

# SUSTAINABLE DIVIDENDS VALUE FUND



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DIVIDENDS  
value fund

## QUARTERLY REPORT

## SECOND QUARTER 2025

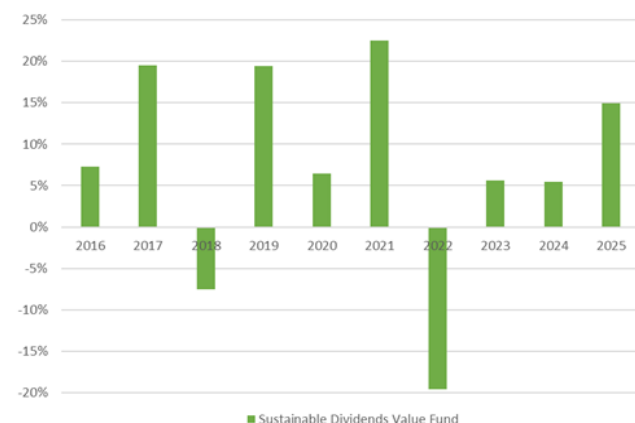
### Main Data

Current price	148.31
Price last quarter	137.76
Result quarter (net)	+8.4%
Result since inception (net)	+90.0%
ISIN Code	NL0012907976
Inception date	January 2016

### Return (net %)



### Annual return (net %)



### Risk – return characteristics\*

Total return	90.0%
Average annual return	7.0%
Standard deviation return	13.8%
Sharpe Ratio	0.44
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

Our companies' quarterly figures were generally well received by the market. On average, reported profit growth was over 30% compared to the same quarter a year earlier. On the stock market, our shares were rewarded for this good news with a price increase of 8.4% in the second quarter of the year. This means that investors in our fund will have achieved a 14.9% return on their investment in 2025. Since the fund's inception in 2016, the return has now reached 90%.

### Objective and strategy

The objective of the fund is to grow capital over the long term. Our goal is to outperform the market over a full economic cycle, which is typically a period of 5 to 7 years. In our 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.

### Market report and outlook

The threat of a trade war between the United States and the rest of the world still hangs like a dark cloud over stock markets. Nevertheless, prices have generally recovered from the sharp correction in late March and early April. However, we are seeing global investors shifting their focus more towards Europe. Within Europe, there is a group of consumers and investors who are consciously choosing European products and companies. Finally, major investment programs from national governments and the EU will generate substantial orders for European businesses in the coming years. All in all, there are many reasons to opt for a portfolio of European companies in the coming years.

### Sustainable Dividends

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## Focus Stock: Medistim – Indispensable for bypass surgery

The Norwegian medical technology company Medistim is the global market leader in specialized probes used in cardiovascular surgery. Medistim's equipment measures and visualizes patients' blood circulation during surgery. These are crucial tools for cardiac surgeons, particularly during bypass surgery. Medistim's probes significantly increase patients' chances of surviving the risky operation. However, they are still far from universally used. The alternative to patient monitoring is literally a surgeon's "finger on the pulse." Medistim has been around for over 40 years and continues to develop its products and their applications. Medistim's revenue and profit have grown in recent years, but its share price more than halved between 2021 and the end of last year. This decline was due to the rapid rise in interest rates during that period, fears that hospital budgets are under pressure, and the disappointing sentiment toward small caps in general. Meanwhile, sentiment around the stock is turning around. The company is significantly increasing margins by taking the distribution of its products into its own hands. Furthermore, the number of hospitals using Medistim products continues to grow. In the first quarter of this year, revenue and profit were at record highs.

### Sustainability and financial health

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. This certainly seems to be the case with Medistim's products. These products have been proven to increase the chance of patients surviving heart surgery. Medistim thus makes a significant contribution to Sustainable Development Goal 3: Promoting good health and well-being. Medistim has only one competitor and a global market share of over 80%. Because the probes are far from being used in all hospitals yet, there is considerable room for further growth in the coming years. Regarding the company's financial health, it's important to note that Medistim has no debt on its balance sheet, but instead has considerable cash available.



### Dividends and shareholder orientation

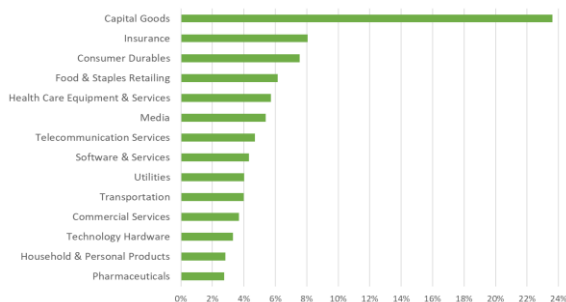
Medistim's management aims to pay shareholders an annual dividend, provided the profit isn't needed to finance the company's future growth. Over the past 20 years, the dividend has been increased almost every year. The average annual dividend increase was over 16%. These are impressive figures and demonstrate management's strong focus on shareholder interests. A share buyback program is also currently underway. Medistim's management owns 7% of the company's outstanding shares and purchased additional shares earlier this year. This ensures that the interests of shareholders and management are fully aligned.

### Risks and valuation

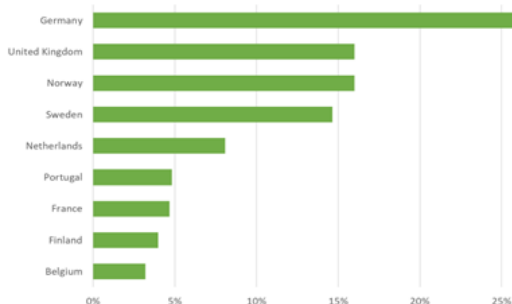
New competitors could potentially pose a risk to Medistim in the future. Quality assurance is particularly important for medical products. It's therefore good to know that Medistim's product meets all the necessary requirements. Furthermore, macroeconomic factors can influence hospitals' available budgets and thus Medistim's revenue. Finally, it's important to consider the share valuation. Medistim recently opened its own sales offices in several key markets, such as Canada, China, and Sweden. This eliminates the need for an expensive distributor. Naturally, some initial costs were incurred to make this possible. However, by handling sales themselves, margins will be significantly higher in the coming years. Going forward Medistim is expected to handle its distribution in more countries. Higher margins and more flexibility in hospital budgets will ensure significant profit growth for Medistim in the coming years. The current valuation of less than 13 times expected cash flow is surprisingly low for this medical technology company.



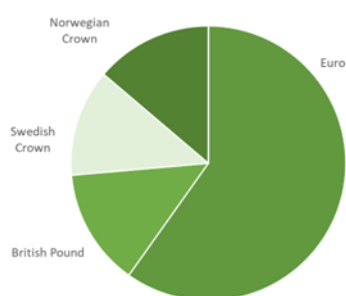
## Sector allocation



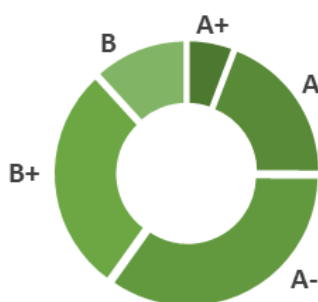
## Geographic allocation



## 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

## Ascenders in the portfolio

Norwegian technology company Norbit was by far the biggest gainer in our portfolio in the past quarter. Including the dividend, the share return was a remarkable 83%. The Norwegian sonar equipment manufacturer reported very strong figures, with revenues increasing by 29% and profits more than doubling compared to a year earlier. Management is optimistic about expected revenues in the second quarter due to the rapid growth of the order book. We believe that the targets for the full year 2025 will be revised upwards upon publication of the half-year figures in August. British Paypoint was another strong performer in the past quarter, with a return of 35%. The provider of financial technology to British retailers reported better-than-expected results for the 2024/2025 fiscal year ending March 31st. A higher dividend as well as a share buyback program were announced by the company. The management also presented an attractive strategic growth plan for the next three years.

## Decliners in the past quarter

The share price of British publisher Bloomsbury fell by 13% in the quarter following the publication of its annual results for the 2024/2025 financial year. The company reported higher revenues but a lower margin than in the previous record year. It is expected that the acquisition of large number of academic titles from American publisher Rowman & Littlefield will further increase revenues and profits in the current financial year. Swedish producer of heat exchangers Alfa Laval stood out with a loss of 7% over the quarter. Alfa Laval's order book showed clear signs of declining global economic activity at the time of the publication of its first-quarter results. Unfortunately, this weighed more heavily on investors than the healthy level of the profit figures.

## How does the fund look like now?

The assets in our fund are invested in undervalued, well-managed European companies with strong business models and healthy balance sheets. These companies are expected to generate growing profits and increasing dividends for their shareholders in the coming years. To ensure sufficient risk diversification, the assets are spread across 22 stocks in companies across 14 sectors and 9 countries. We believe our fund offers good opportunities for attractive returns for investors with a long-term investment horizon.

**Attention! This investment falls outside AFM supervision.  
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