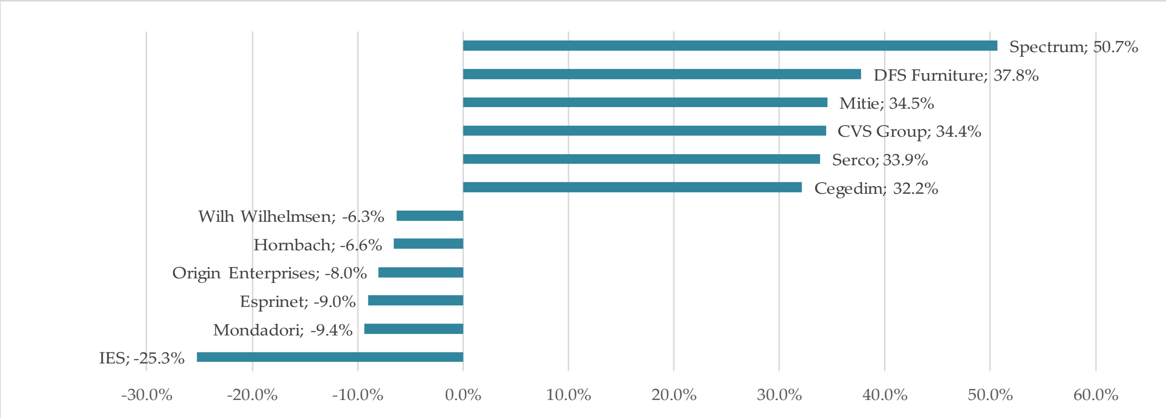
Portfolio's main positions as of March 31, 2018

Company	Weight
Spectrum ASA	4.5%
SeSa S.p.A.	3.7%
Rieter Holding AG	3.7%
MITIE Group PLC	3.6%
Protector Forsikring ASA	3.2%
Parques Reunidos Servicios Centrales SA	3.1%
TI Fluid Systems plc	3.1%
Euronav NV	3.1%
Smart Metering Systems PLC	3.1%
ITE Group plc	3.0%
Total Top 10	**34.2%**
Total Equities	**99.9%**
Cash positions	**0.1%**

As a result of the recent share price gains, the fund's upside potential has changed from 100% at the beginning of the year to the current 85% but continues to be at historical high levels because of the attractive valuations at which the companies in the portfolio are trading.

The following table shows the best and worst performers in the portfolio during the quarter or since we started buying shares if we did so after December.

Best and worst performers during the quarter [1]



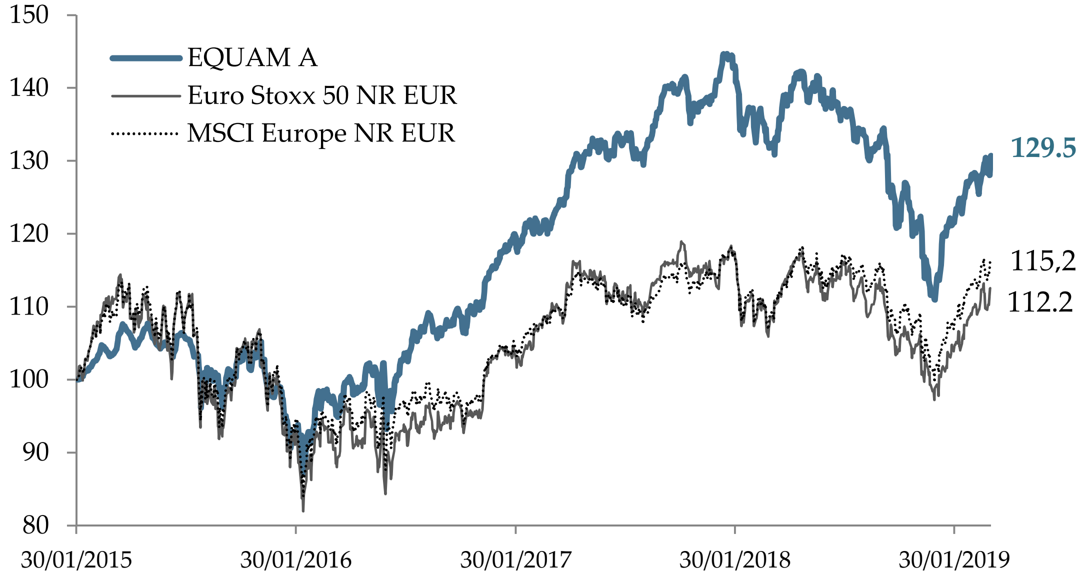
[1] Stock performance from 31/12/2018 to 31/03/2019. In the case of new investments (Restore and CVS Group) we use as a reference our average purchasing price.

Appendix I: EQUAM Portfolio.

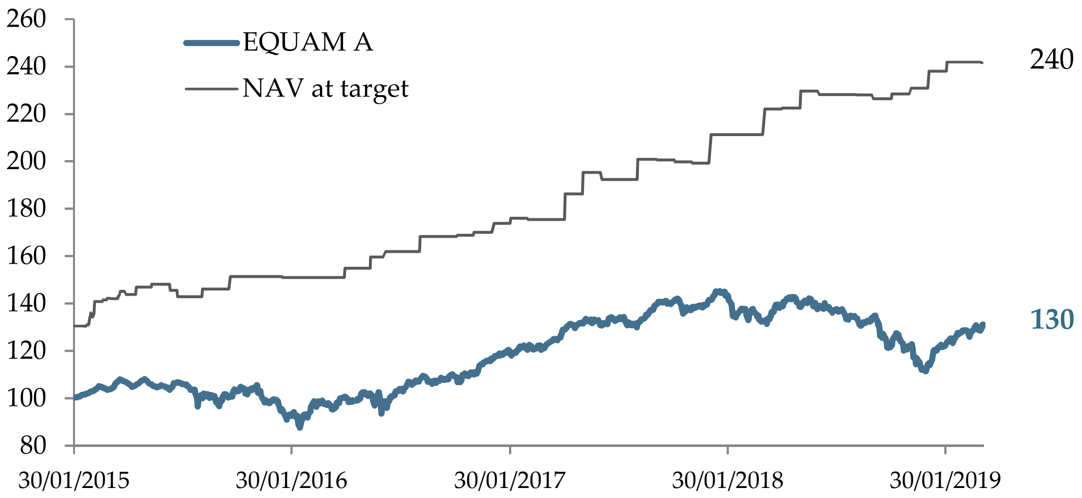
Company	Country	Weight	Value Base Case
Spectrum	Norway	4,5%	Countercyclical niche oil services player
SeSa	Italy	3,7%	IT Value Added software Italian leading provider at a discount
Rieter Holding	Switzerland	3,7%	Swiss manufacturer of spindles - cheap, net cash, restructuring.
MITIE Group	United Kingdom	3,6%	Undervalued compounder in fragmented market
Protector Forsikring	Norway	3,2%	Undervalued low cost Nordic P&C insurer
Parques Reunidos	Spain	3,1%	Spanish theme park operator trading at 52w lows
TI Fluid	United Kingdom	3,1%	Undervalued auto parts company
Euronav	Belgium	3,1%	Depressed VLCC tanker company
Smart Metering Systems	United Kingdom	3,1%	Protected and profitable smart metering market
ITE Group	United Kingdom	3,0%	Deeply undervalued event management company
DFS Furniture	United Kingdom	3,0%	Leading British manufacturer of furniture.
Frank's International	United States	2,9%	Countercyclical niche oil services player
Piaggio	Italy	2,8%	Recovery of the European replacement cycle of bikes
Cegedim	France	2,6%	Software for doctors and insurers, stable revenues
Prosegur Cash	Spain	2,5%	Cash in transit present in Spain & Latam
Total top 15		**48%**	
Total portfolio		**100%**	
Liquidity		**0%**	
Total fund		**100%**	

Appendix II: Evolution and target NAV of the fund.

Equam performance relative to indices



EQUAM performance and evolution of NAV at internal target prices[1]



[1] *The increase in NAV at internal target prices is the result of the replacement of mature investments with new opportunities, since we have not made material changes in the target price of our investments.*

Equam performance relative to indices

Evolución vs índices	EQUAM A	MSCI Europe NR	stoxx 50 NR	Equam vs MSCI
1 mes	1,1%	2,0%	3,3%	-0,9%
3 meses	13,2%	12,8%	13,9%	0,3%
2019 YTD	13,2%	12,8%	13,9%	0,3%
2018	-18,8%	-10,6%	-10,2%	-8,2%
2017	21,7%	10,2%	9,0%	11,5%
2016	17,1%	2,6%	0,6%	14,5%
2015	-1,0%	0,9%	-0,3%	-2,0%
Acum Inicio	**29,5%**	**15,2%**	**12,2%**	**14,3%**
Anualizado inicio	**6,4%**	**3,5%**	**2,8%**	**2,9%**

** Rentabilidad desde inicio excluye los 15 primeros días del fondo en los que no estaba invertido.*

*** Los índices asumen la reinversión de dividendos netos de retenciones.*

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

Traspasable	SI, Nº CNMV: 587
Fees Class A	1% patrim y 8% beneficio
Fees Class C	1,50% s/ patrim.
Fees Class D	1,25% s/ patrim. (min 1 MEUR)

Asesor del fondo	Equam Capital
Sociedad Gestora	ADEPA (Lux)
Depositario	KBL (Lux)
Registro de accionistas	European Fund Admin.

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