

# DPAM Invest B Equities Europe Dividend - N

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 objectives. In the UK, Theresa May resigned and a new Prime Minister will be elected by the end of July.

In Europe, macro-economic data improved, with economic sentiment and the Purchasing Managers' Index respectively at 105.1 and 51.6 and consumer confidence recovered as well. Two main opposite trends emerged in the European elections: nationalist and green parties gained significant ground, while traditional parties lost a lot of seats.

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) decreased by 6.02%, underperforming its reference index.

### What worked?

- Grieg Seafood performed well on the back of positive results and reaffirmed confidence in its 2020 production target.

### What hurt?

- Our consumer discretionary exposure weighed on performance. For TUI, there are worries that a potential extension to the grounding of Boeing 787 Max planes would impact the summer season and for EasyJet, there are concerns about a potential decline in consumer demand.
- PostNL fell after announcing a steeper-than-expected decline in the mail business and a capital spending increase. Both could impact the previously ambitious dividend growth trajectory.

### Strategy & Outlook

The yield gap between the European investment grade corporate bond and equity markets remains at elevated levels.

During the month, we built a position in Leroy Seafood, a global diversified seafood player poised to benefit from its significant downstream exposure and trading at an attractive valuation.

PostNL was sold after the above-mentioned announcement, as its dividend growth may be in jeopardy.

Looking ahead, we continue to believe that our unique bottom-up, valuation-disciplined approach offering a solid and sustainable dividend above market average should do well in 2019.

The average gross dividend yield of the fund stood at 6.05% at the end of May.

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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	

ISIN	BE6299452787
Entry Fee	Maximum 2%
Exit Fee	0%
Ongoing charges*	1.03%
*included management fee	0.75%
Minimum investment	1 share
NAV (Capitalisation)	245.99
Assets (all classes)	mn EUR 561.45
Number of positions	61

	Fund	Index
<b>PERFORMANCES (%)</b>		
1 month	-6.03	-4.94
YTD	7.96	11.32
1 year	-5.14	-0.66
3 years annualised	-	-
5 years annualised	-	-
10 years annualised	-	-

	Fund	Index
<b>PORTFOLIO CHARACTERISTICS</b>		
Gross dividend yield (%)	6.05	4.02

## INVESTMENT UNIVERSE

The fund invests minimum 50% of its net assets (without any sectorial restriction) in shares and/or other equity securities of companies which have their registered office and/or a significant part of their assets, activities, profit centres or decision-making centres in a European country and which generate a dividend yield or an expected dividend yield higher than the market average (represented by the MSCI Europe index (a free float-adjusted market capitalization weighted index designed to measure the equity market performance of the developed markets in Europe)).

## INDEX

MSCI Europe Net Return

## BREAKDOWNS (%)

Sectors	Fund	Index	Countries	Fund	Index
Financials	20.9	18.2	United Kingdom	24.2	27.0
Consumer Discretionary	12.4	9.3	France	17.1	17.6
Communication Services	11.1	4.8	Italy	9.7	3.6
Energy	11.1	8.0	Finland	7.3	1.6
Industrials	9.6	13.2	Norway	7.0	1.1
Health Care	9.2	12.8	Sweden	6.9	4.1
Materials	8.7	7.3	Portugal	6.5	0.2
Real Estate	7.5	1.4	Netherlands	5.2	6.0
Utilities	5.5	4.1	Belgium	4.4	1.6
Consumer Staples	3.1	14.9	Germany	4.2	13.9
Information Technology	0.0	5.8	Austria	2.0	0.4
Cash	1.0	0.0	Romania	1.6	0.0
			Other	3.1	23.1
			Cash	1.0	0.0

## Top 10

	Fund	Index
Kbc Groep		4.4
Sanofi		4.0
Royal Dutch Shell		3.9
Total		3.4
Enel		3.3
Portucel, S.a.		3.0
GlaxoSmithKline		3.0
Publicis Groupe		3.0
Mediobanca		3.0
KPN		2.7

## Currencies

	Fund	Index
Euro	67.7	51.8
Pound sterling	18.6	25.3
Norwegian krone	7.0	1.1
Swedish krona	4.3	3.8
Swiss franc	1.2	14.7
Danish krona	1.0	2.7
US Dollar	0.1	0.6

## TOP 5 OVERWEIGHTS & UNDERWEIGHTS

Top 5 Overweights	Active weight	Top 5 Underweights	Active weight
Kbc Groep	+4.21	Nestlé	-3.66
Portucel, S.a.	+3.02	Novartis	-2.24
Mediobanca	+2.91	Roche Holding	-2.22
Sanofi	+2.89	HSBC Holdings	-1.97
Publicis Groupe	+2.84	SAP AG	-1.46

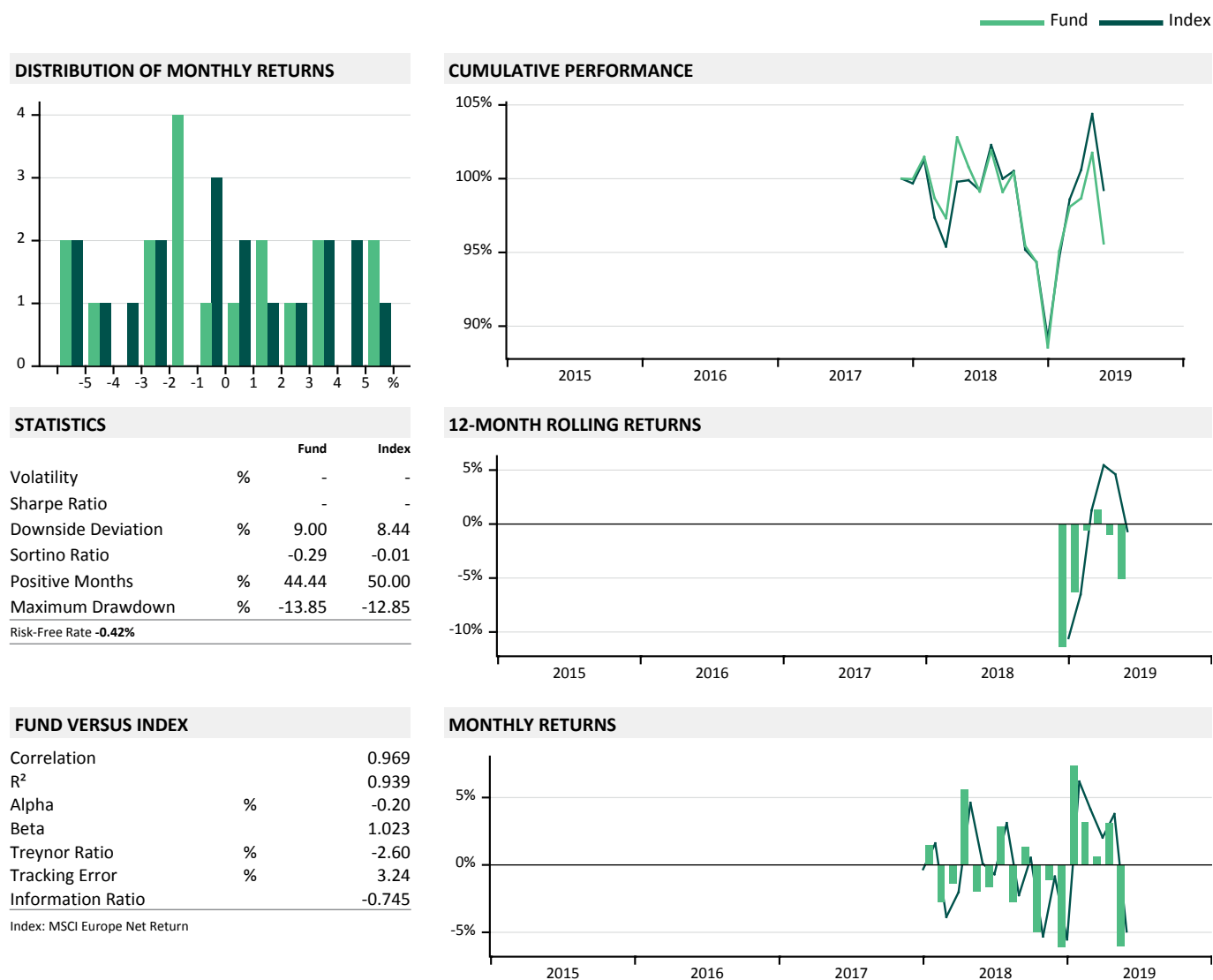
## TOP 5 BEST CONTRIBUTORS & WORST CONTRIBUTORS

Top 5 Best Contributors	Contribution	Top 5 Worst Contributors	Contribution
Ald Sa	+0.16	Portucel, S.a.	-0.60
Grieg Seafood Asa	+0.15	Mediobanca	-0.44
Banco Santander SA	+0.11	Tui	-0.35
Daimler	+0.11	Kbc Groep	-0.33
British American Tobacco	+0.10	Easyjet Plc	-0.31

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Reference Currency EUR | Since Inception (27.12.2017)



	2015		2016		2017		2018		2019	
	Fund	Index	Fund	Index	Fund	Index	Fund	Index	Fund	Index
January							1.50	1.60	7.37	6.19
February							-2.75	-3.86	3.15	4.15
March							-1.37	-2.02	0.59	2.03
April							5.62	4.61	3.12	3.77
May							-1.95	0.11	-6.03	-4.94
June							-1.65	-0.69		
July							2.82	3.11		
August							-2.77	-2.25		
September							1.34	0.53		
October							-4.97	-5.31		
November							-1.14	-0.86		
December					-0.03	-0.32	-6.13	-5.53		
<b>Year</b>					<b>-0.03</b>	<b>-0.32</b>	<b>-11.40</b>	<b>-10.57</b>	<b>7.96</b>	<b>11.32</b>

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