

SUSTAINABLE DIVIDENDS VALUE FUND

MONTHLY REPORT



MORNINGSTAR ★★ | Neutral

SEPTEMBER 2023

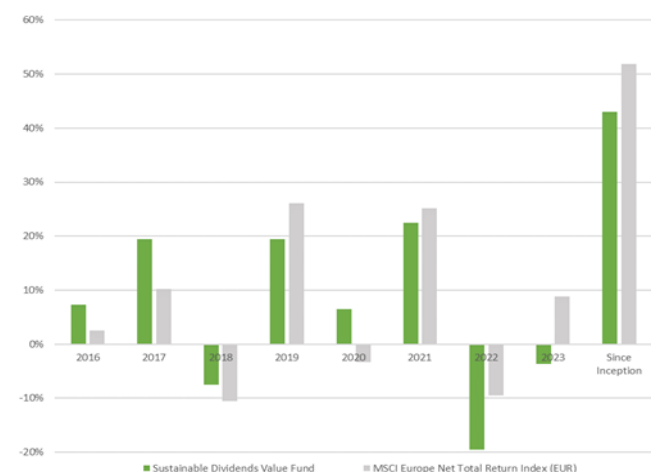
Core facts

Fund price	111.59
Price last month	115.15
Monthly return (net)	-3.1%
MSCI Europe month	-1.6%
Return since inception (2016)	43.0%
MSCI Europe since 2016	51.9%

Return (net %)



Annual returns (net after fees %)



Fund performance

The US central bank's warning of a possible interest rate hike at the end of the year had an impact on global stock markets. And although the European Central Bank hinted that it would leave interest rates unchanged for the time being, stock prices in Europe also fell. Large caps lost an average of 1.6% while mid and small caps fell by 2.9% and 3.1% respectively. The problems in the offshore wind sector now also appear to have spread to Europe. At a recent auction of a large new wind turbine lot in the United Kingdom, there were exactly zero bidders. This means that the sector will experience a significant delay in rolling out new projects. This is a reason for us to shift the course of the fund slightly. We have sold our position in Ørsted and choose to sit on the sidelines until there is a prospect of either higher energy prices or better subsidy schemes. Overall, we saw the fund's price fall 3.1% over the past month.

Strategy

In our fund we select shares of companies with a predictable and profitable business model. Due to the great attention to sustainability, companies that play an important role in, for example, the energy transition, recycling or the use of sustainable materials, will see their turnover and results grow in the coming years. At the same time, we expect that these companies will receive more attention from investors. We also look for committed management, preferably growing dividends and strong balance sheet ratios. Most companies in the fund have only modest debt and some even have a net cash position. We see opportunities in the current market to buy strong and solid companies at attractive levels.

Monthly returns

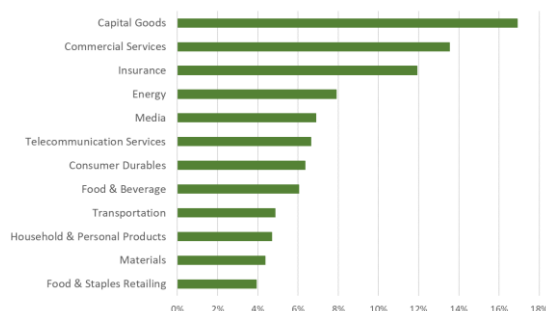
	Jan	Feb	Mrt	Apr	Mei	Jun	Jul	Aug	Sep	Okt	Nov	Dec	Jaar
2016	-1.8%	-1.5%	3.0%	3.2%	1.8%	-7.8%	3.4%	2.7%	-0.1%	-1.9%	2.7%	4.1%	7.3%
2017	0.7%	4.4%	3.6%	4.2%	2.6%	-2.9%	3.5%	0.0%	2.8%	1.7%	0.0%	-2.4%	19.5%
2018	-1.8%	-3.6%	1.2%	3.1%	3.0%	-1.0%	1.7%	-0.4%	-0.5%	-4.8%	0.6%	-4.8%	-7.5%
2019	8.4%	4.7%	-0.7%	1.7%	-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%	-2.3%	1.3%	-5.4%	-3.1%				-3.7%



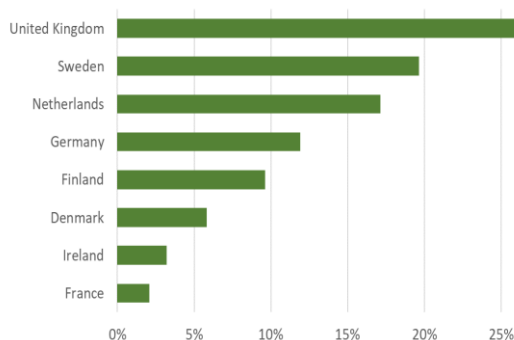
SUSTAINABLE
DIVIDENDS

value fund

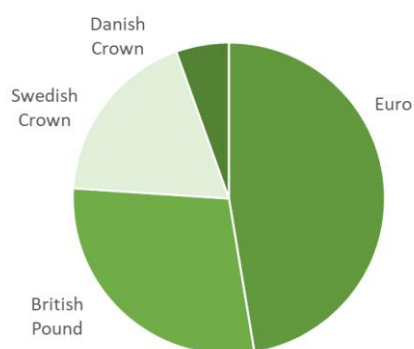
Sector allocation



Geographical allocation



Currency allocation



Risk-Return characteristics

Total Return	43.0%
Average annual return	4.7%
Standard deviation return	14.3%
Sharpe Ratio	0.26
Total Outperformance	-5.9%
Average annual outperformance	-0.8%
Tracking Error	7.5%
Information Ratio	-0.10
Correlation Coefficient	0.86
Best Month (April 2020)	+11.7%
Worst month (September 2022)	-11.5%
Maximum drawdown	-26.8%

Sustainable Dividends

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Ascenders in the portfolio

London-listed Airtel Africa was the biggest gainer in the portfolio. The share price of the mobile telephony and mobile banking provider in 14 African countries rose by 10%. In contrast to many European telecom companies, the company is seeing a rapid increase in the number of customers. In addition, the average revenue per customer continues to increase. We expect good results for the third quarter and investors also responded positively to the new stock exchange listing of subsidiary Airtel Uganda. The share price of the German Villeroy & Boch rose by 4% in the past month. The company plans to acquire competitor Ideal Standard. The combination will become one of the largest suppliers of bathrooms in Europe. Due to the scale, management expects to be better able to serve large customers, such as hotel chains. In addition, there will be benefits to be gained from joint purchasing. Because the takeover is being paid entirely from own resources and a bank loan, no new shares need to be issued. The balance sheet ratios are also sufficiently strong after the takeover.

Descenders in the portfolio

The Dutch TKH was one of the losers in the fund. The price of the manufacturer of power cables, among other things, fell by 12%. This was the result of investors' fears of a delay in the construction of new offshore wind farms. In both Europe and the United States, high interest rates and increased material costs appear to make new parks unprofitable under current conditions. Governments will have to allow higher energy prices or provide subsidies. Orders for power cables to wind farms are at a somewhat lower level, but TKH has plenty of other activities that are showing growth. The share price of DHL – the new name of Deutsche Post – fell by 11% due to the consequences of the cooling of the global economy for the logistics sector. For example, air freight rates have fallen by a third compared to a year ago.

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. To ensure sufficient risk diversification, the assets are divided over 20 shares of companies in 14 different sectors and 10 different countries. We believe our fund offers a high potential for attractive returns to equity investors with a long horizon.

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

