

MANAGER COMMENT

Market Overview

The trade agreement between Mexico and the US pushed US equity indices like the S&P 500 and Nasdaq to all-time highs again in August. Nevertheless, trade woes are still a clear and present danger, as there is no agreement with Canada (yet) and Trump is threatening China with another USD200 billion of tariffs and also to pull out of the World Trade Organization. If that was not enough, he once again hit the EU and big technology companies. Stepping up his criticism of tech firms, Trump said they are favoring liberal points of view and they may be in a 'very antitrust situation'. Emerging market worries are alive and kicking. After Venezuela and Turkey, the latest setback is in Argentina, where the ARS' already dramatic fall worsened after the central bank lifted interest rates to 60%. This does not seem like a cocktail for all-time high indices, but corporate results broke records again and the bull market shows no signs of slowing down...

Performance

The fund (F share) outperformed the MSCI World Net Return Index by 3.09%. Year-to-date, the fund has advanced 20.41%, outpacing the benchmark by 12.20%.

What worked?

- Information technology was once again our strongest sector. Standouts were Hortonworks and Splunk. We had significantly increased our position in Hortonworks end of July, as the stock had tanked 15% on competitive fears. Subsequently, Hortonworks delivered blowout results, pushing the stock 30% higher in a few days. Splunk as well delivered another fantastic set of results. We later sold a significant stake in both stocks.
- Healthcare was strong. Teladoc and Amedisys had robust results. Moreover, CVS announced it has begun to introduce Teladoc's virtual visit offering in MinuteClinics across nine states and expects to offer it nationwide by year-end. Another sign of telemedicine going mainstream.

What hurt?

- Gaming stocks such as Electronic Arts announced a delay of the latest installment of Battlefield. Moreover, Netease suffered as the Chinese government is tightening its control over videogames, restricting the number of online games and limiting playtime for children.

Strategy & Outlook

We took an initial stake in Axogen, as we believe it is one of the few stocks worldwide boasting similar characteristics as our second best performer year-to-date, Abiomed. That is, a practically uncontested competitive position and an early start advantage in the rollout of its products. Axogen is pioneering off-the-shelf tissue products for nerve repair. We took an initial stake after the stock suffered a 30% decline due to issues with some of its distributors, a short-term issue that doesn't derail the long-term story in our opinion. With similar features to Amedisys, the best performer year-to-date, we welcomed Addus Homecare to the fund. Addus provides low skilled home care in the US. This fits one of our themes, the shift towards value-based healthcare. Homecare fits this theme, as it is generally much cheaper than facilities-based care and we see structural growth in this segment. We sold Euronext, as we believe this stock was less of a fit to our themes.

As a reminder, we only invest in companies that in our view will play a role in shaping society (consumers, corporations, governments and the environment) in the future. We have identified seven major themes we are looking to invest in: Nanotechnology, Ecology, Wellness, Generation Z, E-Society, Manufacturing 4.0 and Security. Hence, our name, NewGems. Also, we integrate sustainable Environmental, Social and Governance (ESG) Key Performance Indicators related to each theme into our investment process, as we are convinced that the analysis of ESG risks and opportunities should be part of any fundamental process.

(*) Morningstar Rating Overall

(**) Sustainability label awarded by the Luxembourg Finance Labelling Agency.

DPAM is signatory of the United Nations Principles for Responsible Investment (UN PRI).

Please read the important information at the end of this document.

DPAM Invest B Equities NewGems Sustainable - F

Institutional Factsheet | 31 August 2018

OVERVIEW

Asset Class	Equities
Category	World
Strategy	Active Strategy
Fund Of	DPAM Invest B
Legal Structure	SICAV
Domicile	Belgium
Reference Currency	EUR
Liquidity	Daily
Sub-fund launch	22.09.2006
First NAV date	08.12.2008
Countries notified for public sale	AT, BE, CH, DE, ES, FR, GB, IT, LU, NL
ISIN	BE0948502365
Entry Fee	Maximum 1%
Exit Fee	0%
Management Fee	0.75%
Ongoing charges	1.04%
Minimum investment	EUR 25'000
NAV (Capitalisation)	164.06
Assets (all classes)	mn EUR 128.95
Number of positions	80
	Fund
	Index

PERFORMANCES (%)

1 month	4.90	1.81
YTD	20.41	8.21
1 year	25.96	15.57
3 years annualised	13.36	10.52
5 years annualised	13.45	13.29
10 years annualised	-	-
	Fund	Index

PORTFOLIO CHARACTERISTICS

Gross dividend yield (%)	1.33	2.40
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INVESTMENT UNIVERSE

The fund invests mainly in equities and/or securities giving access to the capital of companies “of the future”, around the world, identified by the acronym NEWGEMS (they include trends and themes of activities related to nanotechnology, ecology, well-being, generation Z, E-society, Industry 4.0 and security) and selected on the basis of environmental, social and governance (ESG) criteria.

INDEX

MSCI World Net Return (since 31.07.2014)
Previous Index: MSCI World Energy

BREAKDOWNS (%)

Sectors	Fund	Index	Regions	Fund	Index
Information Technology	33.4	18.8	North America	53.9	65.7
Health Care	22.2	13.0	Europe ex-EMU	14.5	10.1
Consumer Discretionary	11.4	12.7	Japan	11.1	8.5
Industrials	10.8	11.3	EMU	9.5	11.4
Financials	9.7	16.9	Rest Of World	7.0	4.3
Materials	4.5	4.6	Cash	3.9	0.0
Consumer Staples	2.5	8.0			
Telecommunication Services	1.6	2.6			
Energy	0.0	6.2			
Real Estate	0.0	3.0			
Utilities	0.0	3.0			
Cash	3.9	0.0			

Top 10

Microsoft	2.5
Sony Corporation	2.4
Amazon Com	2.4
Alphabet A	2.3
Apple	2.2
Kerry Group	1.9
Agilent Technologies, Inc.	1.8
Medtronic Holding	1.7
Walt Disney	1.7
Nice Systems	1.7

Currencies

US Dollar	57.4	62.6
Euro	12.8	11.3
Japanese yen	11.1	8.5
Pound sterling	8.1	5.4
Swiss franc	2.2	2.9
Canadian dollar	2.2	3.4
Swedish krona	1.9	0.9
Norwegian krone	1.3	0.3
Danish krona	1.1	0.6
Korean won	1.0	0.0
Malaysian ringgit	0.9	0.0
Other	0.0	4.2

TOP 5 BEST CONTRIBUTORS & WORST CONTRIBUTORS

Top 5 Best Contributors	Contribution	Top 5 Worst Contributors	Contribution
Splunk Inc.	+0.35	Netease.com Inc-Adr	-0.14
Amedisys Inc	+0.35	Banco Santander SA	-0.14
Hortonworks	+0.33	Electronic Arts Inc.	-0.12
Cyber-Ark Software	+0.30	Corbion	-0.11
Teladoc	+0.30	Johnson Matthey Plc	-0.09

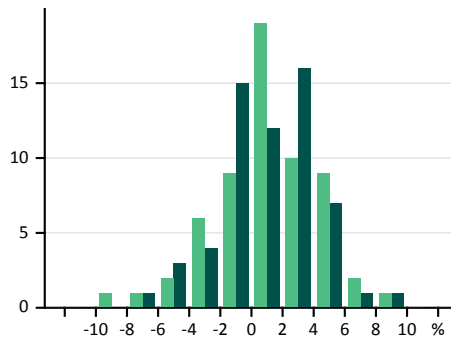
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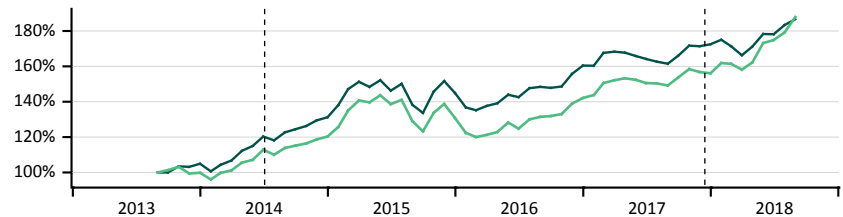
Reference Currency EUR | Observation Period - 5 years

— Fund — Index

DISTRIBUTION OF MONTHLY RETURNS



CUMULATIVE PERFORMANCE



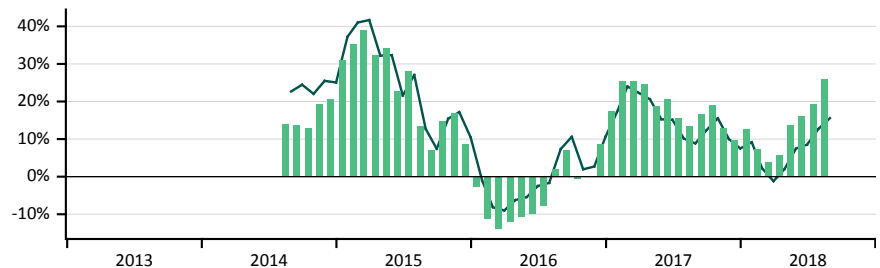
--- Change in investment policy (04.07.2014, 15.12.2017)

July 4, 2014: Change in the investment policy from equities related to the energy sector to global equities.
December 15, 2017: Change in the investment policy from global equities to equities giving access to the capital of companies "of the future", around the world, identified by the acronym NEWGEMS
Following these changes the past performances were achieved in circumstances which are no longer valid.

STATISTICS

		Fund	Index
Volatility	%	11.47	10.66
Sharpe Ratio		1.18	1.26
Downside Deviation	%	6.79	6.03
Sortino Ratio		2.00	2.22
Positive Months	%	68.33	61.67
Maximum Drawdown	%	-16.44	-12.17
Risk-Free Rate		-0.18%	

12-MONTH ROLLING RETURNS

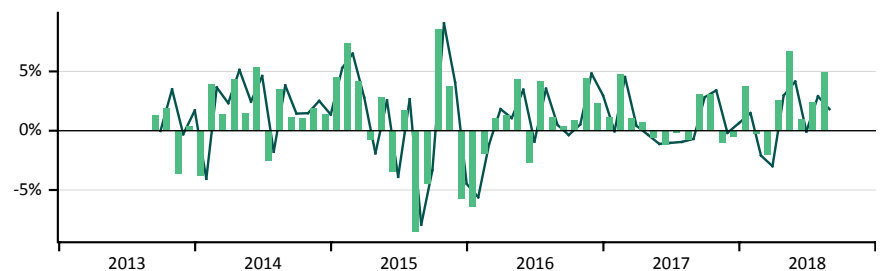


FUND VERSUS INDEX

Correlation		0.943
R ²		0.889
Alpha	%	0.00
Beta		1.015
Treynor Ratio	%	13.36
Tracking Error	%	3.82
Information Ratio		0.040

Index: MSCI World Net Return (since 31.07.2014)
Previous: MSCI World Energy

MONTHLY RETURNS



MONTHLY RETURNS IN %

	2014		2015		2016		2017		2018	
	Fund	Index	Fund	Index	Fund	Index	Fund	Index	Fund	Index
January	-3.79	-4.05	4.52	5.29	-6.40	-5.61	1.16	-0.05	3.71	1.48
February	3.89	3.65	7.37	6.50	-1.93	-1.16	4.72	4.52	-0.26	-2.09
March	1.41	2.32	4.20	2.80	1.04	1.82	1.04	0.41	-2.02	-2.99
April	4.31	5.13	-0.76	-1.91	1.31	1.07	0.75	-0.33	2.56	2.96
May	1.50	2.46	2.85	2.56	4.34	3.46	-0.56	-1.11	6.74	4.15
June	5.35	4.61	-3.47	-3.89	-2.66	-0.92	-1.23	-1.03	1.01	-0.07
July	-2.51	-1.78	1.72	2.66	4.19	3.54	-0.14	-0.95	2.43	2.90
August	3.48	3.82	-8.53	-7.92	1.10	0.49	-0.76	-0.69	4.90	1.81
September	1.16	1.44	-4.48	-3.32	0.35	-0.37	3.06	2.82		
October	1.06	1.48	8.53	9.06	0.85	0.53	3.05	3.40		
November	1.94	2.52	3.73	4.07	4.44	4.82	-1.03	-0.18		
December	1.42	1.36	-5.75	-4.48	2.29	2.98	-0.47	0.64		
Year	20.55	25.06	8.66	10.42	8.69	10.73	9.81	7.51	20.41	8.21

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