

SUSTAINABLE DIVIDENDS VALUE FUND

MONTHLY REPORT


SUSTAINABLE
DIVIDENDS
value fund

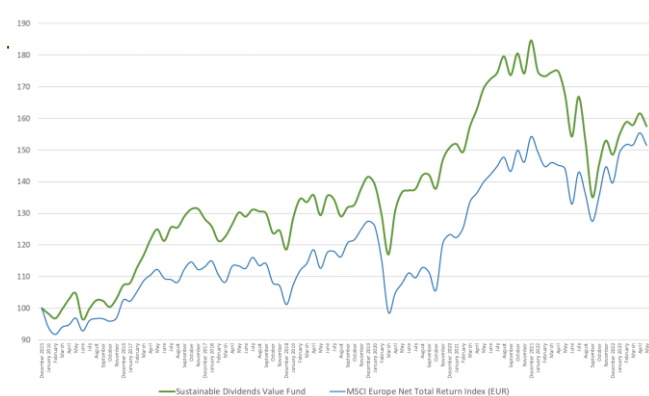
MORNINGSTAR ★★★ |  Bronze

MAY 2023

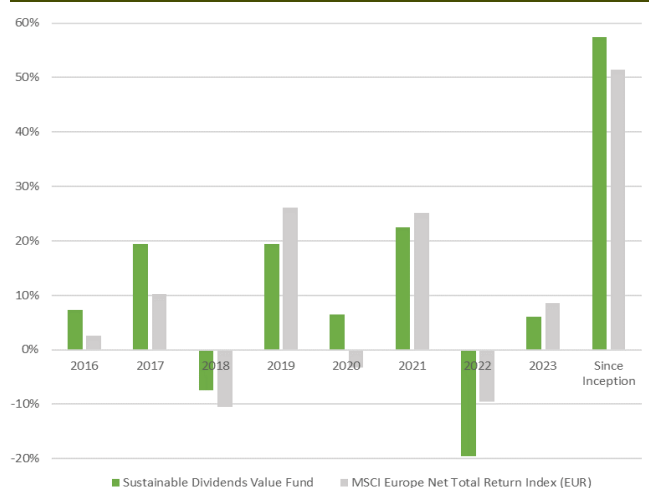
Core facts

Fund price	122.90
Price last month	126.09
Monthly return (net)	-2.5%
MSCI Europe month	-2.5%
Return since inception (2016)	57.5%
MSCI Europe since 2016	51.5%

Return (net %)



Annual returns (net after fees %)



Monthly returns (net after fees %)

	Jan	Feb	Mrt	Apr	Mei	Jun	Jul	Aug	Sep	Okt	Nov	Dec	Jaar
2016	-1.8%	-1.5%	3.0%	3.2%	1.8%	-7.8%	3.4%	2.7%	-0.1%	-1.9%	2.7%	4.1%	7.3%
2017	0.7%	4.4%	3.6%	4.2%	2.6%	-2.9%	3.5%	0.0%	2.8%	1.7%	0.0%	-2.4%	19.5%
2018	-1.8%	-3.6%	1.2%	3.1%	3.0%	-1.0%	1.7%	-0.4%	-0.5%	-4.8%	0.6%	-4.8%	-7.5%
2019	8.4%	4.7%	-0.7%	1.7%	-4.7%	4.7%	-0.8%	-4.0%	2.2%	0.7%	3.9%	2.7%	19.4%
2020	-1.8%	-6.9%	-9.6%	11.7%	4.5%	0.4%	0.3%	3.1%	0.1%	-3.0%	6.5%	2.7%	6.5%
2021	0.8%	-1.7%	5.4%	3.4%	4.1%	1.8%	1.2%	3.0%	-3.3%	4.0%	-3.5%	6.0%	22.5%
2022	-5.4%	-0.8%	0.7%	0.2%	-4.2%	-7.9%	8.2%	-8.5%	-11.5%	7.5%	5.3%	-2.9%	-19.6%
2023	4.2%	2.6%	-0.6%	2.3%	-2.5%								6.1%

Fund Performance

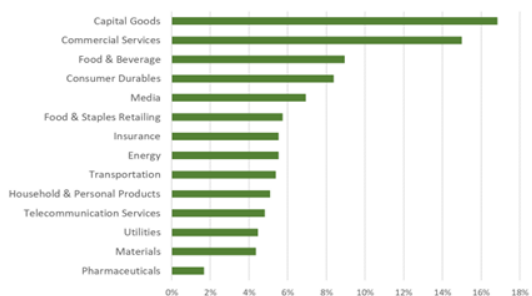
May was a difficult month for investors in European equities. In the last week of the month, macro-economic news caused us to close the month in negative territory. For example, there was unrest about the national debt in the United States, Germany entered a recession and economic growth in China was disappointing. Overall, this caused the MSCI Europe Index to fall 2.5%, the Mid Cap Index to drop 3.5% and the Small Cap Europe Index to drop 2.6%. The investors in the Sustainable Dividends Value Fund were also affected and the fund's price fell by 2.5%. Was there only disappointing news? Fortunately not, several companies in our fund reported better than expected figures or saw reason to raise expectations for the current year. Such as Treatt, the British producer of natural flavors and fragrances for the food and drink industry. Or Bloomsbury, the also British publisher and data supplier for schools and universities.

Strategy

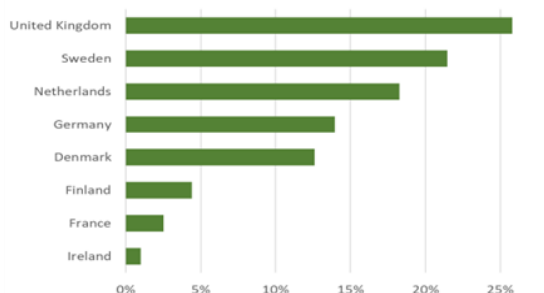
We choose 15 to 25 stocks in the fund from companies with a predictable and profitable business model, committed management and regular dividend payments. The balance sheet ratios of the companies in our fund are strong. Most companies have only modest debt and some even have a net cash position. They therefore have little to fear from higher interest rates. Valuations of the shares in our fund are still very low. Currently, the market averages only seven times the expected cash flow paid for our businesses, and the average headroom to our price target is now well over 60%. The low valuation of the shares in our fund gives room for a further price recovery once confidence in the economy returns. Since inception, our fund has now returned 57% (+6.3% annually, after fees), versus 51% for the MSCI Europe Index (+5.8% annually).



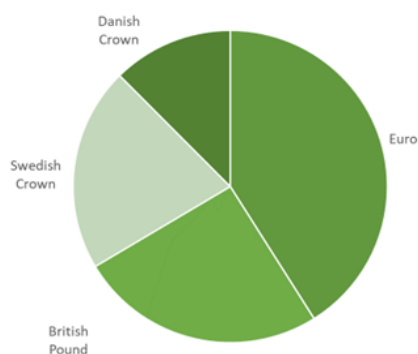
Sector allocation



Geographical allocation



Currency allocation



Risk-Return characteristics

Total return	57.5%
Average annual return	6.3%
Standard deviation return	14.3%
Sharpe Ratio	0.48
Total Outperformance	4.0%
Average annual outperformance	0.5%
Tracking Error	7.4%
Information Ratio	0.07
Correlation Coefficient	0.87
Best month (April 2020)	+11.7%
Worst month (September 2022)	-11.5%
Maximum drawdown	-26.8%

Sustainable Dividends

Website: www.sustainabledividends.com
 Email: info@sustainabledividends.com
 Telefoon: +31 20 244 3654

Ascenders in the portfolio

Like last month, the aforementioned Treatt was one of the better performing stocks in the fund, returning 4% this month. The company reported good figures for the first half of the 2022/2023 financial year. In the second quarter in particular, Treatt saw strong order growth, leading to an upward revision of expectations for the remainder of the year. These good numbers led to analyst upgrades and increased investor interest in the stock. However, the largest share price increase was due to TKH. The price of the producer of cables and related smart technological solutions in the field of communication, security and automation, rose by 6%. This is the result of management's positive expectations earlier this year regarding the growth opportunities for the company over the next three years.

Descenders in the portfolio

Adjusted for the dividend, the share price of the Swedish company Bravida fell by 12%, despite reporting excellent first quarter figures. Partly due to the strongly increased demand for climate control systems, the turnover of the installer of technical installations increased by 28% and the profit by 25% compared to a year earlier. As a result of the rise in interest rates, management expects construction output to decline this year, but it expects a positive development in the service division. DSM's share price fell by 12% in the month in which the merger with the Swiss company Firminich was completed. This means that management will publish combined figures and expectations from the second quarter onwards. After a year of uncertainty, this will finally provide clarity for many investors about the valuation of the share. We expect that this clarity, in combination with a stream of analyst reports, will bring more attention to DSM-Firminich's long-term potential. As a result, the price will also recover.

Outlook

Currently, the fund is almost entirely invested in low-valued and well-run companies with strong balance sheets. These companies are expected to generate growing profits and rising dividends in the coming years. The assets are divided over 21 stocks of companies in 14 different sectors and 10 different countries. This ensures a sufficient degree of risk diversification. We believe that the stocks in our fund currently offer a very high potential for attractive returns for equity investors with a long horizon.

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

