

# SUSTAINABLE DIVIDENDS VALUE FUND



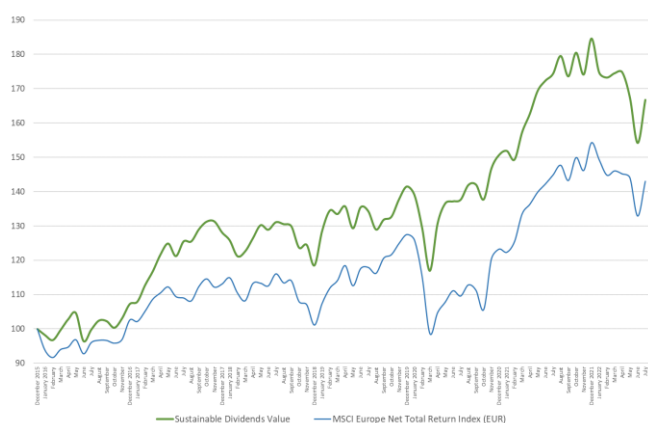
## MONTHLY REPORT

## JULY 2022

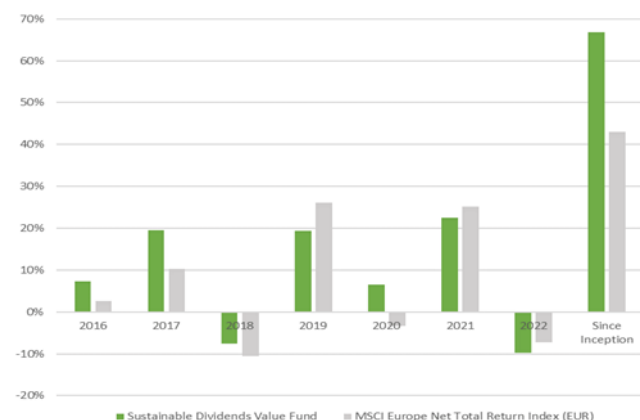
### Core Facts

Fund Price	130.21
Price Last Month	120.35
Fund Monthly Return (net)	8.2%
MSCI Europe Monthly Return	7.6%
Return since inception (2016)	66.9%
MSCI Europe since 2016	43.0%

### Return (net %)



### Annual Returns (net %)



### 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%	<b>7.3%</b>
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%	<b>19.5%</b>
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%	<b>-7.5%</b>
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%	<b>19.4%</b>
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%	<b>6.5%</b>
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%	<b>22.5%</b>
2022	-5.4%	-0.8%	0.7%	0.2%	-4.2%	-7.9%	8.2%						<b>-9.6%</b>

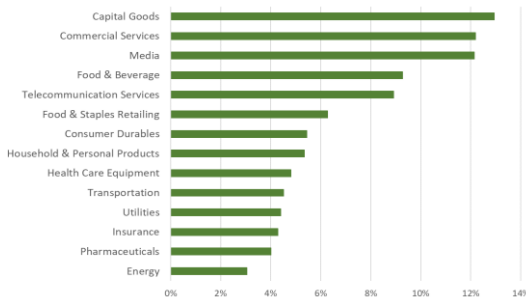
### Fund Performance

In July the Sustainable Dividends Value Fund was able to recover most of the ground lost in the previous month. The most important reason for the increase in the share price with 8.2% was the publication of better than expected semi-annual results by many companies. At the same time political and macro economic developments remain unfavourable. Despite the high inflation, global interest rate hikes and declining consumer confidence, the prices of the large stocks in Europe (MSCI Europe Index) increased by 7.6% in July. Mid-sized companies saw a price increase of 8.9% (MSCI Europe Mid Cap Index) and small companies gained on average 9.8% (MSCI Europe Small Cap Index). 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 rising interest rates. This is one of the reasons why we look to the future with confidence in this difficult year. Since its inception in 2016, our fund has now delivered over 66% (+8.1% p.a., after charges), versus 43% for the MSCI Europe Index (+5.6% p.a.).

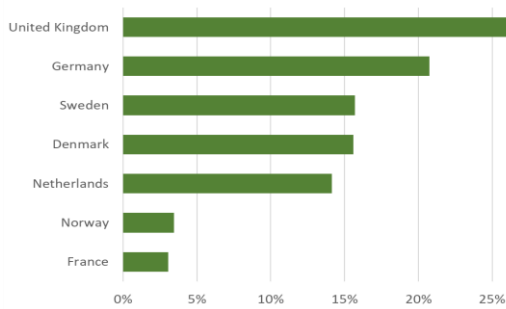
### Investment Goal and Strategy

The investment goal of the fund is long term capital appreciation. Expectations are that the fund will outperform equity markets over a 5 to 7 year economic cycle by 2 to 4% (after fees) annually. Sustainable Dividends invests in European companies, that demonstrate their engagement by making a positive contribution to the sustainability of our society. Stocks of these companies deliver value for both the world and investors. They will see their cash flows grow faster and experience increasing interest from investors. We choose 15 to 25 companies with a profitable business model, a strong balance sheet, regular dividend payments, and dedicated management teams. Our disciplined investment process couples outperformance with lower risk.

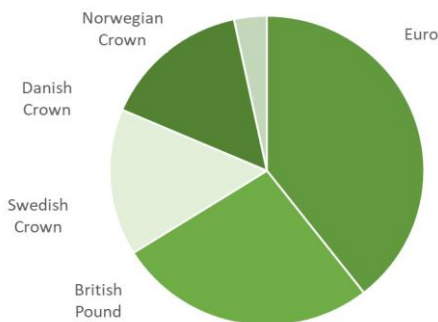
## Sector Allocation



## Geographical Allocation



## Currency Allocation



## Risk-Return Characteristics

Total Return	66.9%
Average Annual Return	8.1%
Standarddeviation Return	13.3%
Sharpe Ratio	0.64
Total Outperformance	16.7%
Average Annual Outperformance	2.4%
Tracking Error	7.3%
Information Ratio	0.33
Correlation Coefficient	0.86
Best Month (April 2020)	+11.7%
Worst Month (March 2020)	-9.6%
Maximum Drawdown	-17.4%

## Sustainable Dividends

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## Ascenders in the portfolio

Swedish Alfa Laval was the largest climber in the portfolio last month with a plus of 23%. This company is the most important producer of heat exchangers globally. These machines are being used in many different applications to save energy and get liquids or gasses at the right temperature. Alfa Laval presented excellent figures over the first half of this year and reported a strong increase of the order book. Another company showing significantly higher share prices – and our focus stock in the Q1 2022 report – was London listed Airtel Africa. The market leader in mobile telephony in 15 African countries announced the launch of an online bank in Negeria, which is their biggest market. This mobile bank will offer the customers a much cheaper alternative for wiring cash. Our expectations are that many clients of Airtel, who do not have a bank account elsewhere, will start using the new service over the next few quarters.

## Decenders in the portfolio

Like every month we also had a few decenders in the portfolio. The share price of Briths insurer Admiral fell by 15% after two competitors issued a profit warning. Admiral had already annouced that margis would go back to pre-corona levels during the presentation of the 2021 annual results. The high inflation is being translated into higher insurance premiums, however, it will take a year before all clients will pay those higher premiums after having renewed their contracts. As soon as this has happened, the share price of Admiral will recover. Norwegian telecom operator Telenor declined 11% after the company reported somewhat disappointing results over the first half of the year. For the full year 2022 management expects a slight increase in the revenues. However, margins are under pressure as for the time being Telenor is obliged by the Norwegian government to maintain both the new fiber network as well as the old copper network.

## Outlook

At present, the fund is invested in low-valued and well-managed companies with strong balance sheets. These companies are expected to generate growing profits and rising dividends for their investors in the coming years. The assets are spread over 19 shares of companies in seven countries and 14 different sectors. This ensures a sufficient degree of risk diversification. We have a clear preference for sectors that provide stable cash flows. Despite the fact that the current economic situation in the world brings some uncertainty, we believe that the shares of the companies in our fund currently offer a very good chance of an attractive return to long-term oriented equity investors.

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

