

DPAM INVEST B EQUITIES EUROPE SUSTAINABLE - B

Monthly Institutional Factsheet | January 31, 2017

Morningstar ★★ ★ (*)

MANAGER COMMENT

Market comment

January was relatively quiet on the macro-economic front. However, Donald Trump was inaugurated as the 45th president of the United States. The now famous Trump rally initially pushed the Dow Jones Industrial Average above 20,000 for the first time in history. However, as Mr. Trump kept on hitting both foes and allies via Twitter, the market seemed increasingly worried about the potential damage his policies might cause. After signing a dozen executive orders, Trump delivered on his campaign promises. He has banned travel from certain Muslim-majority countries, ordered the immediate construction of a border wall with Mexico, backed two contentious pipeline projects and took initial steps to dismantle Mr. Obama's Affordable Care Act.

From a European perspective, it is worrying that Trump is openly criticizing the EU and that one of his top advisors accused Germany of using a 'grossly undervalued' EUR to 'exploit' the US and its EU partners.

Performance

In January, DPAM Invest B Equities Europe Sustainable shed 0.73% for the B share.

The best performing sectors were industrials and technology. Industrials were mainly driven by Wartsila, which posted a very good fourth-quarter report showing strong execution, increasing orders and improving prospects for energy solutions. Technology was driven by ASML, whose latest results put a major 'bear case' to rest. The question is no longer whether its Extreme Ultraviolet machines will be used in the next node of semiconductor manufacturing, but in how many layers it will be used.

The worst performing sector was healthcare, which suffered from Sartorius' lacklustre performance. The company delivered an in-line set of results but with some indications that the extraordinarily strong growth cycle of the last two years is finally coming to an end.

Last month's strategy

In January, the fund came under the responsibility of DPAM's International Equities Team and we have adjusted the strategy and the constituents to bring them in line with our sustainable franchise.

More specifically, the fund now adheres to the following screening process. In a first step, we exclude companies with a market cap below EUR1 billion and without a five-year positive earnings and dividend per share track-record. In a second step, we exclude controversial sectors and companies. Finally, we exclude companies with the 25% worst Environmental, Social and Governance (ESG) Scores within each GICS1 sector.

The investment philosophy is based on a buy-and-hold strategy focused on reasonably priced, long-term growth and profitable companies. Moreover, we look for companies with a good or improving ESG profile. Generally, we combine a top-down sub-theme selection with bottom-up stock-picking.

Outlook & strategy going forward

We will continue to monitor decisions made by Mr. Trump and his cabinet, as some of their ideas or proposals will have far-reaching implications on trade, economics, politics, companies and consequently, stock markets.

This year will also be crucial for the EU, with Brexit negotiations and elections in France. There has been a lot of drama about the latter already, with press reports suggesting that the party of candidate François Fillon might consider replacing him in the wake of revelations about his wife's employment.

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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	31.12.2002
Countries notified for public sale	AT, BE, CH, DE, ES, FR, IT, LU, NL
ISIN	BE0940002729
Entry Fee	Maximum 2 %
Exit Fee	0.00%
Management Fee	1.50%
TER (31.12.2016)	1.98%
Minimum investment	1 share
NAV (Capitalisation)	224.28
Assets (all classes)	mn EUR 17.12
Number of positions	59

	Fund	Index
PERFORMANCES (%)		
1 month	-0.73	-0.37
YTD	-0.73	-0.37
1 year	8.73	8.98
3 years annualised	4.68	6.35
5 years annualised	7.97	9.85
10 years annualised	1.25	2.38

PORTFOLIO CHARACTERISTICS

	Fund	Index
Gross dividend yield (%)	3.09	3.55

INVESTMENT UNIVERSE

The fund mainly invests in shares and/or other equity securities of companies whose registered office and/or a significant part of their assets, activities, profit centres or decision-making centres are located in a European country and selected on the basis of sustainable development criteria (such as certain ethical, economic, social or ecological criteria).

INDEX

MSCI Europe Net Return

BREAKDOWNS (%)

Sectors	Fund	Index	Countries	Fund	Index
Financials	18.1	20.6	United Kingdom	18.7	28.8
Health Care	13.8	12.8	France	17.1	15.8
Industrials	13.7	12.9	Germany	14.8	14.9
Consumer Staples	13.6	13.8	Sweden	9.3	4.7
Consumer Discretionary	9.8	10.9	Netherlands	7.1	5.2
Materials	9.4	8.6	Switzerland	5.7	14.0
Information Technology	7.7	4.3	Norway	5.5	1.1
Energy	6.6	7.3	Spain	5.4	5.0
Utilities	3.1	3.4	Italy	4.9	3.1
Real Estate	2.5	1.3	Denmark	4.1	2.7
Telecommunication Services	1.9	4.1	Belgium	3.7	1.8
Cash	-0.1	0.0	Finland	2.0	1.5
			Other	1.9	1.3
			Cash	-0.1	0.0

Top 10

	Fund	Index
Statoil		3.5
Unibail-Rodamco		2.5
Banco Santander SA		2.3
ASML Holding		2.3
Nordea Bank		2.3
Essilor		2.2
LVMH		2.2
Bunzl Plc		2.1
Pandora A/s		2.1
Prudential		2.1

Currencies

	Fund	Index
Euro	56.5	49.8
Pound sterling	18.8	27.2
Swedish krona	9.3	4.7
Swiss franc	5.7	14.0
Norwegian krone	5.5	1.1
Danish krona	4.1	2.7
US Dollar	0.0	0.6

TOP 5 OVERWEIGHTS & UNDERWEIGHTS

Top 5 Overweights	Active weight	Top 5 Underweights	Active weight
Statoil	+3.26	HSBC Holdings	-2.15
Unibail-Rodamco	+2.20	Roche Holding	-2.11
Bunzl Plc	+2.02	Novartis	-2.09
Boliden Ab	+1.95	Royal Dutch Shell	-1.49
Wartsila Oyj Abp	+1.94	British American Tobacco	-1.46

TOP 5 BEST CONTRIBUTORS & WORST CONTRIBUTORS

Top 5 Best Contributors	Contribution	Top 5 Worst Contributors	Contribution
Wartsila Oyj Abp	+0.15	Sartorius Ag Pref	-0.18
Jeronimo Martins Sgps	+0.15	Intesa Sanpaolo (ord)	-0.17
BP	+0.12	Amec	-0.14
Ing Group	+0.10	Unibail-Rodamco	-0.12
Peugeot	+0.10	Shire	-0.11

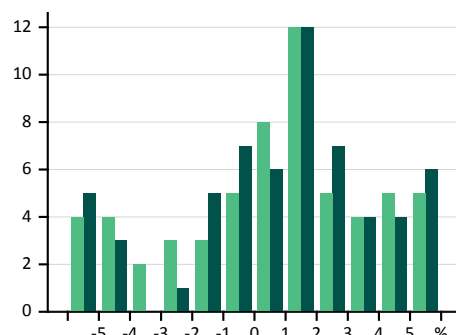
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Reference Currency EUR | Observation Period - 5 years

— Fund — Index

DISTRIBUTION OF MONTHLY RETURNS

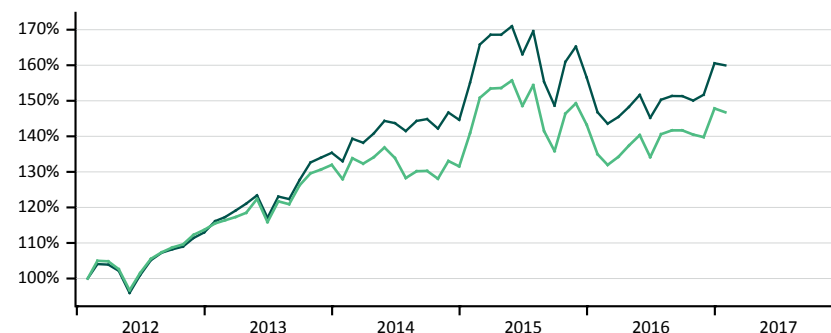


STATISTICS

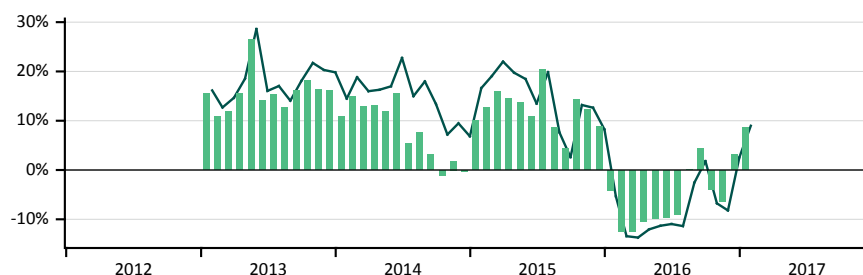
		Fund	Index
Volatility	%	11.95	11.86
Sharpe Ratio		0.66	0.82
Downside Deviation	%	7.57	7.48
Sortino Ratio		1.04	1.30
Positive Months	%	63.33	65.00
Maximum Drawdown	%	-15.25	-16.04

Risk-Free Rate 0.06%

CUMULATIVE PERFORMANCE



12-MONTH ROLLING RETURNS

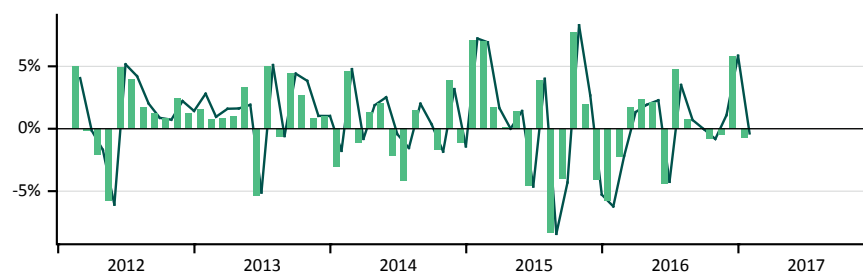


FUND VERSUS INDEX

Correlation		0.981
R ²		0.962
Alpha	%	-0.13
Beta		0.988
Treynor Ratio	%	7.97
Tracking Error	%	2.34
Information Ratio		-0.743

Index: MSCI Europe Net Return

MONTHLY RETURNS



MONTHLY RETURNS IN %

	2013		2014		2015		2016		2017	
	Fund	Index	Fund	Index	Fund	Index	Fund	Index	Fund	Index
January	1.58	2.80	-3.04	-1.77	7.11	7.23	-5.77	-6.22	-0.73	-0.37
February	0.75	0.96	4.59	4.77	7.04	6.92	-2.24	-2.20		
March	0.80	1.60	-1.13	-0.81	1.74	1.66	1.74	1.33		
April	1.02	1.62	1.35	1.88	0.10	0.01	2.35	1.92		
May	3.29	1.92	2.05	2.52	1.37	1.42	2.14	2.28		
June	-5.33	-5.11	-2.16	-0.44	-4.58	-4.63	-4.42	-4.25		
July	5.04	5.10	-4.20	-1.54	3.92	4.00	4.80	3.51		
August	-0.66	-0.58	1.48	2.01	-8.37	-8.42	0.77	0.70		
September	4.41	4.41	0.07	0.36	-3.98	-4.31	0.00	-0.03		
October	2.65	3.84	-1.69	-1.83	7.75	8.29	-0.84	-0.82		
November	0.83	1.03	3.89	3.17	1.98	2.68	-0.51	1.09		
December	1.01	1.02	-1.13	-1.41	-4.05	-5.28	5.77	5.84		
Year	16.06	19.82	-0.32	6.84	8.89	8.22	3.21	2.58	-0.73	-0.37

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