SUSTAINABLE DIVIDENDS VALUE FUND



M∕RNINGSTAR I★★★

JANUARY 2023

MONTHLY REPORT

Core FactsFund Price120.78Price Last Month115.88Fund Monthly Return (net)+4,2%

Fund Monthly Return (net) +4,2%

MSCI Europe Monthly Return +6,8%

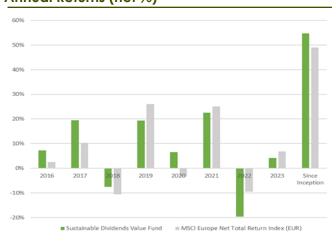
Return since inception (2016) +54,8%

MSCI Europe since 2016 +49,1%

Return (net %)



Annual Returns (net %)



Fund Performance

The start of the new year sparked investor optimism and investors in our fund saw the share price rise 4.2% in January. Prices of European equities rose on average by 6.8% (MSCI Europe Index). The widely supported expectation is that we will see inflation fall in 2023 and that, as a result, the end of interest rate hikes will be in sight. This provides more certainty for investors and therefore more confidence in the future. The fear of a recession still exists, and from time to time can cause a sudden market downturn. This will be no different in the coming quarters. Our companies often focus on the long-term trend of sustainability. This means that most of the companies in the fund are less sensitive to a possible recession. We expect that they will also see revenue and profit growth in the current year. Shareholder dividends are also expected to rise in 2023.

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 extremely low. Currently, the market averages only seven times the expected cash flow paid for these companies. unprecedentedly low and leaves room for a strong recovery once confidence in the stock market returns. The dividend yield on our shares is also historically high at almost 5%. Partly for this reason, we look to the future with confidence. Since its inception in 2016, our fund has now returned 55% (+6.4% pa, after fees), versus 49% for the MSCI Europe (+5.8% pa).

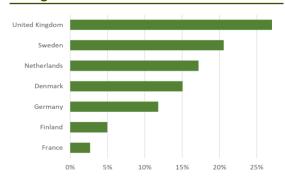
Monthly Returns

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	Jan	Feb	Mrt	Apr	Mei	Jun	Jul	Aug	Sep	Okt	Nov	Dec	Year
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%												4.2%

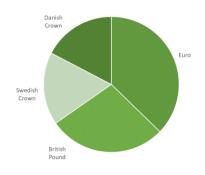
Sector Allocation



Geografical Allocation



Currency Allocation



Risk-Return Characteristics

Total Return	54.8%
Average Annual Return	6.4%
Standarddeviation Return	14.6%
Sharpe Ratio	0.47
Total Outperformance	3.8%
Average Annual Outperformance	0.5%
Tracking Error	7.5%
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

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Ascenders in the portfolio

The best performing share in the past month was the German Villeroy &



Boch. The stock price of the producer of luxury consumer goods such as bathrooms and dinnerware rose by 18%. Because the production of ceramics requires a lot of gas, the share is sensitive to fluctuations in the gas price. Despite the company having purchased most of its longterm gas needs at much lower prices, the rapid decline in gas prices has brought relief to investors. The low valuation of the share still gives plenty of room for further price appreciation. The share price of the Swedish SKF rose by 16%. The market leader in ball bearings for a variety of industrial applications benefited from the reopening of the Chinese economy and easing fears of a global recession. Our expectation is that the company will show an improvement in margins in 2023 because price increases have been implemented in almost all contracts, while the costs of energy in particular will fall again.ompany remain good in the coming years, we have recently reduced our position on the basis of the strongly increased valuation of the share.

Descenders in the portfolio

The Danish Ørsted disappointed with a share price drop of 4%. The developer and operator of wind farms reported an increase in cash flow by more than 30% in 2022. At the same time, management noted that the growth rate in the current year is likely to be somewhat slower. We prefer to look a little further ahead and expect the market for offshore wind farms to grow more than 100% in the next four years. As market leader in this field, Ørsted will account for a large part of this growth. As a result, the cash flow and dividend can grow considerably in the coming years. Sweden's Essity reported more than 25% sales and profit growth in the fourth quarter. However, this was apparently not enough for investors, as the price remained flat this month. We expect further growth from the company in the coming quarters.

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 currently offer an attractive return opportunity for equity investors with a long horizon.

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

