

DPAM Invest B Equities NEWGEMS Sustainable - M

Institutional Factsheet | 31 May 2019



MANAGER COMMENT

Market Overview

Panic is back! May was a big risk-off month, as the US government formally added Huawei to its 'Entity List'. This bars Huawei from doing business with any company based in the US and puts China's most prominent technology firm in a stranglehold. Meanwhile, bonds went from 0% to a multi-century record low of -0.202% and the S&P500 (-6.2%) had its 3rd worst month in the last 92 months (behind only December and September 2018). Investors braced for additional choppiness and piled into safe havens. Bond investors increasingly expect that economic weakness will lead the Fed to cut rates. Making things worse, the last day of May saw the start of broad government antitrust investigations into the US technology industry. Investigations are being simultaneously launched by the Justice Department and the Federal Trade Commission. It looks like the former is taking on Apple and Google and the latter is going after Facebook and Amazon.

Performance

The fund (F share) beat the MSCI World Net Return Index by 0.78%. Year-to-date, the fund has gained 14.86%, outperforming the benchmark by 2.28%.

What worked?

- Industrials was the best performing sector. Top performer was IHS Markit, as it announced an asset swap with Informa that makes strategic sense.
- Information technology, once again, was a strong positive contributor. Good results from Everbridge, CyberArk and in particular NICE drove the performance.
- Sony was the best performer of the month, as it announced a JPY200 billion share buy-back and an alliance with Microsoft on cloud gaming.

What hurt?

- Consumer staples was the worst performing sector, as Primo Water was hit after it had to acknowledge increased competition in its water refill division, especially in high-volume locations. As a result, prior price increases will have to be dialed back.
- Lumentum was another top detractor, a victim of the US-China trade war as Huawei is a big customer.

Strategy & Outlook

Of note in May, we bought A.O. Smith, as we took advantage of weakness in the stock price due to a recent short report. A.O. Smith is a leading water heater, water boiler and water treatment company.

As a reminder, we only invest in companies that in our view will play a role in shaping society (consumers, corporations, and governments) in the future. We have identified seven major themes we are looking to invest in: Nanotechnology, Ecology, Wellness, Generation Z, E-Society, Manufacturing 4.0 and Security. Hence, our name, NEWGEMS. Also, we integrate sustainable Environmental, Social and Governance (ESG) Key Performance Indicators related to each theme into our investment process, as we are convinced that the analysis of ESG risks and opportunities should be part of any fundamental process.

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OVERVIEW

Asset Class	Equities
Category	World
Strategy	Active Strategy
Fund Of	DPAM Invest B
Legal Structure	SICAV
Domicile	Belgium
Reference Currency	EUR
Liquidity	Daily
Sub-fund launch	22.09.2006
First NAV date	27.12.2017
Countries notified for public sale	

	BE
ISIN	BE6299430569
Entry Fee	Maximum 2%
Exit Fee	0%
Ongoing charges*	1.16%
*included management fee	0.75%
Minimum investment	1 share
NAV (Distribution)	129.35
Last gross dividend (26.03.2019)	EUR 2.50
Assets (all classes)	mn EUR 193.00
Number of positions	80

	Fund	Index
PERFORMANCES (%)		
1 month	-4.45	-5.23
YTD	14.82	12.58
1 year	9.23	4.45
3 years annualised	-	-
5 years annualised	-	-
10 years annualised	-	-

	Fund	Index
PORTFOLIO CHARACTERISTICS		
Gross dividend yield (%)	1.28	2.67

INVESTMENT UNIVERSE

The fund invests mainly in equities and/or securities giving access to the capital of companies “of the future”, around the world, identified by the acronym NEWGEMS (they include trends and themes of activities related to nanotechnology, ecology, well-being, generation Z, E-society, Industry 4.0 and security) and selected on the basis of environmental, social and governance (ESG) criteria.

INDEX

MSCI World Net Return

BREAKDOWNS (%)

Sectors	Fund	Index	Regions	Fund	Index
Health Care	27.2	12.6	North America	58.0	65.9
Information Technology	25.4	16.0	Europe ex-EMU	14.9	10.6
Communication Services	14.2	8.5	Japan	9.5	8.2
Industrials	8.9	11.1	EMU	8.1	10.8
Consumer Discretionary	8.8	10.4	Rest Of World	8.0	4.5
Financials	6.2	15.8	Cash	1.4	0.0
Materials	4.3	4.4			
Consumer Staples	3.5	8.7			
Real Estate	0.0	3.4			
Utilities	0.0	3.4			
Energy	0.0	5.7			
Cash	1.4	0.0			

Top 10

Walt Disney	3.0
Microsoft	2.8
Sony Corporation	2.5
Nice Systems	2.5
Alphabet A	2.4
Amazon Com	2.1
Kerry Group	2.0
Nintendo	1.9
Abbott Laboratories	1.8
Cineworld Group Plc	1.8

Currencies

	Fund	Index
US Dollar	62.4	62.7
Japanese yen	9.6	8.2
Pound sterling	9.3	5.4
Euro	8.6	11.1
Swedish krona	2.6	0.8
Chinese yuan	2.1	0.0
Danish krona	1.6	0.6
Norwegian krone	1.4	0.2
Korean won	1.2	0.0
Malaysian ringgit	0.7	0.0
Canadian dollar	0.6	3.5
Other	0.0	7.5

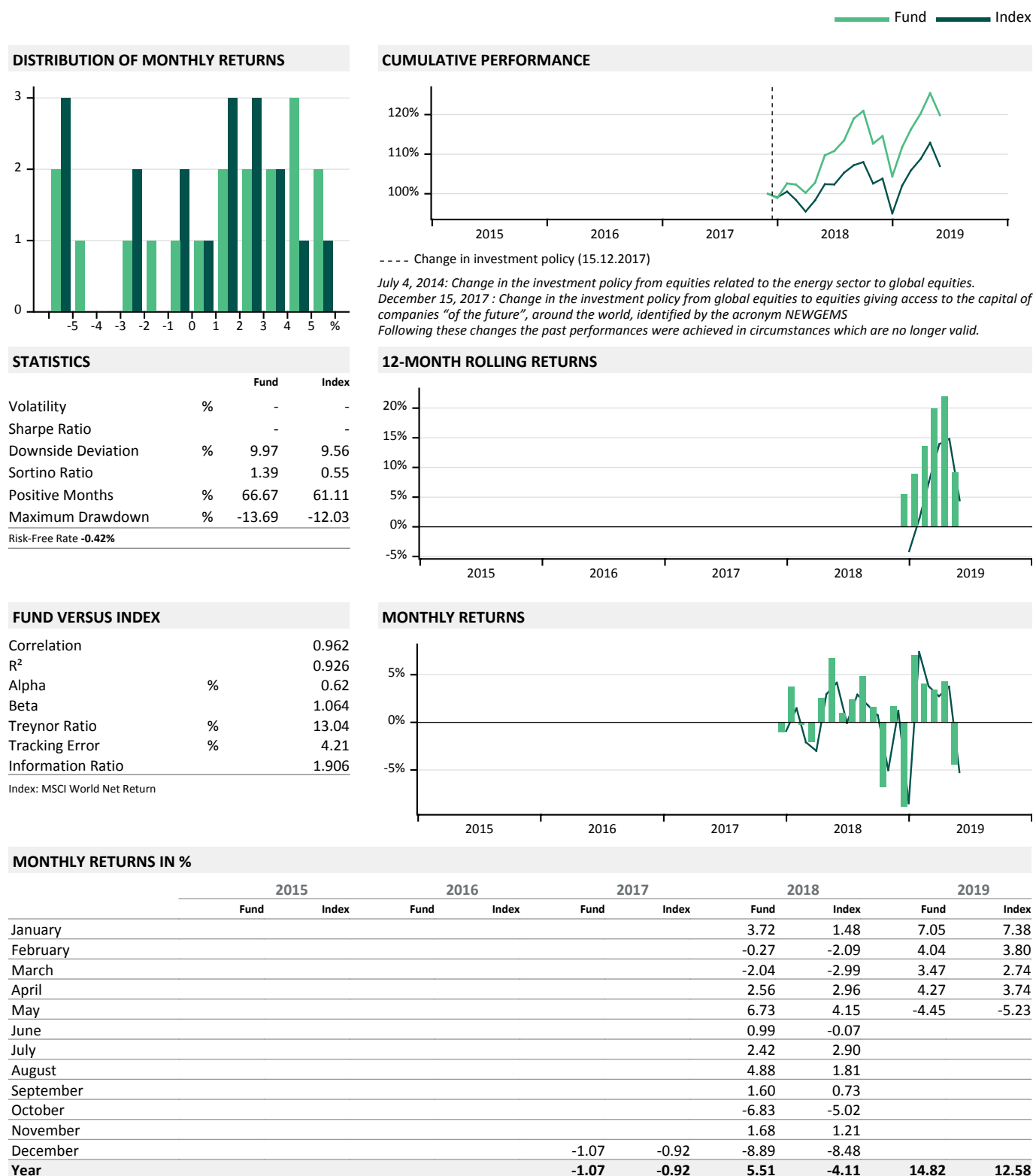
TOP 5 BEST CONTRIBUTORS & WORST CONTRIBUTORS

Top 5 Best Contributors	Contribution	Top 5 Worst Contributors	Contribution
Genus Plc	+0.10	Lumentum Holdings	-0.27
Facebook A	+0.09	Tsukui	-0.27
Nintendo	+0.09	Agilent Technologies, Inc.	-0.23
Bank of America	+0.09	Primo Water	-0.23
Exxon Mobil Corp	+0.09	Aptiv Automotive Plc	-0.20

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Reference Currency EUR | Since Inception (27.12.2017)



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