

SUSTAINABLE DIVIDENDS VALUE FUND

MONTHLY REPORT

JULY 2024

Core Facts

Fund price	134.19
Price last month	129.11
Monthly return (net)	3.9%
MSCI Europe month	1.2%
Return since inception (2016)	72.0%
MSCI Europe since 2016	78.4%

Return (net %)



Annual returns (net after fees %)



Fund Performance

A strong start to the earnings season and growing interest in small and mid-caps resulted in a 3.9% share price increase for investors in the Sustainable Dividends Value Fund in the month of July. Since the beginning of the year, the return of the fund now stands at 9.6%. Small and mid-caps have lagged sharply in the stock market in recent years. The prospect of a further decline in interest rates in the second half of the year has investors looking for lagging and sometimes severely undervalued stocks. The first step toward catching up was taken last month. Thus, small caps rose by 4.3% and mid-caps by 2.6%. Large caps lagged behind with an average price increase of 1.2%. The results season is now well under way and quite a few of our companies have published half-yearly figures. In a number of cases these results are better than expected and sometimes this is accompanied by an increase in expectations for the whole year. If these expectations come true, there is still plenty of room for a further rise in stock prices in the coming quarters. Since inception in 2016, we have now achieved a total return of 72% for our investors.

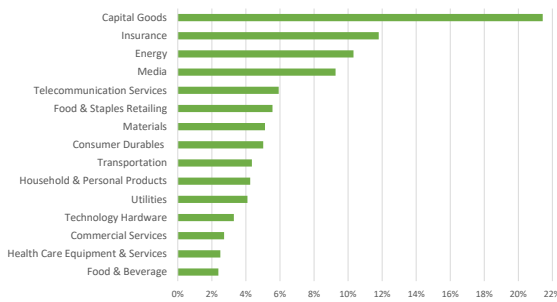
Strategy

Our fund selects companies with a predictable and profitable business model. Due to the strong focus on sustainability, companies that play an important role in, for example, the energy transition, recycling or the use of sustainable materials, will see their sales and earnings grow. At the same time, we expect these companies to receive more attention from investors, resulting in higher share prices in the future. A strong balance sheet, committed management, and regular, preferably growing, dividends are also important selection criteria for inclusion in the fund.

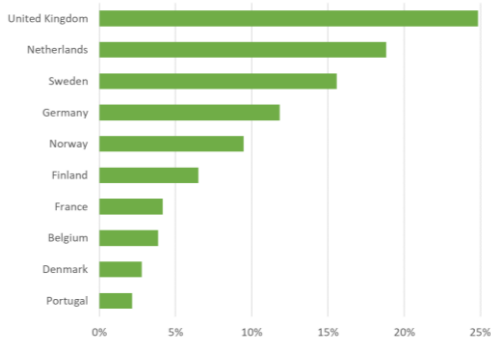
Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	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%	2.6%	-0.6%	2.3%	-2.5%	-2.3%	1.3%	-5.4%	-3.1%	-4.0%	5.6%	8.2%	5.6%
2024	-3.0%	2.9%	2.1%	1.2%	5.1%	-2.7%	3.9%						9.6%

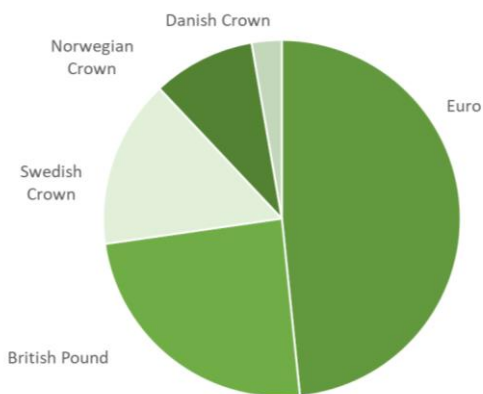
Sector allocation



Geographical allocation



Currency allocation



Risk-Return Characteristics

Total return	72.0%
Average annual return	6.5%
Standard deviation return	14.3%
Sharpe ratio	0.39
Total out-performance	-3.6%
Average annual out-performance	-0.4%
Tracking error	7.6%
Information ratio	-0.06
Correlation coefficient	0.85
Best month (April 2020)	+11.7%
Worst month (September 2022)	-11.5%

Sustainable Dividends

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Ascenders in the portfolio

Tomra, the Norwegian company which actively contributes to solving our waste problem, was the biggest riser in the past month. The share price of the manufacturer of bottle return and waste sorting machines rose a whopping 41% after the company reported better-than-expected figures for the second quarter. The transition to automated bottle collection in many European countries is expected to drive strong growth for the company in the coming years. British publisher Bloomsbury was the second-largest gainer with a 20% return, including share price gain as well as dividends. Analysts raised their expectations for revenues and profits for the company following the strong annual results and the recently announced acquisition of the academic titles of U.S. publisher Rowman & Littlefield. In addition, the stock has been included in the midcap index of the London Stock Exchange as of the first of August. This is creating additional interest in the stock from a new group of investors.

Descenders in the portfolio

Portuguese retailer Jeronimo Martins was the biggest decliner in the fund. The company reported lower margins due to rising staff costs and falling food prices. As a result, the share price went down 12% over the past month. We expect that over time the increased purchasing power of consumers will create increased demand. When this happens the sales and profitability of the group's supermarkets and drug stores will increase again. Another decliner was Sweden's SKF. The share price of the ball bearing manufacturer was 7% lower after the release of second quarter figures. The company chooses to maintain margins, even if this means that volumes are temporarily somewhat lower as a result. Our expectation is that declining interest rates in the coming quarters may lead to more investments by companies and, as a result, more demand for SKF's products.

Outlook

Currently, the fund is almost entirely (97%) invested in low-rated and well-managed companies with strong balance sheets. These companies are expected to provide growing profits and increasing dividends for their shareholders in the coming years. To ensure adequate risk diversification, the assets are divided among 23 stocks of companies in 15 sectors and 10 countries. We believe that our fund offers many opportunities for attractive returns to equity investors with long horizons.

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

