

DPAM Invest B Equities Europe Sustainable - M

Institutional Factsheet | 31 May 2019



MANAGER COMMENT

Market Overview

In May, European equities corrected significantly on the back of increasing tensions between the US and China. Indeed, both countries announced additional tariffs. In the US, the Fed opened the door to a more progressive monetary policy if inflation remains below target. In the UK, Theresa May resigned and a new Prime Minister will be elected by the end of July.

Bund yields dipped back into negative territory, ending at -0.17%, while Brent continued to march higher, reaching USD77 per barrel.

As such, cyclical sectors (autos, technology and financials) underperformed more defensive sectors (healthcare, consumer staples and real estate).

Performance

The fund (F share) lost 3.99% in May. Year-to-date, the fund has advanced 15.86%. By comparison, the benchmark fell 4.94% in May and is up 11.32% so far this year.

What worked?

- AAK continued to perform well, as it piggy-backed on the successful IPO of Beyond Meat, a plant-based burger company. Lipids are one of the key ingredients of these burgers and AAK is one of the main suppliers worldwide.
- After Beiersdorf was added to the fund in April, the company reported stellar first-quarter sales, with organic growth up 6% and the Nivea brand growing at close to 5%.

What hurt?

- Like every auto manufacturer or supplier, Valeo fell heavily, especially after Trump tweeted about possible trade tariffs on Mexican imports.
- Infineon reported uninspiring results, and although the company is still seeing 4% like-for-like growth, book-to-bill has dropped below 1 for the first time since 2012 due to order cancellations. As such, confidence is low for a second-half recovery, especially in light of renewed trade worries. Infineon only has a small exposure to Huawei, which was blacklisted by the US, forcing suppliers such as Infineon to stop doing business with the Chinese company.

Strategy & Outlook

We added three companies to the fund, mostly defensive names, while exiting two companies that are sensitive to capital spending (Atlas Copco and Wartsila) and one financial, Intesa, as we think that the confrontation between Salvini and EU on the Italian budget could worsen.

Leroy Seafood, a Norwegian-based salmon and white fish producer and processor, was added to the fund. The stock has lagged peers due to higher costs in its trout fish operations (a segment where it does have a meaningful presence). However, as the new dedicated smolt (small fish) plant comes on line, costs should come down. In the coming 2-3 years, salmon producers should also benefit from the spreading of African Swine Fever in the pork industry in China, as this creates a major protein deficit.

DiaSorin is a niche in-vitro diagnostics company focused on specialty tests, mainly in the field of immunodiagnosics. Going forward, growth should be driven by the high recurrence of its revenue mix (90% consumables), with a worldwide installed base of nearly 8,000 machines, and by the launch of new tests such as tests to diagnose tuberculosis, hepatitis or stool antigen.

Finally, EDP was added to the fund. The company derives 65% of its sales from renewable electricity generation, with the remainder coming from networks.

As a reminder, the strategy of the fund is to invest for the long term in high quality companies with compelling environmental, social and governance profiles. Our commitment to sustainable investing is further confirmed by the fund's low carbon intensity, which is less than half of its benchmark's.

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OVERVIEW

Asset Class	Equities
Category	Europe
Strategy	Active Strategy
Fund Of	DPAM Invest B
Legal Structure	SICAV
Domicile	Belgium
Reference Currency	EUR
Liquidity	Daily
Sub-fund launch	05.09.2002
First NAV date	27.12.2017
Countries notified for public sale	BE
ISIN	BE6299493229
Entry Fee	Maximum 2%
Exit Fee	0%
Ongoing charges*	1.13%
<i>*included management fee</i>	0.75%
Minimum investment	1 share
NAV (Distribution)	198.36
Last gross dividend (26.03.2019)	EUR 4.00
Assets (all classes)	mn EUR 186.13
Number of positions	52

	Fund	Index
PERFORMANCES (%)		
1 month	-4.00	-4.94
YTD	15.81	11.32
1 year	2.97	-0.66
3 years annualised	-	-
5 years annualised	-	-
10 years annualised	-	-

	Fund	Index
PORTFOLIO CHARACTERISTICS		
Gross dividend yield (%)	2.75	4.02

INVESTMENT UNIVERSE

The fund mainly invests in shares and/or other equity securities of companies whose registered office and/or a significant part of their assets, activities, profit centres or decision-making centres are located in a European country and selected on the basis of sustainable development criteria (such as certain ethical, economic, social or ecological criteria).

INDEX

MSCI Europe Net Return

BREAKDOWNS (%)

Sectors	Fund	Index	Countries	Fund	Index
Consumer Staples	18.1	14.9	United Kingdom	23.1	27.0
Financials	17.8	18.2	Germany	18.2	13.9
Industrials	13.7	13.2	France	8.9	17.6
Materials	13.0	7.3	Sweden	7.9	4.1
Health Care	11.8	12.8	Norway	7.8	1.1
Information Technology	10.8	5.8	Denmark	6.9	2.7
Consumer Discretionary	5.2	9.3	Switzerland	6.1	14.7
Communication Services	4.1	4.8	Finland	4.0	1.6
Utilities	2.0	4.1	Italy	3.9	3.6
Energy	0.0	8.0	Netherlands	3.7	6.0
Real Estate	0.0	1.4	Spain	2.1	4.8
Cash	3.4	0.0	Ireland	2.0	0.9
			Other	2.0	2.2
			Cash	3.4	0.0

Top 10

Beiersdorf	2.1
SAP AG	2.1
Aak Ab	2.1
Elisa Oyj Class A	2.1
Amadeus It Holding A	2.1
Roche Holding	2.1
Deutsche Boerse Ag	2.1
SGS	2.1
Yara International	2.0
Reckitt Benckiser Group	2.0

Currencies

Euro	49.8	51.8
Pound sterling	23.2	25.3
Swedish krona	7.9	3.8
Danish krona	6.9	2.7
Norwegian krone	6.1	1.1
Swiss franc	6.1	14.7
US Dollar	0.0	0.6

TOP 5 OVERWEIGHTS & UNDERWEIGHTS

Top 5 Overweights	Active weight	Top 5 Underweights	Active weight
Aak Ab	+2.08	Novartis	-2.24
Beiersdorf	+2.00	HSBC Holdings	-1.97
Beazley Plc	+2.00	Nestlé	-1.69
Elisa Oyj Class A	+1.99	BP	-1.67
Cranswick	+1.98	Royal Dutch Shell	-1.66

TOP 5 BEST CONTRIBUTORS & WORST CONTRIBUTORS

Top 5 Best Contributors	Contribution	Top 5 Worst Contributors	Contribution
Aak Ab	+0.15	Infineon Technologies	-0.43
BASF	+0.13	Valeo	-0.40
Banco Santander SA	+0.11	Boliden Ab	-0.38
Daimler	+0.11	Mediobanca	-0.24
Beiersdorf	+0.11	Natixis	-0.21

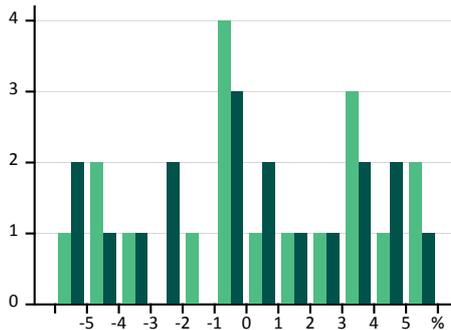
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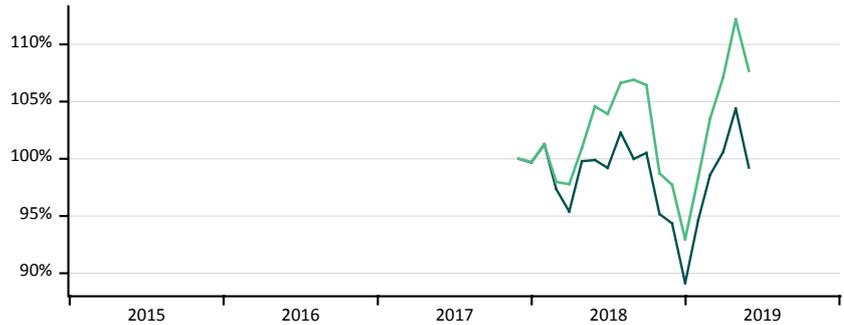
Reference Currency EUR | Since Inception (27.12.2017)

Fund Index

DISTRIBUTION OF MONTHLY RETURNS



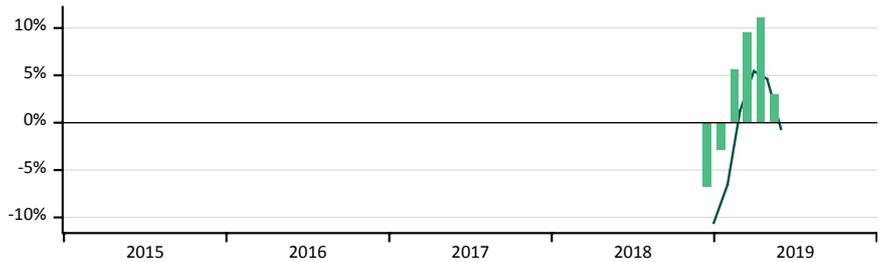
CUMULATIVE PERFORMANCE



STATISTICS

		Fund	Index
Volatility	%	-	-
Sharpe Ratio		-	-
Downside Deviation	%	8.27	8.44
Sortino Ratio		0.69	-0.01
Positive Months	%	50.00	50.00
Maximum Drawdown	%	-13.03	-12.85
Risk-Free Rate		-0.42%	

12-MONTH ROLLING RETURNS

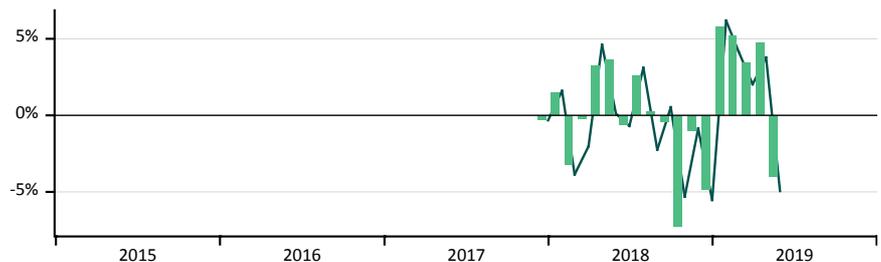


FUND VERSUS INDEX

Correlation		0.930
R ²		0.866
Alpha	%	0.46
Beta		0.955
Treynor Ratio	%	5.99
Tracking Error	%	4.68
Information Ratio		1.183

Index: MSCI Europe Net Return

MONTHLY RETURNS



MONTHLY RETURNS IN %

	2015		2016		2017		2018		2019	
	Fund	Index	Fund	Index	Fund	Index	Fund	Index	Fund	Index
January							1.51	1.60	5.80	6.19
February							-3.21	-3.86	5.23	4.15
March							-0.20	-2.02	3.47	2.03
April							3.22	4.61	4.73	3.77
May							3.61	0.11	-4.00	-4.94
June							-0.63	-0.69		
July							2.61	3.11		
August							0.26	-2.25		
September							-0.44	0.53		
October							-7.24	-5.31		
November							-1.02	-0.86		
December					-0.28	-0.32	-4.86	-5.53		
Year					-0.28	-0.32	-6.76	-10.57	15.81	11.32

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