

DPAM Invest B Real Estate Europe Dividend - M

Institutional Factsheet | 31 May 2019

MANAGER COMMENT

Market Overview

In the listed real estate space, May was generally a good month for the Nordics and German residential and a bad month for UK names and the retail segment.

May's best performer was **Kojamo** (14%), which reported strong first-quarter (Q1) figures. The company is active in the residential segment in Finland. **Hemfosa** (12%), **CA Immo** (9%), **Grand City Properties** (10%) and **Assura** (8%), which was the best performing UK name, also posted strong gains on the back of solid Q1 results. **Vonovia** (9%) slightly increased its full-year Funds from Operations guidance and posted decent 4.0% like-for-like rental growth. According to management, value growth indications suggest a stronger value uplift than in the first half of 2018 (6%). Vonovia also raised around EUR744 million in gross proceeds via an accelerated book building process, reducing the Loan to Value ratio by 1.7% to approximately 42.9%.

At the bottom of the performance table, we find **Intu** (-2%), which released its first trading update with Matthew Roberts as CEO. There was little news, but Intu notes that operationally, 2019 looks tougher than initially thought. **Mercialys** (-6%) underperformed after Casino's parent company Rallye entered bankruptcy protection. **NewRiver REIT** (-9%) reported its full-year results and unveiled the creation of a joint venture with BRAVO (a fund managed by PIMCO) with a bid to acquire four retail parks with a Net Initial Yield of 9.8%. Other weak UK companies included **British Land** (-10%), **Landsec** (-10) and **Hammerson** (-16%). Last but not least, **Wereldhave's** (-4%) Supervisory Board proposed the name of Matthijs Storm as Managing Director and CEO starting on August 1, 2019. Still on the CEO front (but on the upside), **TLG** (4%) appointed Barak Bar-Hen as CEO with effect on June 3, 2019 for the next four years.

Performance

The fund (F share class) increased by 0.27% over the month of May. Its year-to-date return totals 13.44%.

What worked?

- Vonovia, LEG Immobilien and Argan.

What hurt?

- URW, NRR and Carmila.

Strategy & Outlook

This month, we participated to Aedifica's rights issue and equity placements by Vonovia and RECI. We also bought additional shares in Deutsche Wohnen on weakness.

The average dividend yield of the fund is still relatively attractive at 4.78% compared to other yield proposals.

Companies are trading at a low double-digit discount to their expected 2019 Net Asset Values (NAV) in an environment where NAVs should still modestly grow in 2019 and 2020, on average. Including a robust and growing dividend yield of around 4%, this could translate into a healthy annual total return of 8%, which remains appealing in our view, especially compared to direct real estate.

Except for retail, most of the direct property markets across Europe are still relatively strong on values and rents. For these markets, we expect further NAV growth for the next two years, mainly based on income growth from the properties. For retail, evidence of lower rents now clearly affect asset values in the UK and investors expect this will extend to continental peers, as already evidenced by share prices.

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OVERVIEW

Asset Class	Equities
Category	Real Estate Europe
Strategy	Active Strategy
Fund Of	DPAM Invest B
Legal Structure	SICAV
Domicile	Belgium
Reference Currency	EUR
Liquidity	Daily
Sub-fund launch	23.12.2010
First NAV date	27.12.2017
Countries notified for public sale	BE

ISIN	BE6299482115
Entry Fee	Maximum 2%
Exit Fee	0%
Ongoing charges*	1.05%
*included management fee	0.75%
Minimum investment	1 share
NAV (Distribution)	168.15
Last gross dividend (26.03.2019)	EUR 6.35
Assets (all classes)	mn EUR 332.87
Number of positions	63

PERFORMANCES (%)

1 month	0.26
YTD	13.39
1 year	6.68
3 years annualised	-
5 years annualised	-
10 years annualised	-

PORTFOLIO CHARACTERISTICS

Gross dividend yield (%)	4.78
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INVESTMENT UNIVERSE

The fund mainly invests in real estate securities (broadly construed, such as real estate certificates and securities of closed-ended real estate investment companies (SICAFI), real estate debt investment funds (SIC) or real estate or property promotion and development companies) issued by companies which have their registered office and/or a significant part of their assets, activities, profit centres or decision-making centres in Europe and which generate a dividend yield or an expected dividend yield higher than the market average (as represented by the FTSE EPRA/NAREIT Developed Europe index).

BREAKDOWNS (%)

Countries		Sub-sectors	
France	31.1	Retail	25.7
Germany	24.8	Office	23.8
Belgium	13.0	Residential	23.7
Netherlands	6.8	Logistic/industrial	17.6
Sweden	5.6	Other	8.0
United Kingdom	5.3	Cash	1.2
Spain	4.4		
Romania	2.5		
Austria	2.1		
Italy	1.4		
Switzerland	0.9		
Poland	0.6		
Other	0.2		
Cash	1.2		

Top 10

Argan	6.2
Vonovia	5.4
Leg Immobilien	4.2
Merlin Properties	3.8
Aroundtown	3.7
Unibail-Rodamco	3.4
Covivio	3.4
Vib Vermoegen	3.3
Intervest Offices & W	3.3
Altarea	3.2

Currencies

Euro	84.5
Pound sterling	8.3
Swedish krona	5.6
Swiss franc	0.9
Polish zloty	0.6
Norwegian krone	0.0

TOP 5 BEST CONTRIBUTORS & WORST CONTRIBUTORS

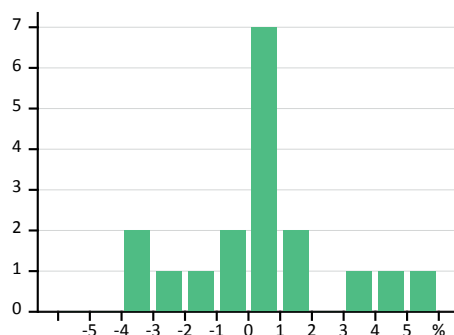
Top 5 Best Contributors	Contribution	Top 5 Worst Contributors	Contribution
Vonovia	+0.52	Unibail-Rodamco	-0.49
Leg Immobilien	+0.24	Newriver Reit	-0.18
Argan	+0.24	British Land	-0.14
Grand City Properties	+0.24	Eurocommercial Properties	-0.13
Aroundtown	+0.19	Phoenix Spree Deutschland Ltd Ptg Shs	-0.13

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Reference Currency EUR | Since Inception (27.12.2017)

DISTRIBUTION OF MONTHLY RETURNS



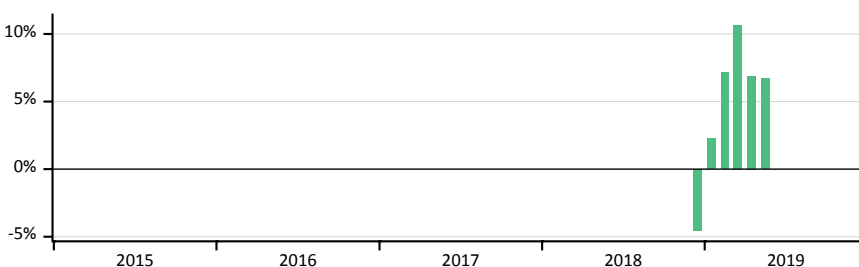
STATISTICS

Volatility	%	-
Sharpe Ratio		-
Downside Deviation	%	4.92
Sortino Ratio		1.26
Positive Months	%	66.67
Maximum Drawdown	%	-8.04
Risk-Free Rate -0.42%		

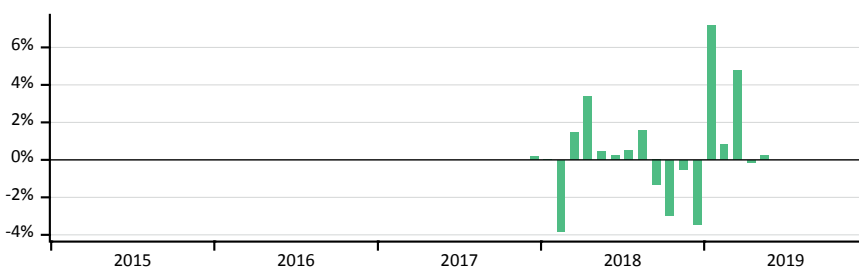
CUMULATIVE PERFORMANCE



12-MONTH ROLLING RETURNS



MONTHLY RETURNS



MONTHLY RETURNS IN %

	2015	2016	2017	2018	2019
	Fund	Fund	Fund	Fund	Fund
January				0.04	7.19
February				-3.81	0.83
March				1.48	4.79
April				3.40	-0.13
May				0.45	0.26
June				0.22	
July				0.51	
August				1.56	
September				-1.34	
October				-2.96	
November				-0.52	
December			0.20	-3.45	
Year			0.20	-4.58	13.39

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