

# PETERCAM EQUITIES WORLD SUSTAINABLE - V

Monthly Institutional Factsheet | 30 November 2014

Morningstar ★★ ★



## MANAGER COMMENT

### Market comment

Japan is still digesting the more aggressive stance from the Bank of Japan, which will buy more assets in the market. Japan's biggest pension fund GPIF will also increase its allocation towards 'riskier' assets, including Japanese equities. This will continue to support the market.

The US economy is maintaining its pace, with nice growth being accompanied by lower unemployment numbers. Consumer confidence is increasing and people are starting to spend, with Thanksgiving and Black Friday being a good test.

In Europe, the market is still waiting for some confirmation that the economy is picking up. The Russian crisis is being felt by small and medium enterprises in Germany but unemployment there is going down to 6.6%.

China is starting to lower interest rates in order to boost the economy, although this first step should have limited impact. China is also gradually opening the capital markets by providing a link between the Chinese and Hong Kong stock exchanges. In Latin America, we see that the post-election fall-out might be quite negative for the Brazilian economy. The outbreak of a huge corruption scandal at Petrobras might derail the economy even further. In general, countries impacted by commodity prices, which continue to slide, must be watched closely since their balance sheet might deteriorate at a fast pace.

Aside from iron ore and copper, oil was the main talk of the town during the month with a fall below USD80, heavily impacting the oil majors but even more so all the (sub-)suppliers.

### Performance

During the month the fund (B share) was up 2.76%.

Best positive contributors were consumer discretionary, industrials and consumer staples. Most negative contributors were information technology and health care.

From a company specific point of view, L Brands was the best contributor after reporting again better than forecasted results. Newell Rubbermaid announced an additional USD500 million share buy-back. Carrefour is stabilising market share in France and showing signs of improvement abroad. Shoprite had strong numbers despite negative headwinds in South Africa and Intel had very strong results.

Despite a strong rally in Japan, Lawson was a negative contributor due to loss of market share in the Japanese retail market, with East Japan Railway also falling due to difficulties for the country to reach the 2% inflation target. BG was a victim of the lower oil price, as well as Schlumberger and Keppel (which we sold).

### Last month's strategy

In the US, we are willing to further increase our exposure to the consumer. Since mainly the 'upscale' consumer is starting to use its paycheck to purchase some goods, we decided to buy Macy's. This two-brand department store (Macy's and more upscale Bloomingdale's) is growing in line with normal consumption patterns but on top of that, it is also deploying a very interesting internet strategy that allows a lot of flexibility, both for the customer and for their own supply chain. This strategy resulted

in an above-average growth rate, which became clear later in the month with a quite positive update.

We decided to sell Keppel as the oil price continues to slide. The maker of drill rigs has an exceptionally full order book which in our view, may be at risk. Oil prices are dropping very sharply and capital spending from oil majors is being cut at an unprecedented speed. We would not be surprised that they had order cancellations and clients that cannot meet their financial obligations and also if forward orders were slashed. Thus, we decided to get out of the stock.

Finally, we also added WPP to the portfolio. Because communication services have been suffering for some time from lower demand, uncertainties about the impact of digital marketing etc., their multiples (which were excessive) have been reduced. We attended a presentation by the WPP founder and he made it very clear that they have been ahead of competitors when it comes to embracing new technologies and the digitalisation of the advertising/marketing world. They are also much further ahead on programmatic buying (which they call 'targeted audience buying'). They have multiple levers to pull and are convinced that merger & acquisitions will continue in the space but claim to be several years ahead in acquiring early growth technologies. Valuation has become attractive and they are going to grow their digital activities. WPP is also an interesting play on the demographic growth in emerging markets via a European company.

Regarding the other companies in the portfolio, we have only moved within rather limited bandwidths.

### Outlook & strategy going forward

It will be interesting to see how the market will approach the last month of the year. With the US economy growing strongly, oil prices being supportive of consumer spending, Japan focussing on the 2% inflation target, China beginning to cut interest rates and the ECB probably being forced to use its balance sheet even further, we expect good markets into Santa's annual moment of glory.

Therefore, we are not anticipating big changes to our current allocation.

(\*) Morningstar 3 Year Rating.

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## OVERVIEW

Asset Class	Equities
Category	World
Strategy	Active Strategy
Fund Of	Petercam B Fund
Legal Structure	SICAV
Domicile	Belgium
Reference Currency	EUR
Liquidity	Daily
Sub-fund launch	29.10.2001
First NAV date	16.08.2013
Countries notified for public sale	CH, GB, NL
ISIN	Class V (Distribution) BE6246064404
Entry Fee	Max 3 % negotiable
Exit Fee	0.00%
Management Fee	0.75%
TER (31.12.2013)	0.28%
NAV	Class V (Distribution) 118.39
Last gross dividend (02.04.2014)	EUR 1.80
Assets (all classes)	mn EUR 317.25
Number of positions	50

## PERFORMANCES (%)

	Fund	Index
1 month	2.71	2.52
YTD	19.61	17.89
1 year	18.76	18.95
3 years annualised	-	-
5 years annualised	-	-
10 years annualised	-	-

## INVESTMENT UNIVERSE

The fund principally invests (without any sectorial restrictions) in shares and/or other securities giving access to the capital of companies from throughout the world and selected on the basis of sustainable development criteria e.g. social, environmental and sustainability criteria).

## INDEX

MSCI World Net Return

## BREAKDOWNS (%)

Sectors	Fund	Index	Regions	Fund	Index
Industrials	28.2	10.9	North America	32.4	61.6
Consumer Discretionary	20.5	12.3	Europe	32.0	25.5
Consumer Staples	17.9	10.0	Rest Of World	22.5	5.0
Materials	7.8	5.2	Japan	12.3	8.0
Information Technology	7.8	13.4	Cash	0.8	0.0
Telecommunication Services	6.1	3.5			
Energy	5.1	7.9			
Health Care	3.7	12.8			
Utilities	2.1	3.3			
Financials	0.0	20.9			
Cash	0.8	0.0			

## Top 10

	Fund	Index
Abertis Infraestructuras	2.3	
Jardine Strategic Holdings Limited	2.3	
Bridgestone Corporation	2.3	
Macy's Inc	2.3	
Compagnie De Saint-Gobain	2.2	
Samsung Electronics Co., Ltd.	2.2	
Hutchison Whampoa Limited	2.2	
Nidec Corporation	2.2	
Pt Telekomunikasi Indonesia, Tbk Class B	2.2	
Intel Corporation	2.2	

## Currencies

	Fund	Index
US Dollar	34.7	57.7
Euro	14.3	11.8
Japanese yen	12.3	8.0
Pound sterling	10.0	8.0
Swiss franc	5.8	3.6
Swedish krona	1.8	1.2
Australian dollar	0.0	2.8
Canadian dollar	0.0	4.0
Other	20.3	2.9
Cash	0.8	0.0

## TOP 5 BEST CONTRIBUTORS & WORST CONTRIBUTORS

Top 5 Best Contributors	Contribution	Top 5 Worst Contributors	Contribution
L Brands	+0.23	BG Group	-0.32
Newell Rubbermaid	+0.20	Apple Inc.	-0.21
Macy's Inc	+0.19	Lawson	-0.14
Daikin Industries, Ltd.	+0.18	Schlumberger	-0.11
Carrefour	+0.17	Wal-Mart Stores	-0.06

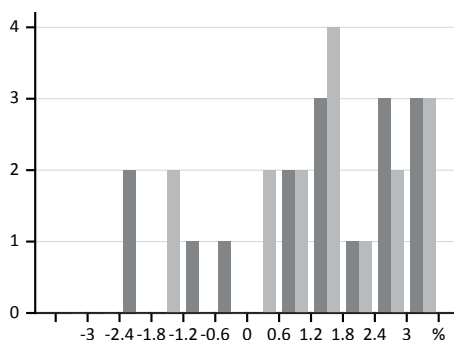
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Reference Currency EUR | Since Inception (16.08.2013)

— Fund — Index

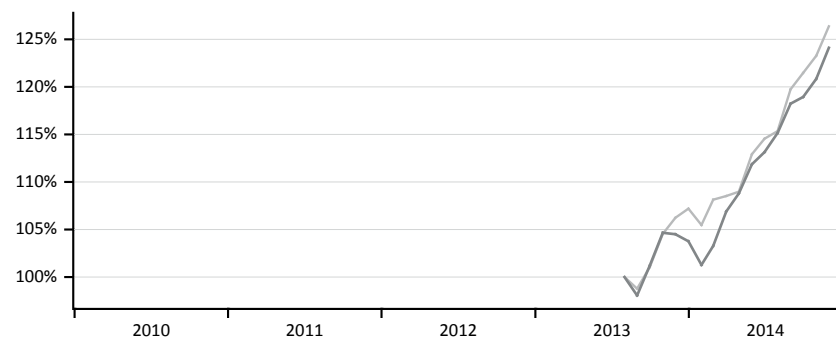
### DISTRIBUTION OF MONTHLY RETURNS



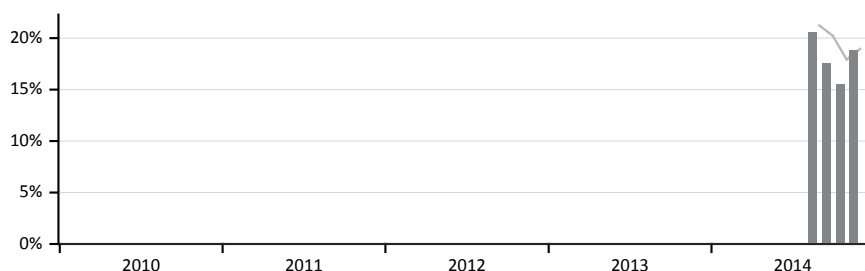
### STATISTICS

		Fund	Index
Volatility	%	-	-
Sharpe Ratio		-	-
Downside Deviation	%	2.75	1.76
Sortino Ratio		6.57	11.24
Positive Months	%	75.00	87.50
Maximum Drawdown	%	-3.23	-1.60
Risk-Free Rate <b>0.11%</b>			

### CUMULATIVE PERFORMANCE



### 12-MONTH ROLLING RETURNS

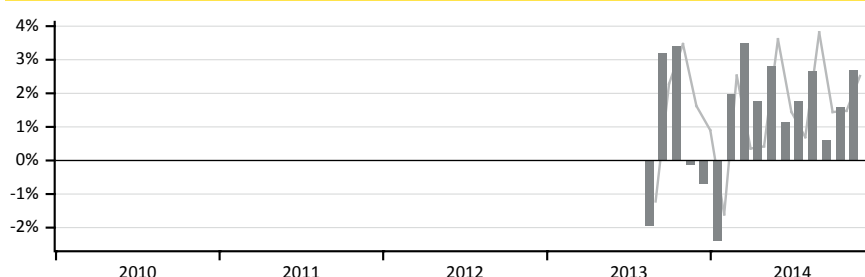


### FUND VERSUS INDEX

Correlation		0.741
R <sup>2</sup>		0.549
Alpha	%	0.08
Beta		0.869
Treynor Ratio	%	20.81
Tracking Error	%	4.34
Information Ratio		-0.322

Index: MSCI World Net Return

### MONTHLY RETURNS



### MONTHLY RETURNS IN %

	2010		2011		2012		2013		2014	
	Fund	Index	Fund	Index	Fund	Index	Fund	Index	Fund	Index
January									-2.39	-1.60
February									1.97	2.53
March									3.50	0.36
April									1.78	0.42
May									2.81	3.61
June									1.14	1.45
July									1.78	0.69
August							-1.94	-1.22	2.68	3.82
September							3.19	2.28	0.60	1.44
October							3.42	3.47	1.60	1.48
November							-0.15	1.62	2.71	2.52
December							-0.71	0.90		
<b>Year</b>							<b>3.76</b>	<b>7.19</b>	<b>19.61</b>	<b>17.89</b>

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