SUSTAINABLE DIVIDENDS VALUE FUND

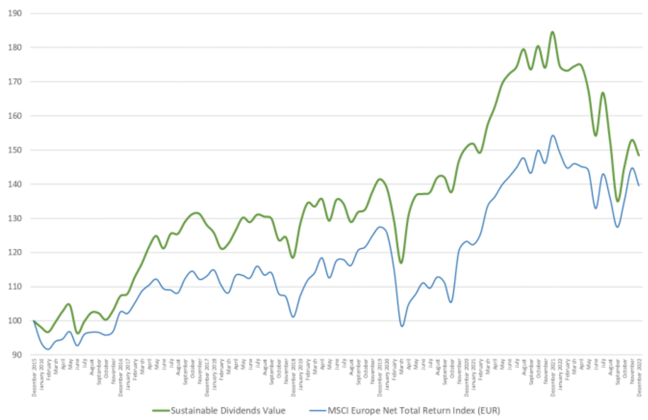
MONTHLY REPORT

DECEMBER 2022

Core Facts

Fund Price	115.88
Price Last Month	119.37
Fund Monthly Return (net)	-2.9%
MSCI Europe Monthly Return	-3.5%
Return since inception (2016)	+48.5%
MSCI Europe since 2016	+39.6%

Return (net %)



Annual Returns (net %)

Fund Performance

'As the year goes, so goes December', is an old stock market wisdom. In other words, the lack of company news in the last month of the year means that the trend of the past year is often continued in December. And this year is no different. Prices fell across a broad front, the main macroeconomic reason being interest rate hikes in both America and Europe. The price of our fund fell by 2.9%, while large European companies (MSCI Europe Index) lost an average of 3.5%. Medium-sized companies saw a share price fall of 2.7% (MSCI Europe Mid Cap Index) and small companies by an average of 2.5% (MSCI Europe Small Cap Index).

Opportunities ahead of us

After three consecutive years of positive returns, we will close 2022 with a decline of 19.6%, while our companies actually performed very well. With an average profit increase of more than 15% and a dividend increase of more than 20% on average, they more than met our expectations. The stock market drop is mainly due to many investors' fear of what may await us in 2023. But this fear creates opportunities and the long-term potential is great. Patience, combined with a well-balanced investment process, is often richly rewarded. Letting turbulent times keep you from investing in shares of good companies is a missed opportunity.

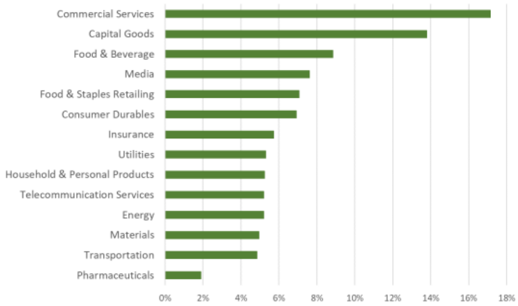
Strategy

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. Partly for this reason, we look to the future with confidence. Since its inception in 2016, our fund has now returned 48% (+5.8% per year, after fees), versus 39% for the MSCI Europe (+4.9% per year).

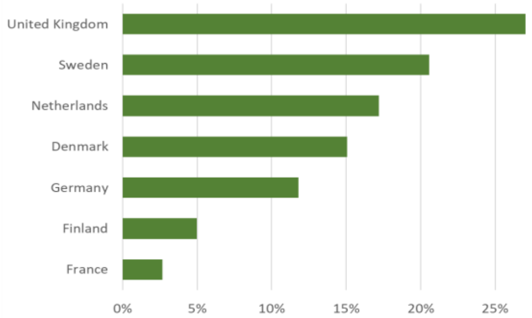
Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
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%**

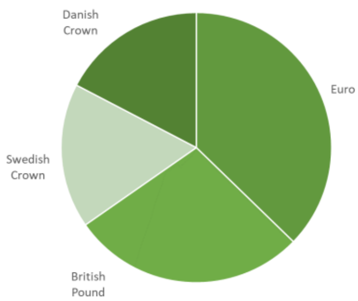
Sector Allocation



Geografical Allocation



Currency Allocation



Risk-Return Characteristics

Total Return	48.5%
Average Annual Return	5.8%
Standarddeviation Return	14.6%
Sharpe Ratio	0.43
Total Outperformance	6.4%
Average Annual Outperformance	0.9%
Tracking Error	7.5%
Information Ratio	0.12
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

The best performing stock in the past month was the Swedish Essity. After the price already went up 10% last month, the share is now up 7%. The prices of pulp and energy – the main cost items for Essity – seem to be leveling off or even falling recently, while the company will continue to implement price increases for customers in the coming months. This means that Essity's margins will recover in 2023. We expect that the share price will then also show further recovery. The share price of the Danish Novo Nordisk rose by 6%. The world market leader in medicines for diabetes and obesity patients has had a very strong year, in which the share price has increased by 28% on balance. Although the prospects for the company remain good in the coming years, we have recently reduced our position on the basis of the strongly increased valuation of the share.

Decenders in the portfolio

Airtel Africa disappointed with a share price drop of 9%. The market leader in mobile telephony in 15 African countries sees the purchasing power of many consumers in Africa under pressure due to the sharp rise in food and energy prices. This may cause a slowdown in growth for the company in 2023. In the somewhat longer term, we do expect further growth in the number of mobile telephony customers. In addition, the company is benefiting from the recent launch of an online bank in its key market, Nigeria. With this, Airtel Africa offers its customers a cheap alternative for money transfers. Another descender was SKF, the Swedish producer of ball bearings. In a recent call, the company indicated that raising prices this year has been slower than previously thought. Nevertheless, the price increases have been implemented, which is why we expect higher margins for SKF in 2023.

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 19 stocks of companies in 14 different sectors. This ensures a sufficient degree of risk diversification. We have a clear preference for sectors that provide stable cash flows. While the current global economic situation brings with it some uncertainty, we believe that the stocks in our fund at this point in time offer an attractive return opportunity for equity investors with a long horizon.