SUSTAINABLE DIVIDENDS VALUE FUND

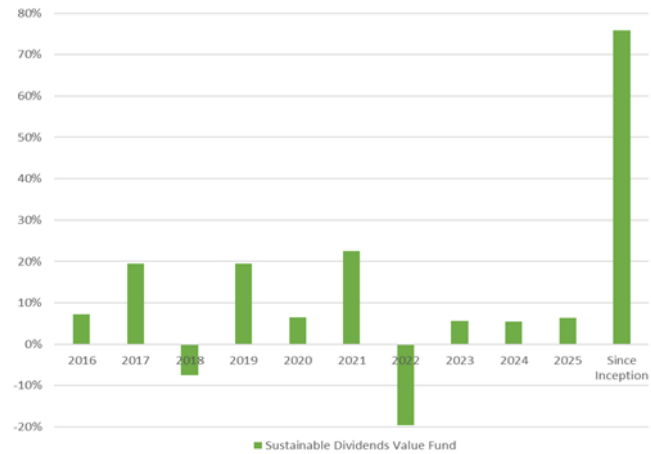
QUARTERLY REPORT FIRST QUARTER - 2025

Main Data

Current price	137.76
Price last quarter	129.03
Result quarter (net)	+6.0%
Result since inception (net)	+75.3%
ISIN Code	NL0012907976
Inception date	January 2016

Return (net %)

Annual return (net %)



Risk – return characteristics*

Total return	75.3%
Average annual return	6.3%
Standard deviation return	13.8%
Sharpe Ratio	0.40
Best month (April 2020)	+11.7%
Worst month (September 2022)	-11.5%

* Returns are calculated excluding the dividend tax to be reclaimed by the participant.

Fund performance

The annual earnings season is behind us and it is time to digest the numbers. The shares in our fund have shown strong results, with average profit growth over the last quarter of last year coming in at more than 20% compared to the same quarter a year earlier. The management teams of our companies have announced an average dividend increase of 18%. On the stock market, our shares were rewarded for this good news with a price increase of 6.0% in the first quarter. Since the fund's inception in 2016, the return now stands at over 75%.

Objective and strategy

The objective of the fund is to grow capital over the long term. The expectation is that, over a full economic cycle—typically a period of 5 to 7 years—the fund will outperform the market. In the fund, we select 20 to 25 shares of companies with a predictable and profitable business model, engaged management, regular dividend payments, and a strong balance sheet. The selected companies aim to make a positive contribution to the sustainability of our society.

Outlook

Although this message is primarily intended as a review of the past quarter, we cannot avoid saying something about the current unrest in the markets. The threat of a trade war between the United States and the rest of the world is causing a significant correction in the stock markets. We believe that investors with a long-term investment horizon can benefit from this by investing now in shares of companies with predictable cash flows and growing dividends. We are doing this ourselves by purchasing a number of stocks that have been on our watch list for some time. These stocks were previously perhaps a bit expensive, but now certainly worth buying. More on this in upcoming updates.

Sustainable Dividends

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SUSTAINABLE DIVIDENDS
value fund

Focus Stock: INIT – Complete Solutions for Public Transport

INIT, short for 'Innovation in Traffic Systems', is a German technology company that develops hardware and software for public transportation. This includes, for example, scheduling and route planning for buses, trams, and metro systems, as well as ticketing systems, information systems for passengers and drivers, and control systems for public transport network operators. The company offers all of this as a complete, integrated package on a global scale, ensuring that the various components work seamlessly together. Its customers are public transport providers in specific cities or regions. Originally a German company, INIT has been operating internationally since 1990, and now provides tailor-made systems to dozens of cities across Europe, the Americas, Asia, Australia, and the Middle East. Last year, INIT signed new long-term contracts with the metropolitan regions of London and Atlanta. This year, the new German government announced large-scale investments in infrastructure, among other areas. Both developments are expected to drive strong growth for INIT in the coming years.

Sustainability

For our fund, a sustainable business model is of great importance. A company must offer a product that will remain attractive for many years to come. That is certainly the case with INIT's systems. There is no doubt that INIT's products and services contribute to a better and more appealing public transportation system. The company provides solutions that help reduce environmental impact. In addition, improved public transport will lead to fewer people relying on their own cars. In this way, INIT contributes to sustainable cities and a pleasant living environment – one of the 17 Sustainable Development Goals of the United Nations.

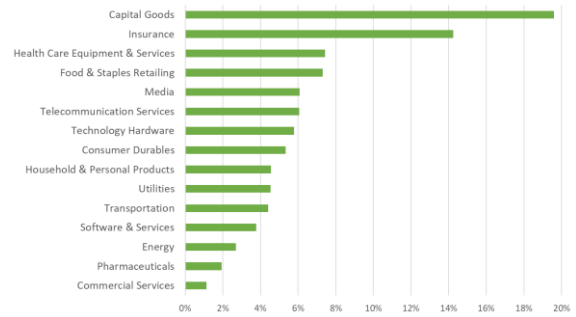
Dividends

INIT has limited debt on its balance sheet. Given the many contracts with a duration of ten to twenty years, a stable and growing cash flow is to be expected. This cash flow is more than sufficient to meet interest and repayment obligations in the coming years. There is also enough left over to pay shareholders of INIT a dividend that, while not high, is steadily growing. Since 2018, the dividend has increased by an average of more than 40% per year.

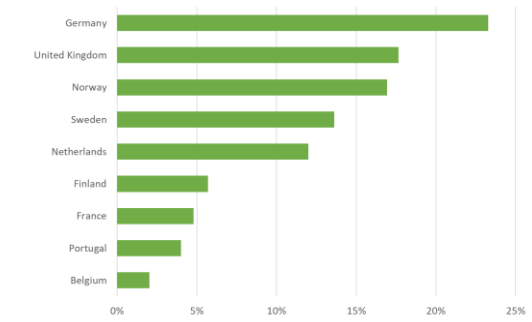
Risks and Valuation

At INIT, it is important to recognize that the company depends on government budgets. If other political parties with different priorities come into (local) power, there may be decisions to allocate less funding to public transport. However, the long-term contracts, often lasting ten years or more, ensure that the effects of this do not immediately reflect in INIT's financials. Like other technology companies, there is a risk that other parties may develop new, better software solutions. The INIT stock is attractively valued at about 10 times the expected cash flow, which is low for a growing company in this sector. With the new long-term contracts, we expect significant growth in revenue, profit, and dividends in the coming years.

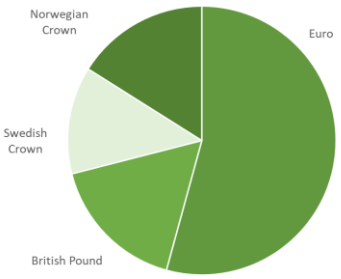
Sector allocation



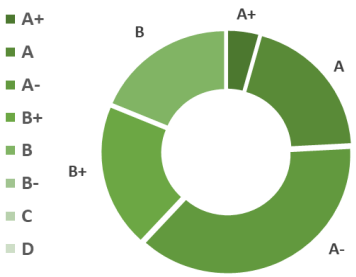
Geographic allocation



Currency allocation



ESG-allocation



Fund information

NAV	Monthly
Minimum investment	€ 100.000
Management fee	1%
Administration fee	0.15%
Performance fee	10%
Manager	Sustainable Dividends
Administrator	AssetCare
Custodian	Interactive Brokers/Saxo Bank
Bank	ABN AMRO

SUSTAINABLE DIVIDENDS
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Ascenders in the portfolio

Airtel Africa, listed in London, was the biggest gainer last quarter with a remarkable 46% jump in its stock price. The provider of mobile telephony, data, and mobile banking in 14 African countries reported strong figures for the third quarter of its 2024/2025 fiscal year. The number of customers increased by 8% compared to the previous year, and revenue per customer grew by 12%. With only 44% of the population in Africa owning a smartphone, there is still significant growth potential in the coming years. Finally, the upcoming listing of the 'mobile banking' division will draw additional positive attention to Airtel Africa. Norwegian technology company Norbit also saw gains. The stock of the sonar equipment specialist rose by 24%. The release of the annual results, which showed a sharply increased order book and significant growth in revenue and profit, sparked investor enthusiasm. The regular dividend is being raised by 29%, and the company will also pay a special dividend to shareholders. The company's management expects to see at least 80% growth in the coming years (until 2027).

Decliners in the past quarter

Fugro reported higher revenue and profit for 2024. The management increased the dividend by 88%. Despite this, the stock price dropped by 21% due to the expectation of a slowdown in the amount of work for soil investigations in both Europe and the United States for new offshore wind farms. The stock price of the British publisher Bloomsbury fell by 13% despite the publication of a positive trading update for the 2024/2025 fiscal year. The management indicated that analysts' expectations for the just-ended fiscal year were too low, prompting analysts to raise their profit estimates by about 5%. We believe this increase is still on the low side and are looking forward to the publication of the annual results in May with confidence.

How does the fund look like now?

At this moment, the fund – aside from a cash position of around 5% – is invested in companies that are expected to generate growing profits and rising dividends in the coming years. The assets are spread across 23 different stocks in 9 European countries. By selecting companies from 15 different sectors, sufficient risk diversification has been achieved. There is a clear preference for sectors that provide stable cash flows. With an average valuation of around 8 to 9 times the expected cash flow and a dividend yield of 4%, the stocks in our fund are currently very attractively valued.

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