

Fund Strategy

The fund aims to generate **annual returns of 6-8%** over a medium to long-term investment horizon **independent of general market movements** and **uncorrelated** to any traditional asset class. Unlike in many other funds, no tactical asset allocation decisions are implemented. Rather, by following a **Long/Short-Equity approach**, the focus is on the **systematic exploitation of significantly mispriced European Small & Mid Caps**. We use a long term buy and hold investment philosophy, and avoid overtrading the portfolio. The fund is **"market neutral"**, i.e. the net equity exposure is at all times below a 30% threshold. Significant systematic market risks are therefore never taken, and the focus is on harvesting Alpha.

The typical **investor's profile** is characterized by a belief in the merits of a "Value Investing" philosophy, appreciating the long-term benefits of buying European securities trading at significant discounts. The drawdown (the potential for negative returns in shorter periods) is reduced significantly by comparison with Long Only funds, without sacrificing superior Alpha generation over the long-term. The fund is an effective diversifier when combined with traditional portfolios.

About Us

Peacock Capital is an independent, principal-owned and controlled investment boutique with a long-standing background in institutional asset management, building on more than 15 years' experience of its principals in managing segregated accounts and mutual funds for pension funds, banks and corporate clients. The fund management expertise has repeatedly been rated as "superior" by Thomson Reuters. Peacock Capital's investment advisory board is made up of renowned minds from academia, asset management and industry, including Professor Dr Uwe Hack, former CFO of Grenkeleasing AG and Luke Nunneley, former CEO of WestLB Mellon Asset Management (for more information please see www.peacock-capital.com/investment-advisory-board.html).

The long-standing investment approach and the excellent track record of Marc Siebel in managing European Small & Mid Cap are particularly notable. They act as the basis for Peacock Capital's investment philosophy and its structured and disciplined investment process.

Performance

	Fund	HFR Long/Short Mkt Neutral	DAX	Stoxx 600	iBoxx € Sovereigns
NAV/share	100.08				
Period					
November 2015	0.87%	-0.53%	4.90%	2.81%	0.35%
YTD	7.75%	5.00%	16.08%	15.40%	-0.20%
Since Inception	0.08%	7.54%	17.81%	19.99%	5.21%

Statistics

Exposure	
Long Exposure	83.7%
Short Exposure	-60.8%
Net Exposure Beta adj.	23.4%
Risk Metrics	
Annual Volatility	6.3%
Correlation vs Stoxx	0.06
Correlation vs iBoxx € Sovs	0.09

Fund Structure

Top 5 Holdings						
Company	ISIN	Country	Industry	Market Cap	Weighting	
OSLO BORS	NO0010096845	NO	Financial Serv.	EURm 408	2.38%	
CORTICEIRA AMO	PTCOR0AE0006	PT	Materials	EURm 755	2.17%	
BOOHOO	JE00BG6L7297	GB	Retail	EURm 562	2.06%	
KVAERNER	NO0010605371	NO	Oil & Gas	EURm 245	1.96%	
TOTAL PRODUCE	IE00B1HDWM43	IE	Food & Beverages	EURm 473	1.76%	
					10.33%	

Valuation Metrics		
	Long -Titel	Short-Titel
PE 2016e	12.5	29.5
Dividend Yield 2015e	3.0%	0.6%
EV/EBITDA 2016e	5.0	19.9

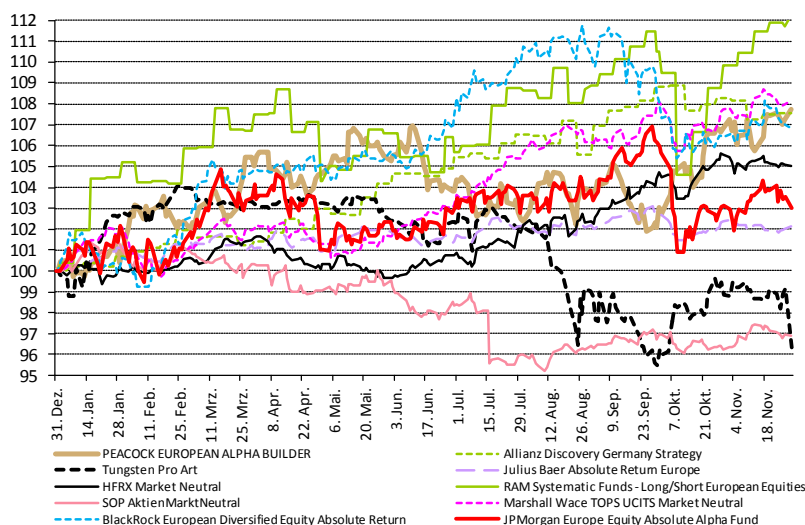
Country Exposure	Long	Short	Net
Germany	14.62%	14.84%	-0.22%
France	11.52%	14.79%	-3.27%
Finland	8.56%	0.19%	8.37%
Italy	8.82%	5.01%	3.81%
Benelux	10.94%	5.73%	5.21%
Spain	1.43%	5.61%	-4.18%
Portugal	5.17%	0.00%	5.17%
Austria	5.66%	1.73%	3.92%
Greece	6.00%	0.00%	6.00%
Switzerland	0.00%	0.00%	0.00%
UK	2.06%	5.99%	-3.93%
Ireland	2.88%	0.00%	2.88%
Norway	6.00%	0.00%	6.00%
Sweden	0.00%	1.90%	-1.90%
Denmark	0.00%	1.16%	-1.16%
Others	0.00%	3.82%	-3.82%
SUM	83.65%	60.77%	22.88%

Sector Exposure	Long	Short	Net
Industrial Goods & Services	24.05%	4.63%	19.42%
Technology Hardware & Equipme	1.27%	6.01%	-4.74%
Commercial Services	3.11%	0.00%	3.11%
Travel & Leisure	0.00%	0.00%	0.00%
Food & Beverages	1.66%	0.97%	0.69%
Chemicals & Materials	15.51%	2.87%	12.64%
Automobiles & Components	8.21%	3.05%	5.16%
Insurance	2.67%	1.29%	1.38%
Media	1.12%	3.62%	-2.50%
Utilities	0	4.99%	-0.15%
Financial Services	1.31%	1.02%	0.29%
Oil&Gas	3.59%	0.00%	3.59%
Healthcare	7.05%	3.68%	3.37%
Real Estate	0.00%	18.72%	-18.72%
Personal & Household Goods	1.68%	0.18%	1.50%
Banks	0.00%	2.81%	-2.81%
Construction	6.11%	3.36%	2.75%
SUM	1.32%	0.39%	0.93%
SUM	83.65%	60.77%	22.88%

Fund Manager's Comment

Contributors of the month:

YTD Performance of Peacock European Alpha Builder Fund vs. Peer Group (12/31/14 = Index 100)



The Peacock European Alpha Builder UI fund gained 0.87% in November. The peer group of market-neutral funds (equity exposure permanently below 30%) lost half a percentage point. The Peacock European Alpha Fund Builder Fund is up 7.75% year-to-date beating the average peer group (s. left hand chart, black line representing the HFRI Index).

European shares rose 2.8%, the German stock index DAX gained almost 5% not least driven by the recovery of Volkswagen shares. Bonds benefited from slightly declining yields and added roughly 0.3%.

The Long-book of the fund gained 1.7%. Our short positions generated a loss of 0.83%, i.e. +0.87% on fund level. Sticking to our "deep value" position, shares in Norwegian oil-service company Kvaerner, turned out to be dead right. The stock rose strongly by more than 60% after they published decent results and got a pretty high compensation in the context of an arbitration proceeding (we reported!). The deadline for appeal had passed and the cash will end up on the company's balance sheet. Currently, the majority of the market capitalization corresponds to net cash (6 NOK / share). Order intake is improving again. In addition recently a strategic investor, the North Sea Strategic Investments AS, bought a larger stake in the company at 8 NOK / share. Currently, the company holds 11.5% of the shares. The contribution to our fund was 82bps. Another core holding, shares of Portuguese cork producer, Corticeira Amorim, rose by about 15% after good quarterly figures and rising interest of other German fund managers who did not participate in our field trip with the company in September. +30bps on fund level. Disappointing was the result of our short position in biotech company Collectis. The share of the research company, which among other things is focused on the treatment of leukemia patients using genetically modified T-cells, shot up after one (!) child had been treated with their therapy and recovered quickly. The therapy itself has not yet undergone even the first phase of the 3 necessary clinical phases. We believe that this hype is quite excessive. The

company is already trading at 1 EURbn market cap, the product will generate, if it is ever approved, revenues in many years time. The position cost the fund 40bps for the time being.

Changes in the Fund:

No drops or adds.

Marc Siebel

Fund Manager of Peacock European Alpha Builder Fonds

Fund Facts

	Share Class R (Retail)	Share Class I (Institutional)
Fund Initiator, Advisor	Peacock Capital GmbH, Düsseldorf, BN & Partners Capital AG, Erfstadt	
Managing Company, Custodian	Universal-Investment-Luxembourg S.A., State Street Luxembourg S.A.	
Fund Category	Long/Short, European Small & Mid Caps, UCITS IV, FCP	
Fund Currency, Income, Value Date	Euro, distributing, daily NAV calculation, t+3	
ISIN	LU0967289215	LU0967288084
Benchmark	3M EURIBOR+200 bps	
Management Fee	1.875 % p. a. actual	1.25 % p. a. actual
Upfront Fee	Up to 5 %	-
Minimum Investment	-	250,000 EUR
Performance Fee	15 % of outperformance net of fees of 3M EURIBOR+200 bps, High-Water-Mark	

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