

DPAM Invest B Equities Sustainable Food Trends - M

Institutional Factsheet | 31 May 2019



MANAGER COMMENT

Market Overview

Two key developments impacted the agri-food value chain during the month of May. In the US Midwest, an extended period of wet weather has prevented the acceleration of corn planting (usually made possible by new technology adoption) and as a result, farmers will either switch to soybean or file with their insurance provider for their lost corn acres. These 'lost corn surfaces' could total nearly 10 million acres versus the 2-3 million acres seen in normal years. By this time of the year, more than 90% of corn is normally planted, while this year, the level is around 70% (the lowest in 40 years) and by mid-June, the critical deadline for corn planting will have passed. Due to this supply mini-shock, corn prices are again close to the USD4.5 per bushel threshold, a level not seen since mid-2016.

Meanwhile, African swine fever (ASF) continued to spread in China and apparently, already close to 30% of the pig population in China has been culled since there is no vaccine yet. Given the length of the pork cycle and the size of the pork industry in China (close to 50% of world pork production), ASF is having a big impact on the whole agri-food value chain. A protein deficit of 16 million tons in China (and Vietnam is also impacted by ASF) will generate export opportunities for integrated protein producers such as salmon companies.

Performance

The fund (F share) lost 3.31% in May. Year-to-date, the fund has advanced 11.37%.

What worked?

- Genus shot up nearly 15% when it announced a strategic partnership with BCA in China to focus on the development of pigs that are resistant to PRRSV (a respiratory condition) and solutions to address the ASF crisis. BCA is the Chinese leading company in animal genetics. Upfront, Genus will receive USD20 million in cash but is eligible for a multiple of that over the coming years.
- All salmon stocks performed well on news that some private salmon companies in Norway are suffering from algae-bloom, a phenomenon that kills millions in the salmon population, and also due to ASF.

What hurt?

- OCI had surged in April due to Sabic's interest in its methanol assets, but in May, OCI sustained some profit-taking and the US fertilizer application season has also disappointed due to delayed planting.
- Primo Water's stock was hit after the company acknowledged increased competition in its water refill division, especially in high-volume locations, and as a result, prior price increases will be dialed back.

Strategy & Outlook

During the month, we exited Wessanen (bid situation) and increased our salmon exposure by adding Leroy Seafood, a Norwegian-based salmon and white fish producer and processor. The stock has lagged other names in the industry on higher costs in its trout fish operations (a sector where it has a meaningful presence), but as the new dedicated smolts (small fish) come on line, costs should come down.

Going forward, a diversified approach across the whole agri-value chain and a focus on sustainability, in line with the UN Sustainable Development Goals, will remain core elements of the fund's process.

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OVERVIEW

Asset Class	Equities
Category	Agri-food
Strategy	Active Strategy
Fund Of	DPAM Invest B
Legal Structure	SICAV
Domicile	Belgium
Reference Currency	EUR
Liquidity	Daily
Sub-fund launch	13.12.2007
First NAV date	27.12.2017
Countries notified for public sale	

	BE
ISIN	BE6299432581
Entry Fee	Maximum 2%
Exit Fee	0%
Ongoing charges*	1.07%
*included management fee	0.75%
Minimum investment	1 share
NAV (Distribution)	130.57
Last gross dividend (26.03.2019)	EUR 2.00
Assets (all classes)	mn EUR 64.92
Number of positions	35

PERFORMANCES (%)

1 month	-3.31
YTD	11.34
1 year	1.44
3 years annualised	-
5 years annualised	-
10 years annualised	-

PORTFOLIO CHARACTERISTICS

Gross dividend yield (%)	2.07
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INVESTMENT UNIVERSE

The fund mainly invests (without any geographical restriction) in shares and/or other equity securities of companies involved in the production-distribution chain of the agri-foodstuffs sector and other related sectors and chosen on the basis of environmental, social and governance criteria (ESG).

BREAKDOWNS (%)

Sub-sectors		Countries	
Food Technology	20.1	United States	28.8
Fertilizers	17.5	United Kingdom	14.4
B2B Food	9.7	Netherlands	10.4
Meat	9.4	Norway	9.4
Fish	8.3	Canada	6.5
B2C Food	7.8	Ireland	6.4
Animal Health	7.8	Germany	4.0
Farm Equipment	5.0	Iles Feroe	2.9
Agrichemicals & Seeds	4.9	Denmark	2.7
Palm Oil	4.0	France	2.5
Food Testing	2.5	Japan	2.5
Non Palm Oil	2.2	Sweden	2.5
Cash	0.8	Other	6.2
		Cash	0.8

Top 10

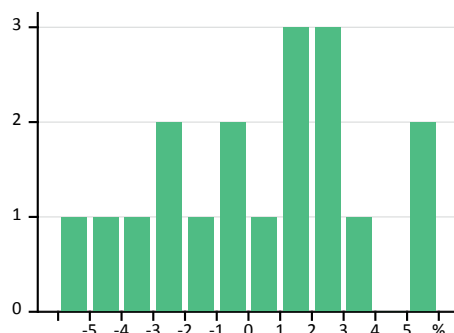
		Currencies	
CF Industries Holdings	4.5	US Dollar	28.8
Genus Plc	4.2	Euro	25.6
Yara International	4.0	Pound sterling	14.9
Koninklijke DSM	4.0	Norwegian krone	12.5
Kerry Group	3.9	Canadian dollar	6.5
Nutrien Ltd.	3.8	Danish krona	2.7
Marine Harvest Asa	3.7	Japanese yen	2.5
Zoetis A	3.6	Swedish krona	2.5
Cranswick	3.6	Australian dollar	2.2
Sprouts Farmers	3.5	Brazilian real	1.9
		Israeli shekel	0.0

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Reference Currency EUR | Since Inception (27.12.2017)

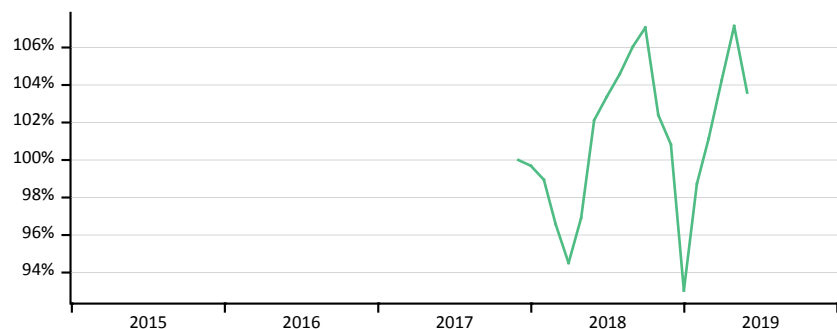
DISTRIBUTION OF MONTHLY RETURNS



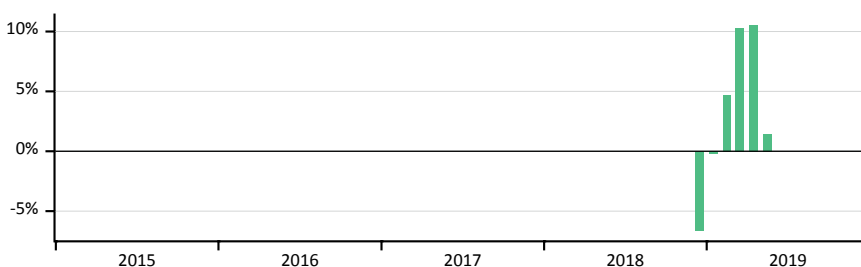
STATISTICS

Volatility	%	-
Sharpe Ratio		-
Downside Deviation	%	8.21
Sortino Ratio		0.36
Positive Months	%	55.56
Maximum Drawdown	%	-13.09
Risk-Free Rate -0.42%		

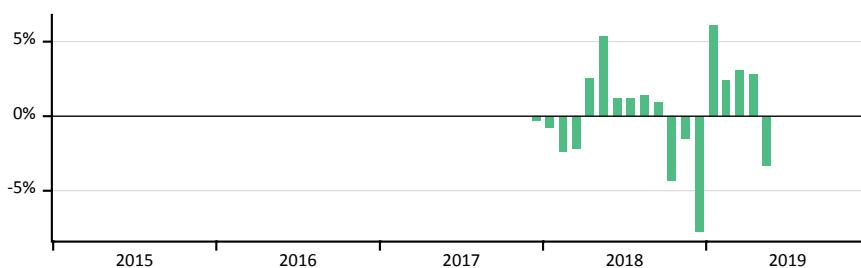
CUMULATIVE PERFORMANCE



12-MONTH ROLLING RETURNS



MONTHLY RETURNS



MONTHLY RETURNS IN %

	2015	2016	2017	2018	2019
	Fund	Fund	Fund	Fund	Fund
January				-0.75	6.11
February				-2.39	2.44
March				-2.15	3.07
April				2.55	2.79
May				5.37	-3.31
June				1.22	
July				1.17	
August				1.39	
September				0.97	
October				-4.36	
November				-1.53	
December			-0.31	-7.72	
Year			-0.31	-6.66	11.34

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