

SUSTAINABLE DIVIDENDS VALUE FUND



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DIVIDENDS
value fund

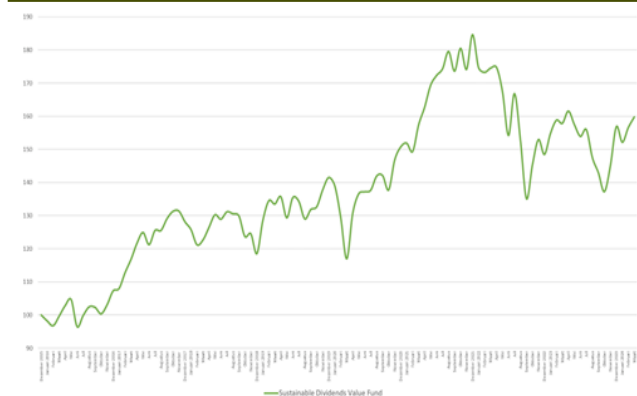
QUARTERLY REPORT

FIRST QUARTER - 2024

Main data

Current price	124.82
Price last quarter	122.40
Result quarter (net)	+2.0%
Result since inception (net)	+59.9%
ISIN Code	NL0012907976
Inception date	January 2016

Return (net %)



Annual return (net %)



Risk - Return characteristics

Total Return	59.9%
Average annual return	5.9%
Standard deviation return	14.4%
Sharpe Ratio	0.34
Total 'Outperformance'	-8.1%
Average annual outperformance	-1.0%
Tracking Error	7.6%
Information Ratio	-0.13
Correlation Coëfficiënt	0.85
Best month (April 2020)	+11.7%
Worst month (September 2022)	-11.5%
Maximun drawdown	-26.8%

Investment goal

The fund's objective is to grow capital over the long term. The fund is expected to outperform the market over an entire economic cycle, often a period of 5 to 7 years. For a good comparison, it is important to choose a period with both up and down markets.

Fund performance

After a slow start in January, our fund managed to recover well in February and March. Better-than-expected annual results from many of our companies produced a positive 2% return for the quarter just ended. Many investors' fears of a big drop in results proved unfounded in most cases. True, companies do face cost increases due to higher salaries, but in most cases these higher costs are sufficiently compensated by the higher prices they charge to their customers. The downturn in economic growth in China has only a very limited impact on companies in the fund. In the coming quarters, we expect consumer spending to increase as wages generally rise faster than inflation. At the same time companies will most likely start to benefit from lower interest rates in the latter part of the year. If interest rates will be cut earlier in Europe than in the US, exporting companies in Europe will benefit from a weaker euro. All in all, these are enough ingredients for a positive outlook for stock markets in the coming quarters.

Strategy

In the fund, we choose 20 to 25 stocks of companies with a predictable and profitable business model, committed management, regular dividend payments and a strong balance sheet. The selected companies strive to make a positive contribution to a more sustainable society. Since its inception in 2016, this strategy has generated over 60% return for its investors. Want to know more about the stock markets or our fund? We would be happy to engage with you!

Sustainable Dividends

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Focus stock: Fugro – investing in a safe and liveable world

As every quarter, we discuss one of the stocks in the fund in this newsletter. Dutch company Fugro is a global leader in geo-data. Traditionally active in the oil and gas sector, the company now uses the data it collects in more and more areas. Both for the energy sector, infrastructure development and water management, Fugro's data are indispensable. In the coming decades, Fugro will be able to benefit from the energy transition, from huge investments in infrastructure and from all investments needed to adapt our living environment to the consequences of climate change. Fugro's management expects to grow revenue by 50% over the next three years while improving margins significantly.

Sustainability

Fugro now derives more than 60% of its revenue from services to develop renewable energy such as offshore wind turbines, build onshore infrastructure and manage rising water levels. These activities contribute to a safe, sustainable world. At the same time, Fugro is also trying to make its own processes more sustainable. By far the most important goal here is to reduce CO2 emissions from Fugro's vessels. By working more efficiently in recent years, the company has already ensured that the vessels now emit less CO2 than a few years ago. The introduction of green methanol instead of diesel will further reduce CO2 emissions from 2024 onwards.

7 AFFORDABLE AND
CLEAN ENERGY



Dividend

Fugro did not pay a dividend for a number of years. Meanwhile, the company's financial situation has greatly improved and management has proposed to resume paying a dividend to shareholders starting this year. The policy is to pay out 35 to 55% of the profit from now onwards. We therefore expect the initially modest dividend payout to grow substantially in the coming years. Fugro has a strong balance sheet with net debt lower than the annual cash flow. The strong balance sheet ensures a high score in our analysis when it comes to the company's financial health.

Risks and valuation

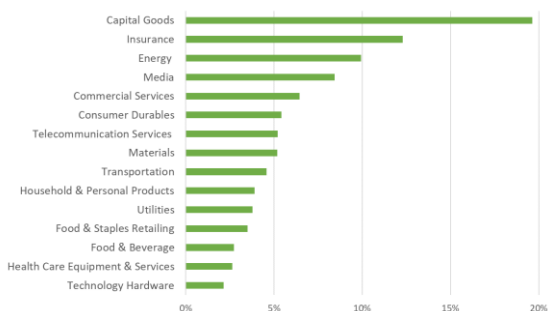
No investment case without also looking at the risks of an investment. The biggest risk for Fugro is dependence on orders from clients who in turn are confronted with volatile markets, as a result of which a continuous flow of orders is not guaranteed for Fugro. Because orders come from different market segments, each with their own dynamics, Fugro manages to mitigate this risk reasonably well. Another



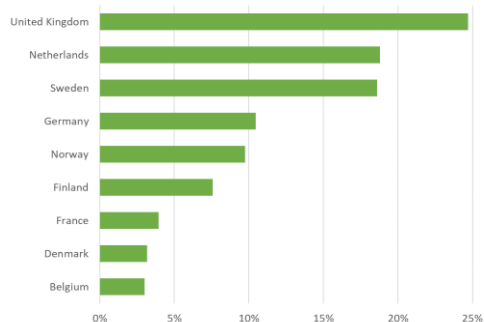
important risk is that competitors might offer similar or even better products. Through continuous innovation and good protection of intellectual property, Fugro manages to control this risk very well. Finally, in the current market it is not always easy to attract and retain well-trained employees. Consequently, under-qualified staff is a risk for Fugro. Offering good terms of employment and attractive career prospects addresses this problem. Despite the rapid rise of the share price in recent quarters, Fugro's valuation is still modest. The expected further growth in revenue, profit and dividends in the coming years ensures that there is still sufficient room for a further increase of the share price.



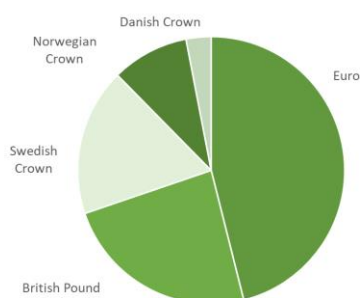
Sector allocation



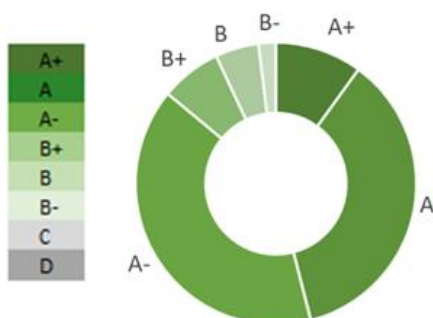
Geographical allocation



Currency allocation



ESG ratings allocation



Fondsinformatie

NAV	Monthly
Minimale investering	€ 100.000
Management fee	1%
Administration fee	0,15%
Performance fee	10%
Manager	Sustainable Dividends
Administrator	AssetCare
Custodian	Interactive Brokers/Saxo Bank
Bank	ABN AMRO

Ascenders in the portfolio

Norwegian Tomra, the focus stock in last year's fourth-quarter report, was the biggest gainer in the portfolio this quarter. The share price rose 37% in the first three months of the year after management said it had a growing order book for recycling machines and saw a lot of activity in reverse vending machines for 2024. Over the next few years, at least 10 countries and regions will introduce deposit systems, for which Tomra will supply the necessary machinery. Of course, this outlook is creating a lot of enthusiasm among investors. Fugro, the Dutch geo data firm and focus stock in this report, came out with annual figures, which were received with cheers. As a result, the share price rose by 30%. At the publication of the annual figures, management announced that the strong growth in 2023 is likely to continue in 2024. The company will resume dividend payments to its shareholders. This is a sign of management's confidence in the future. We are also positive about Fugro's future and expect the dividend payments to grow in the coming years.

Descenders in the quarter

Like every quarter, there were some decliners in the fund. For instance, the price of London-listed Airtel Africa fell 19%. It was not the publication of overall better-than-expected quarterly figures, but the devaluation of Nigeria's currency, the Naira, that made investors gloomy. Despite the currency problems, the company grew the number of customers by 9% in the last quarter of 2023, and revenue per customer by 10% from a year earlier. These high growth rates of the revenues will at some point be reflected in a higher multiple for the Airtel Africa stock. Danish Solar's share price fell 22% after management said at the publication of its annual results that the 2024 construction materials market is very difficult to predict. Management factors in a lower demand for its products as a result of increased interest rates in all markets where the company operates.

What does the fund currently look like?

Currently, the fund is invested - apart from a limited cash position - in companies, which are expected to provide growing profits and rising dividends in the coming years. The assets are spread across 22 different stocks in nine European countries. By choosing companies in 15 different sectors, a sufficient degree of risk diversification has been ensured. There is a clear preference for sectors that provide stable cash flows. A number of sectors are deliberately not, or hardly, included in the fund. For instance, banks are suffering from stricter capital requirements, an increasing regulatory burden and fears of write-downs have increased as the likelihood of a recession increases. Technology companies are often overvalued, especially after the rapid rise in share prices last year. Finally, unsustainable companies drop out a priori in our selection process. With an average valuation of less than 7 times cash flow and an expected dividend yield of 4%, the shares in our fund are currently very attractively valued!



Sustainable Dividends Events

On Thursday 7 March, we organised a lunch meeting for investors in the Sustainable Dividends Value Fund and other interested parties at our office at Spaces Westerpark in Amsterdam. SKF of Sweden was the topic of discussion and Investor Relations Andreas Nygren discussed with us the past, present and future of this Swedish group in his presentation. SKF's technological know-how is applied in ball bearings with many diverse applications. Wind turbines, robotics, trains and cars are just a few examples. After the presentation, there was time for questions and an enjoyable lunch.



Invitation Investor Day

On Thursday 13 June, we will hold our annual Investor Day. We are enormously pleased to welcome our two guest speakers on the day: Tamsin Garrity of UK publisher Bloomsbury and Catrien van Buttingha Wichers of Dutch company Fugro. Bloomsbury has been an important holding in our fund for many years and was an attractive stock with a growing dividend all along. Fugro's inclusion in the fund is more recent. As discussed above, we believe that this company makes a valuable contribution to a safe and liveable world, making it a great addition to our fund.



In order to register please send an e-mail to: info@sustainabledividends.com

All investors in the fund are – with partner - invited to attend this day. Any else interested in our fund and the companies presenting is also welcome at the event. If you want to know more about dividend investing in general or our Sustainable Dividends Value Fund in particular, please join us at the Cobra Museum in Amstelveen on Thursday 13 June at 10 am.



**Attention! This investment falls outside AFM supervision.
No license and no prospectus required for this activity.**

