

# DPAM Capital B Equities EMU Behavioral Value - B

Institutional Factsheet | 31 May 2019

Morningstar ★★ ★ (\*)

## MANAGER COMMENT

### Market Overview

In May, profit-taking swept across all markets after their strong run year-to-date. Overbought at the onset of the month, equities fell after Trump's tone unexpectedly harshened regarding trade tariffs and China threatened to retaliate. Potential taxation of European automakers and surprise taxation on Mexican imports turned the market into full risk-off mode. The cyclical sectors (materials, automobile or financials) were hit the most, while bond yields hit historically low levels, helping bond proxies such as utilities, real estate or staples to outperform.

As far as styles were concerned, the value and small-caps suffered the most, while unsurprisingly, the low volatility, growth and quality styles held up better.

### Performance

The fund (F share) lost 6.88% and trailed the MCSI EMU Net Return Index by 1%, mainly impacted by its stock selection in industrials and consumer discretionary, although technology and communication services helped slightly.

### What worked?

- In semiconductors, avoiding Infineon and investing in ASM International and NXPI turned out to be beneficial as this sector was hit the hardest by the US-China trade dispute.
- In software, Atos outperformed, while darling stocks such as Dassault Systems and Amadeus retreated. In communications, Eutelsat was slightly helpful too.
- In banks, Banco Comercial Portuguese outperformed. Also, avoiding Italian and some low-quality names was beneficial.
- Other top individual contributors included the underweights in Kering, BASF, Bayer, ArcelorMittal or Deutsche bank and overweights like Coca-Cola European Partners, Iliad, HeidelbergCement or airport operator Fraport.

### What hurt?

- The most detrimental stock selection was in industrials, as Kion, Rexel, Vinci, Saint-Gobain, Prysmian or Siemens Gamesa Renewable were hit hard by the market's shift in sentiment that punished cyclicals. The underweight in Siemens was also detrimental.
- Deutsche Lufthansa and construction operator Spie also weighed.
- The second biggest detrimental industry was autos, as missing Ferrari and investing in Daimler cost us some relative performance.
- Still in consumer discretionary, missing Adidas was detrimental and in materials, the overweights in Solvay and Arkema and underweight in Air Liquide were painful.
- Other individual negative contributors were Henkel, Saipem, SEB or NN Group.

### Strategy & Outlook

The fund opened a position in VoestAlpine and reduced Imerys and Aurubis. It initiated a position in Siemens again and sold Ryanair. In food retailing, Casino was added back, as uncertainties surrounding mother company Rallye dissipated. In financials, we sold Natixis and bought Exor, a company that could benefit from a potential merger between Renault and Fiat. Finally, in communications, we took profits on Iliad and replaced it with Telecom Italia. Also, Vivendi was scrapped and ProSieben initiated.

Going forward, the investment strategy will continue to be guided by the strict and disciplined implementation of the proprietary value and earnings momentum screenings within each industry group. The goal is to stay fully invested (maximum 3% cash), diversified across each sector and industry group and respectful of the buying and selling discipline of the process.

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## OVERVIEW

Asset Class	Equities
Category	EMU
Strategy	Active Strategy
Fund Of	DPAM Capital B
Legal Structure	SICAV
Domicile	Belgium
Reference Currency	EUR
Liquidity	Daily
Sub-fund launch	02.10.2001
First NAV date	13.02.2002

Countries notified for public sale

AT, BE, CH, DE, ES, FR, IT, LU

ISIN	BE0948777207
Entry Fee	Maximum 2%
Exit Fee	0%
Ongoing charges*	1.29%
*included management fee	1.00%
Minimum investment	1 share
NAV (Capitalisation)	96.76
Assets (all classes)	mn EUR 627.15
Number of positions	91

	Fund	Index
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## PERFORMANCES (%)

1 month	-6.93	-5.88
YTD	8.96	10.76
1 year	-9.43	-3.77
3 years annualised	3.79	5.57
5 years annualised	3.14	4.08
10 years annualised	7.01	7.33

	Fund	Index
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## PORTFOLIO CHARACTERISTICS

Gross dividend yield (%)	4.03	3.77
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## INVESTMENT UNIVERSE

The fund invests mainly in listed equities (without sector limitation) from the European Union member countries participating in the European Monetary Union (EMU). The investment policy embraces the principles of Behavioral Finance, a psychology-based academic field that analyses the financial markets. The fund invests in equities which are deemed undervalued and exhibit a good price momentum. The fund will continue to widely spread the risks, mainly by a large sector diversification.

## INDEX

MSCI EMU Net Return

## BREAKDOWNS (%)

Sectors	Fund	Index	Countries	Fund	Index
Financials	16.6	17.2	France	44.3	34.8
Industrials	14.8	15.0	Germany	14.8	27.5
Consumer Discretionary	12.5	13.2	Netherlands	10.3	11.8
Consumer Staples	11.3	11.2	Spain	8.3	9.5
Information Technology	9.7	9.6	Italy	6.1	7.1
Health Care	7.3	7.2	Belgium	6.0	3.1
Materials	6.8	6.8	Austria	2.9	0.7
Energy	6.5	5.7	Finland	2.7	3.2
Utilities	6.2	6.2	Ireland	1.7	1.7
Communication Services	5.2	5.6	Portugal	1.6	0.5
Real Estate	1.9	2.2	Cash	1.2	0.0
Cash	1.2	0.0			

## Top 10

LVMH	3.8
Total	3.0
Sanofi	2.8
Banco Santander SA	2.7
Anheuser Busch Inbev	2.5
Axa S.A.	2.3
Danone	2.3
Essilor	2.1
Daimler	2.0
Schneider Electric	2.0

## Currencies

	Fund	Index
Euro	98.6	98.9
US Dollar	1.4	1.1
Swiss franc	0.0	0.0

## TOP 5 OVERWEIGHTS & UNDERWEIGHTS

Top 5 Overweights	Active weight	Top 5 Underweights	Active weight
Henkel Ag & Co. Kga	+1.52	SAP AG	-2.90
Essilor	+1.36	Allianz	-2.25
LVMH	+1.27	Unilever NV	-2.10
Ingenico	+1.25	ASML Holding	-1.92
Asm International	+1.25	Airbus Group	-1.79

## TOP 5 BEST CONTRIBUTORS & WORST CONTRIBUTORS

Top 5 Best Contributors	Contribution	Top 5 Worst Contributors	Contribution
BASF	+0.16	Daimler	-0.22
Ing Group	+0.10	Adidas Nom	-0.18
Infineon Technologies	+0.10	BNP Paribas	-0.17
Coca-Cola European Partners Plc	+0.10	Solvay	-0.15
Intesa Sanpaolo (ord)	+0.09	Unilever NV	-0.13

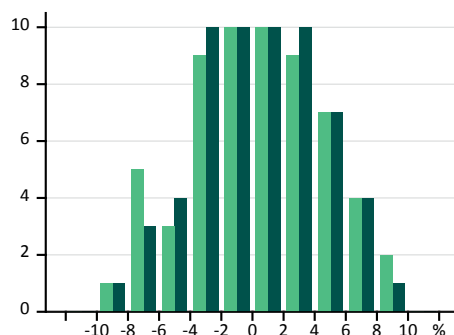
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Reference Currency EUR | Observation Period - 5 years

— Fund — Index

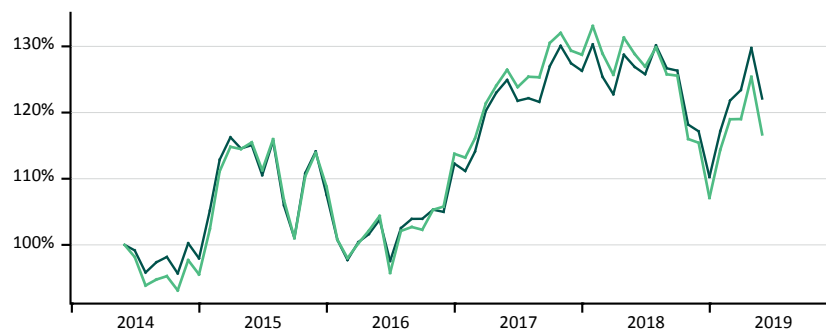
## DISTRIBUTION OF MONTHLY RETURNS



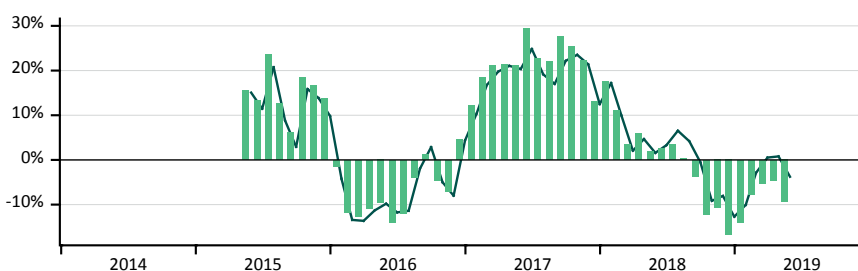
## STATISTICS

		Fund	Index
Volatility	%	14.69	13.92
Sharpe Ratio		0.23	0.31
Downside Deviation	%	9.82	8.96
Sortino Ratio		0.34	0.48
Positive Months	%	53.33	53.33
Maximum Drawdown	%	-19.51	-16.09
Risk-Free Rate -0.26%			

## CUMULATIVE PERFORMANCE



## 12-MONTH ROLLING RETURNS

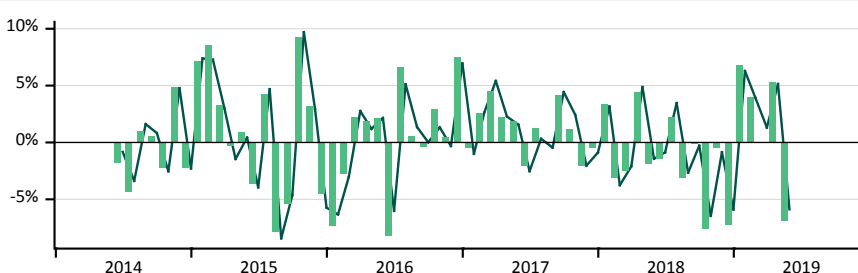


## FUND VERSUS INDEX

Correlation		0.984
R <sup>2</sup>		0.968
Alpha	%	-0.08
Beta		1.038
Treynor Ratio	%	3.26
Tracking Error	%	2.69
Information Ratio		-0.309

Index: MSCI EMU Net Return

## MONTHLY RETURNS



## MONTHLY RETURNS IN %

	2015		2016		2017		2018		2019	
	Fund	Index	Fund	Index	Fund	Index	Fund	Index	Fund	Index
January	7.16	7.39	-7.35	-6.33	-0.50	-1.00	3.36	3.16	6.79	6.29
February	8.54	7.28	-2.78	-3.03	2.57	2.63	-3.13	-3.76	4.03	3.94
March	3.33	3.01	2.26	2.76	4.56	5.41	-2.48	-2.11	0.03	1.31
April	-0.29	-1.45	1.93	1.20	2.21	2.28	4.46	4.87	5.35	5.14
May	0.88	0.43	2.17	2.15	1.92	1.56	-1.88	-1.43	-6.93	-5.88
June	-3.65	-3.94	-8.24	-6.02	-2.07	-2.53	-1.48	-0.87		
July	4.22	4.69	6.62	5.11	1.27	0.32	2.28	3.46		
August	-7.90	-8.43	0.58	1.35	-0.07	-0.46	-3.12	-2.66		
September	-5.40	-4.63	-0.40	0.01	4.14	4.43	-0.17	-0.28		
October	9.23	9.70	2.95	1.32	1.16	2.43	-7.62	-6.45		
November	3.21	2.94	0.46	-0.31	-2.03	-2.03	-0.49	-0.86		
December	-4.49	-5.73	7.54	6.95	-0.48	-0.89	-7.22	-5.89		
Year	13.87	9.82	4.57	4.37	13.17	12.49	-16.81	-12.70	8.96	10.76

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