

# Expertise in European equities

DPAM B Real Estate EMU Dividend Sustainable

DPAM B Real Estate EMU Sustainable

DPAM B Real Estate Europe Dividend Sustainable

DPAM B Real Estate Europe Sustainable

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# DPAM



**Active  
Asset Manager**



**Sustainable  
Actor**



**Research  
Driven**



An independent active asset manager part of a **Group with its origins in 1871**



Sustained dedication to **responsible investments** since 2001. Active ownership and ESG across asset classes and themes



**Experienced management teams** supported by in-house buy side research team



**Performance-driven active management**, centralized in Brussels



**Proprietary** fundamental and quantitative research provided by in-house credit, equity, ESG and SRI analyst teams



**Client-driven**, creating long-term partnerships with our customers with an international network of 8 local offices across Europe

# Agenda



## Why

Strategy  
Highlights

Portfolio  
Characteristics

Outlook

Appendix



# Why European listed real estate?



**Attractive risk-return proposal**  
featuring solid fundamentals



**Diversification** across asset classes adds value to portfolio



More **efficient and liquid**  
than direct real estate



Opportunity to **diversify** across countries, regions and subsectors



# Why sustainable?



**Climate change** is increasingly important for the real-estate sector



Real estate sector is **among largest emitters of greenhouse gasses** globally



Energy-efficient building and construction is **cost effective** and substantially **alleviates man-made greenhouse gas emissions**



A sustainability approach prioritises **ESG criteria with high financial materiality**

# Agenda



Why

**Strategy  
Highlights**

Portfolio  
Characteristics

Outlook

Appendix



# Investment Essentials

Performance can be achieved by actively exploiting local factors and sub-markets that drive property markets



## Listed real estate

Listed Europe/EMU property shares active in the various sub-sectors (*offices, retail, residential, logistic warehouses, etc.*)



## Actively sustainable

Sustainable negative screening and proprietary scorecard on ESG



## Bias under-researched mid caps

Quality-growth and low-volatility companies generate a significant portion of alpha



## Dynamic and proactive

management style maximises 'total shareholder return'



## In-depth research

multiple levels, with support from a variety of experts that interact with portfolio managers





# Benchmark

## Europe

## Emu



DPAM B Real Estate Europe  
Dividend Sustainable:  
**FTSE EPRA/NAREIT  
Developed Europe Net Return**

DPAM B Real Estate EMU  
Dividend Sustainable:  
**FTSE EPRA/NAREIT  
Eurozone Capped Net Return**



DPAM B Real Estate Europe  
Sustainable:  
**GPR Europe UK 25% Capped**

DPAM B Real Estate EMU  
Sustainable:  
**FTSE EPRA/NAREIT  
Eurozone Capped Net Return**



**Actively managed funds**, the portfolio manager does not aim to replicate the performance of a benchmark

**Actively managed funds**, the portfolio manager does not aim to replicate the performance of a benchmark.



The **benchmark** is used to compare performance. The selection and weighting of the assets in the fund's portfolio may differ.

The **benchmark** is used to compare performance and to select a large part of the portfolio.



# Investment process overview

## 01

**Top-down countries and sectors selection**

- Trends
- Local factors
- Sub-markets

## 02

**Sustainable negative screening**

- Normative ESG screening
- ESG controversies
- Controversial activities

## 03

**Bottom-up stock selection**

- In-depth financial analysis
- Quality of management
- Corporate strategy
- Structural market trends

## 04

**Qualitative ESG approach**

- Sustainable Impact
- Key ESG risks
- Corporate governance analysis

## 05

**Portfolio construction**



01

# Top down countries & sectors selection

Identifying **the trends** in the various European/EMU property markets

Property markets are still primarily driven **by local factors**

Based on fundamentals of each sub-market portfolio, managers will select the best companies to invest in



Country



City



**Type of real estate**

(offices, retail, logistics, residential ...)



# 02

# Sustainable negative screening

## Our sustainable screening

Based on 3 pillars

### Normative ESG screening

UN Global Compact Principles

Exclusion of non compliant companies

### ESG Controversies



Exclusion of companies with level 5 controversies

Level 4 ESG controversies, Level 3 ESG controversies with a negative outlook are analysed in the Responsible Investment Steering Group

### Controversial Activities

#### Formal exclusion:

- Controversial armaments
- Nuclear weapons
- Tobacco
- Gambling
- Adult entertainment
- Alcohol
- Thermal coal extraction
- Unconventional oil & gas extraction
- Conventional oil & gas extraction
- Electricity generation from fossil fuels
- Nuclear energy



# 8+

# SFDR Article

The fund promotes a combination of environmental and social characteristics and invests partly in assets with a sustainable investment objective as defined by SFDR. More product-specific ESG information can be found on: (<https://www.funds.dpaminvestments.com>)

## SFDR Positioning:

### Linking existing processes with regulatory concepts & frameworks

#### Responsible investment



ESG integration



Active ownership



Basic negative screening



Normative Screening



Negative Behaviour Screening

Inclusion in investment decisions (PAI)

Influencing behaviour

Exclusions based on activity

Compliance with global standards

Exclusion of severe controversial behaviour (min. social & gov. safeguards)

#### Transition • Sustainable • Impact investment



Extensive negative screening



Positive screening Best in class



Sustainability Themes



Impact Framework

Extensive exclusions based on activity

Best in class, best approach Scorecards (PAI)

In-Depth Qualitative Analysis

GIIN based proprietary impact



#### Sustainability risks





03

# Bottom up stock selection

In-depth financial analysis

## A proprietary valuation model

01

**Screening** on cash-flow, dividend yields, asset values, and their **sustainability** and capacity to grow

02

**Stock selection:** maximises Total Shareholder Return (dividend yield + NAV growth (%)) on a 3-year forward-looking basis)

03

Considering **companies'** ESG-related **strengths** and **opportunities**



Criteria to assess:



**Quality of management**

Sustainable dividend distribution policy and a healthy growth in cash flow and NAV per share



**Corporate strategy**

Communication on material ESG matters



**Structural market trends**



04

# Qualitative ESG approach

ESG scorecards are produced for all real-estate companies in the portfolio

Based on a set of sustainable KPIs tailored to each company



The **Sustainable Impact section**: the exposure of a company's range of products or services to sustainability trends (e.g. the energy transition), which may constitute sustainability opportunities for the companies. In practice, for real-estate companies, the analysis is mostly about the exposure of its real-estate portfolio to green buildings and highly energy-efficient buildings, and in some specific cases about the exposure to medical nursing homes;



The **key ESG risks section** assesses the company on its key ESG risk themes (e.g. climate change transition & physical risks, commercial practices and quality of product & services; human resources & talent management; anti-corruption policy; etc.) and the related KPIs. In short, this section analyses how sustainable and responsible the company's operational management practices are;



Analysis of the company's **Corporate Governance**



05

# Portfolio construction

The objective is to build a balanced and diversified portfolio in terms of countries, sub-sectors and business models



Diversified across market caps with a mid-cap bias



Active stock picking, no equal weighting



Diversified across sub-sectors and countries



Benchmark providers: FTSE/EPRA and GPR



Target tracking volatility and information ratio



Fully invested (max 5% cash)



No hedging





# Investment Process and Risk Control

Risk Management at all Levels

Level





# Portfolio Management

## Listed Real Estate Team



**Olivier Hertoghe**  
Fund manager

Industry: 37 Years  
**DPAM: 24 Years**

Olivier joined DPAM in 2000 as a Fund Manager for sustainable European listed real estate. He started his career in 1987 as a Junior Auditor for BBKS & Co before going on to work in roles such as Director at Anvers Finance, Senior Loan Officer at AnHyp and Finance Officer at Banimmo. He holds a Master's in Business Engineering from the University of Leuven.



**Damien Marichal**  
Fund manager

Industry: 31 Years  
**DPAM: 18 Years**

Damien joined DPAM in 2006 as a Fund Manager for sustainable European listed real estate. He started his career in 1993 at Puillaetco as Sell-Side Equity Analyst before moving to Petercam as a Sell-Side Equity Analyst going on to work in financial control for the Petercam Group. He holds a Master's in Business Engineering from Solvay Brussels School of Economics and Management. He is a certified European Financial Analyst from CEFA.



**Vincent Bruyère**  
Fund manager

Industry: 30 Years  
**DPAM: 17 Years**

Vincent joined DPAM in 2007, as a Fund Manager for sustainable European listed real estate. He started his career in 1994 at CBC Bank as a Member of the Investment Committee before going on to work in Institutional Fixed Income Sales at ING and then as CFO for Curalia pension fund. He holds a Master's in Economics and Social Sciences from the University of Namur, a Master's in Economics from the University of Brighton and a Master's in General Management from Solvay Brussels School of Economics and Management. He is a CFA charterholder.



**Carl Pauli**  
Real Estate Analyst

Industry: 6 Years  
**DPAM: 3 Years**

Carl joined DPAM in 2021 as an Equity Analyst for the real estate strategy, later becoming a Fund Manager for European listed real estate. He started his career in 2017 at ZERI as a Blue Economy Analyst before moving to Euroclear Bank as a Credit Specialist. He holds an Advanced Master's in Financial Markets (highest honours, top of the class) from Solvay Brussels School of Economics and Management and a Master's of Science in Business Economics from the Free University of Brussels (summa cum laude, top of the class).

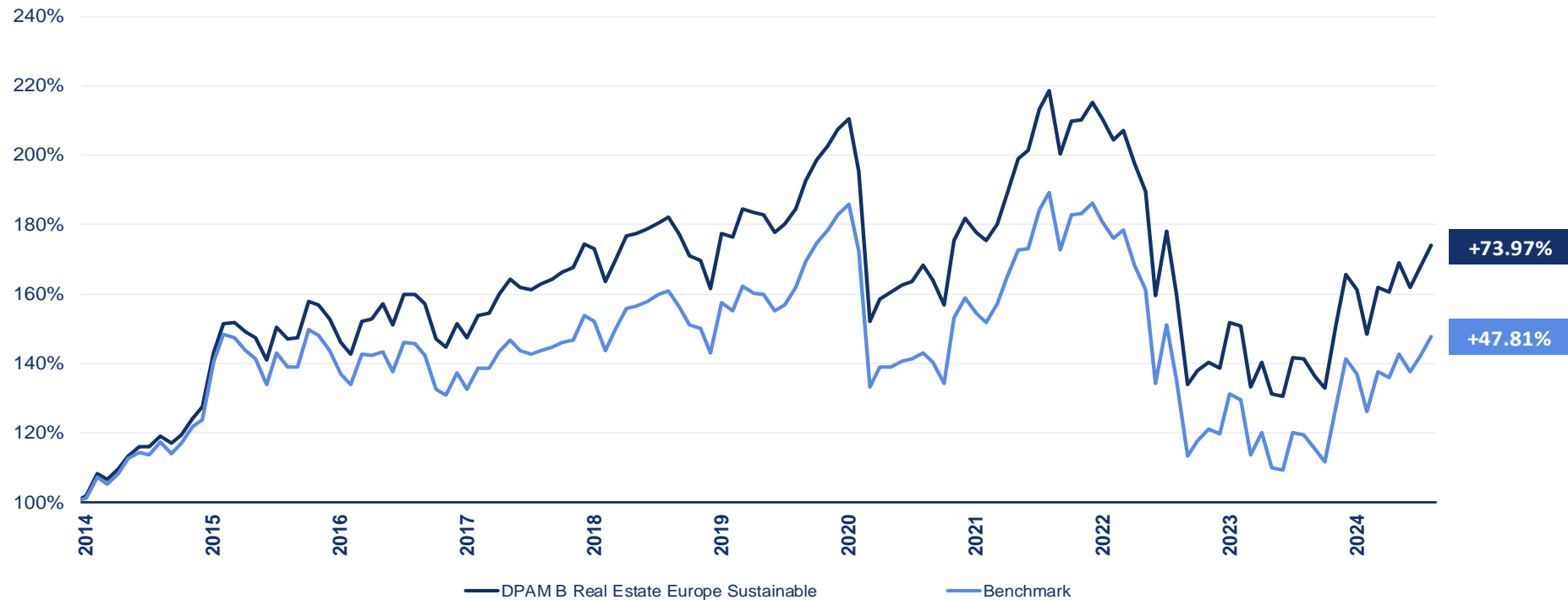


# 10-year fund performance

DPAM B Real Estate Europe Sustainable (F-share)



Past performance does not predict future returns



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
<b>Fund</b>	27.34%	19.88%	-0.72%	15.00%	-7.41%	28.59%	-12.45%	18.47%	-35.66%	19.64%	5.02%
<b>Benchmark</b>	23.71%	16.02%	-4.39%	12.02%	-6.97%	27.84%	-13.04%	17.15%	-35.69%	17.96%	4.61%



# Fund performances

DPAM B Real Estate Europe Sustainable (F-share)



*Past performance does not predict future returns*

## Fund performances (%)

	Portfolio	Benchmark
1M	3.87	4.11
YTD	5.02	4.61
1Y	23.17	23.78
3Y (annualised)	-7.31	-7.91
5Y (annualised)	-1.16	-1.81
10Y (annualised)	3.87	2.61



# Fund metrics and risk ratios

DPAM B Real Estate Europe Sustainable (F-share)

AuM

EUR 476 million

## Fund versus benchmark (5 years)

	Portfolio
Correlation	0.996
R <sup>2</sup>	0.992
Alpha	0.04%
Beta	0.95
Treynor Ratio	-2.17%
Tracking Error	2.5%
Information Ratio	0.13

## Portfolio summary

	Portfolio
Number of Positions	53
Base currency	EUR

## Statistics (5 years)

	Portfolio	Benchmark
Volatility	23.52%	24.78%
Sharpe Ratio	-0.09	-0.11
Downside Deviation	18.03%	18.76%
Sortino Ratio	-0.11	-0.14
Positive Months	56.67%	56.67%
Maximum Drawdown	-40.26%	-42.19%

Risk-Free Rate 0.9%

## Gross dividend yield (%)

	Portfolio	Benchmark
Gross Dividend Yield	3.44	3.28



# Top 10 largest holdings

DPAM B Real Estate Europe Sustainable

Top 10	Portfolio weight (%)
VONOVIA	9.44
UNIBAIL-RODAMCO	6.65
LEG IMMOBILIEN	5.05
SEGRO (REIT)	4.27
MERLIN PROPERTIES SOCIMI SA	3.92
SWISS PRIME SITE	3.57
PSP SWISS PROPERTY (NOM)	3.38
KLEPIERRE	3.13
COVIVIO	2.85
GECINA	2.79



# Portfolio changes (3 months)

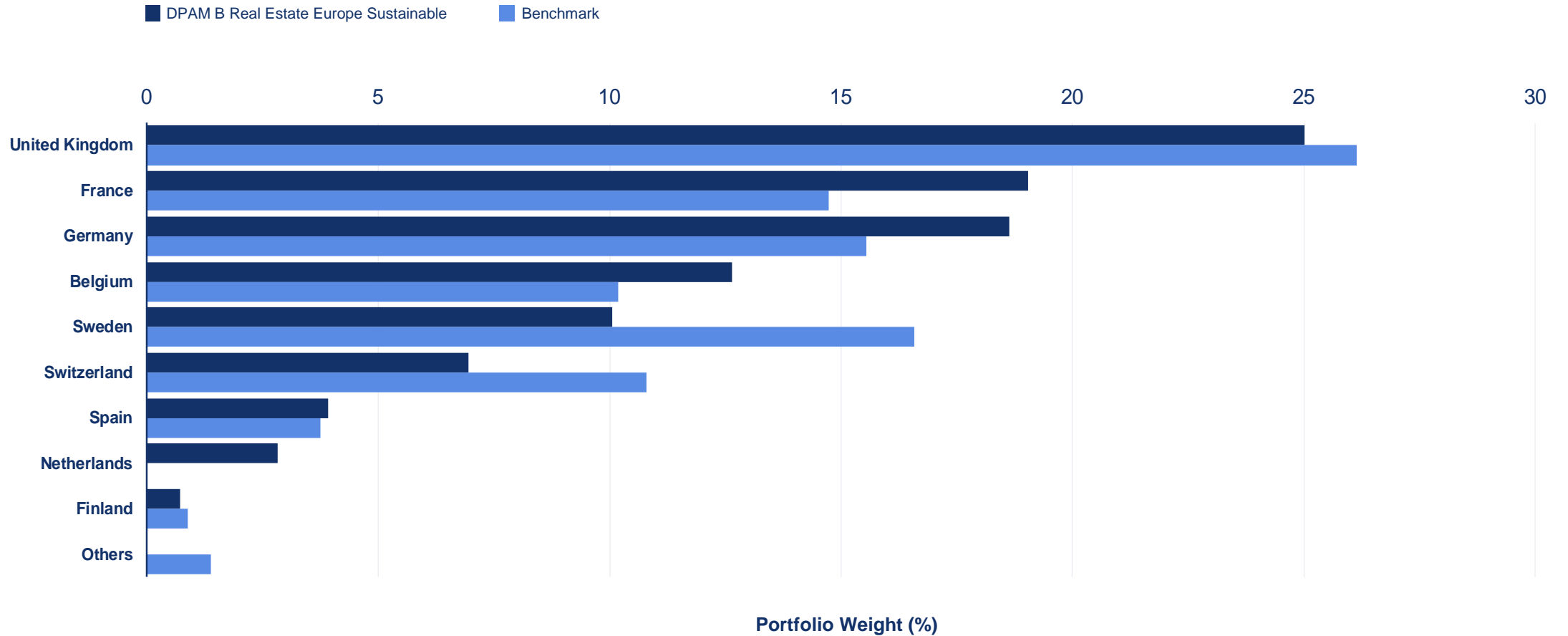
DPAM B Real Estate Europe Sustainable

Additions to the fund	Removals from the fund
KOJAMO	HAMMERSON PLC
SWEDISH LOGISTIC PROPERTY-B	WAREHOUSE REIT - REGISTERED SHS
	WERELDHAVE NV



# Country breakdown

DPAM B Real Estate Europe Sustainable







# Market cap breakdown

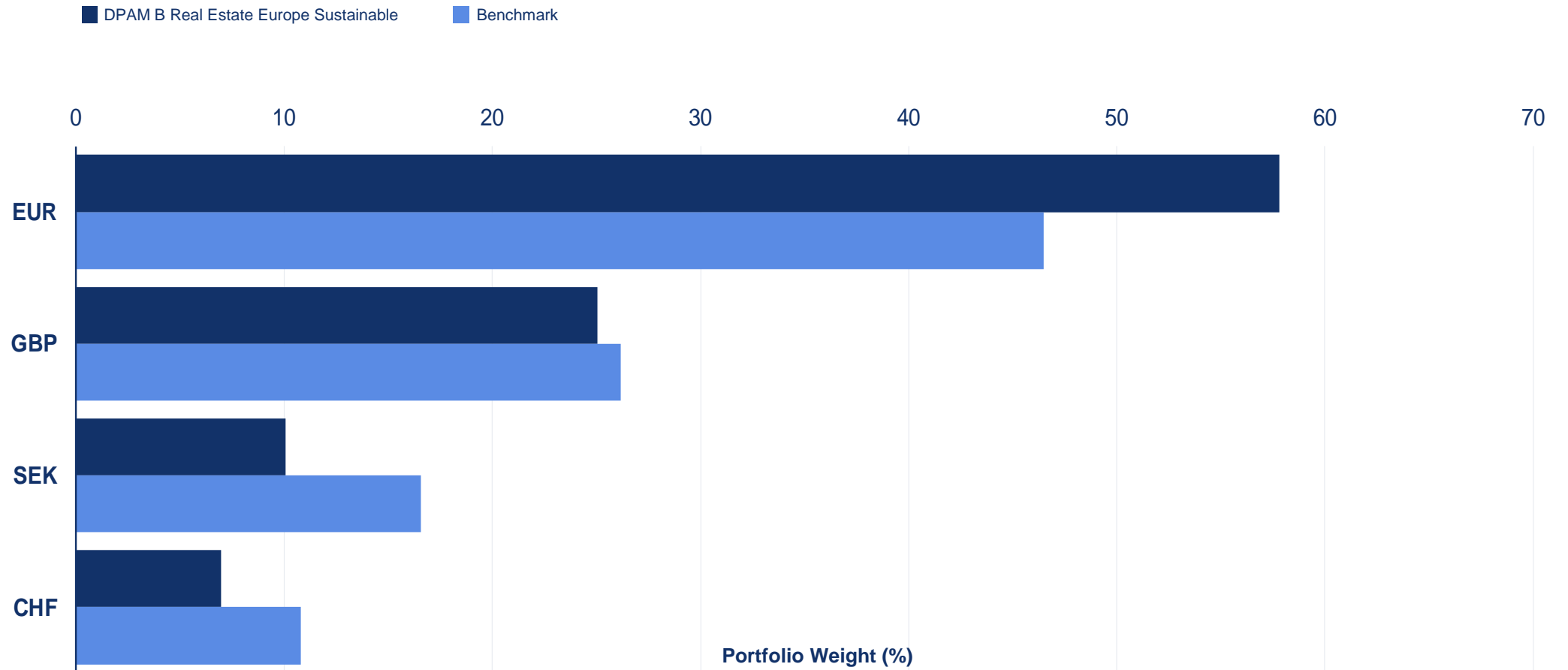
DPAM B Real Estate Europe Sustainable





# Currency breakdown

DPAM B Real Estate Europe Sustainable





# Risks

DPAM B Real Estate Europe Sustainable



**Capital risk**  
*High*



**Concentration risk**  
*High*



**Liquidity risk**  
*High*



**Market risk**  
*High*



**Exchange risk**  
*Moderate*



**Derivative risk**  
*Low*



**Sustainability risk**  
*Low*

DPAM B Real Estate Europe Sustainable is a sub-fund of DPAM B, sicav under Belgian law

## Summary risk indicator (SRI)



SRI calculated according to PRIIPs (EU) N° 1286/2014 regulation

We refer to the **prospectus and KID PRIIPS** for more explanation and a complete overview of the risks.





# DPAM B Real Estate Europe Sustainable

## Share Class Details

### Countries registered for sale

ISIN	Share class	Currency	Distribution type	Client Type	Status	BE	LU	NL	FR	CH	DE	AT	IT	ES	PT	UK	FI	SE
BE0058186835	A	EUR	Dist	Retail	Launched	◆	◆		◆	◆	◆	◆	◆	◆				
BE0058187841	B	EUR	Cap	Retail	Launched	◆	◆		◆	◆	◆	◆	◆	◆				
BE0948507414	E	EUR	Dist	Instit	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆				
BE0948506408	F	EUR	Cap	Instit	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆			◆	
BE0948998472	L	EUR	Cap	Retail	To be launched	◆	◆		◆	◆	◆	◆	◆					
BE6246058349	V	EUR	Dist	Clean	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆		◆		
BE6246059354	W	EUR	Cap	Clean	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆		◆		

Source: DPAM - July 2024



# DPAM B Real Estate Europe Sustainable

## Share Class Details - Fees

ISIN	Share class	Currency	Minimum investment	Entry fee	Exit fee	Management fee	Performance fee	Ongoing Costs	Transaction Costs
BE0058186835	A	EUR	1 share	Maximum 2%	0%	1.60%	-	1.82%	0.12%
BE0058187841	B	EUR	1 share	Maximum 2%	0%	1.60%	-	1.79%	0.12%
BE0948507414	E	EUR	EUR 25'000	Maximum 1%	0%	0.80%	-	0.93%	0.12%
BE0948506408	F	EUR	EUR 25'000	Maximum 1%	0%	0.80%	-	0.93%	0.12%
BE0948998472	L	EUR	EUR 1'000	Maximum 2%	0%	2.40%	-	2.64%	0.12%
BE6246058349	V	EUR	1 share	Maximum 2%	0%	0.80%	-	0.92%	0.12%
BE6246059354	W	EUR	1 share	Maximum 2%	0%	0.80%	-	0.93%	0.12%

**Entry Fee:** Maximum fee applicable when purchasing a sub-fund. Actual rates may be lower. Contact your financial advisor or distributor for more information. The entry fee reduces the potential growth and return on your investment.

**Swing pricing:** this sub-fund applies swing pricing. In accordance with the terms of the prospectus, the Board of Directors of the sicav DPAM B determines the threshold value and the value of the swing factors. Please consult the website <https://www.dpaminvestments.com> to know the applicable threshold value and swing factors.

Source: DPAM - July 2024

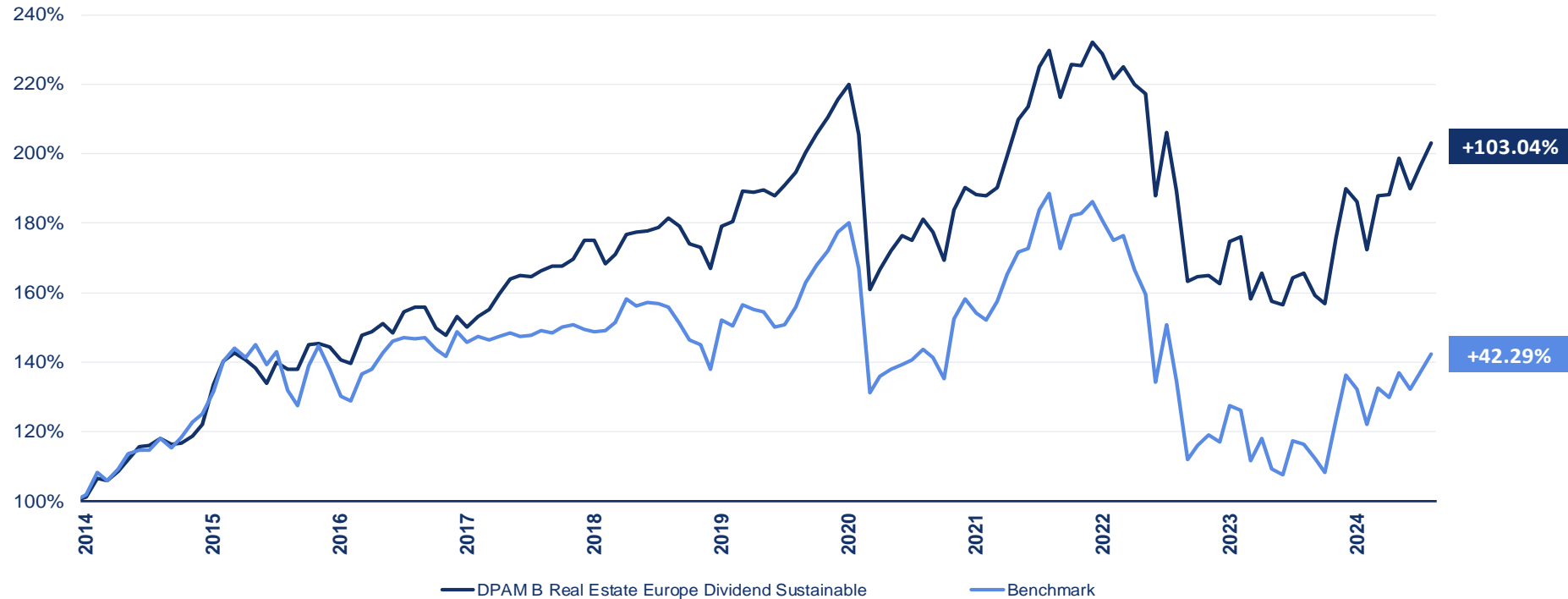


# 10-year fund performance

DPAM B Real Estate Europe Dividend Sustainable (F-share)



Past performance does not predict future returns



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
<b>Fund</b>	22.15%	18.09%	6.20%	14.20%	-4.50%	29.01%	-11.72%	21.89%	-29.96%	17.00%	6.84%
<b>Benchmark</b>	25.01%	10.42%	7.74%	0.41%	-7.61%	28.51%	-10.74%	17.55%	-37.04%	16.36%	4.39%



# Fund performances

DPAM B Real Estate Europe Dividend Sustainable (F-share)



*Past performance does not predict future returns*

## Fund performances (%)

	Portfolio	Benchmark
1M	3.35	3.81
YTD	6.84	4.39
1Y	22.65	22.30
3Y (annualised)	-4.05	-8.98
5Y (annualised)	0.85	-1.79
10Y (annualised)	5.57	2.32



# Fund metrics and risk ratios

DPAM B Real Estate Europe Dividend Sustainable (F-share)

AuM

EUR 204 million

## Fund versus benchmark (5 years)

	Portfolio
Correlation	0.975
R <sup>2</sup>	0.951
Alpha	0.17%
Beta	0.84
Treynor Ratio	-0.06%
Tracking Error	5.97%
Information Ratio	0.29

## Portfolio summary

	Portfolio
Number of Positions	49
Base currency	EUR

## Statistics (5 years)

	Portfolio	Benchmark
Volatility	20.57%	23.94%
Sharpe Ratio	0	-0.11
Downside Deviation	15.98%	18.2%
Sortino Ratio	0.00	-0.15
Positive Months	58.33%	56.67%
Maximum Drawdown	-32.48%	-42.95%

Risk-Free Rate 0.9%

## Gross dividend yield (%)

	Portfolio	Benchmark
Gross Dividend Yield	3.88	3.54





# Top 10 largest holdings

DPAM B Real Estate Europe Dividend Sustainable

Top 10	Portfolio weight (%)
VONOVIA	7.72
UNIBAIL-RODAMCO	5.30
LEG IMMOBILIEN	5.22
TAG TEGERNSEE IMMOBILIER	4.50
CTP BV	4.02
RETAIL ESTATES SICAFI	3.56
ARGAN	3.24
MERLIN PROPERTIES SOCIMI SA	3.24
MERCIALYS	3.22
SIRIUS REAL ESTATE LIMITED	3.17



# Portfolio changes (3 months)

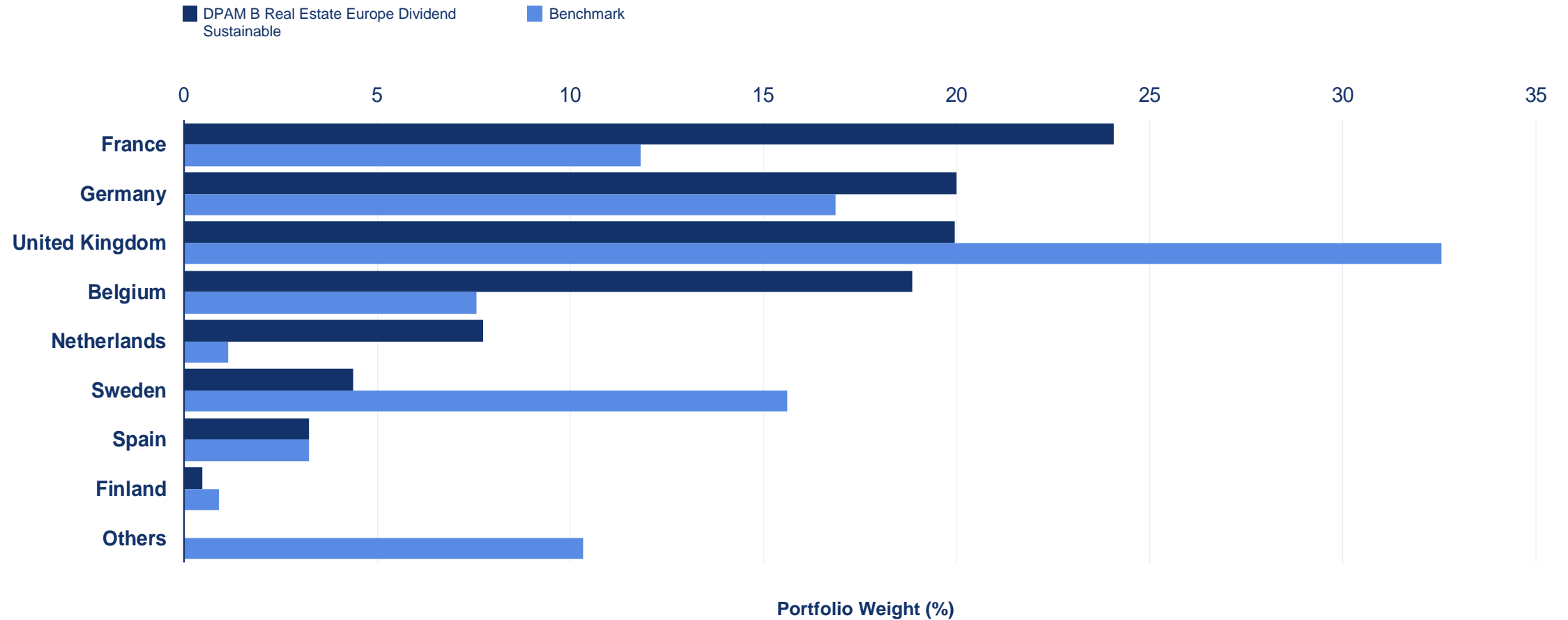
DPAM B Real Estate Europe Dividend Sustainable

Additions to the fund	Removals from the fund
KOJAMO	WAREHOUSE REIT - REGISTERED SHS
SWEDISH LOGISTIC PROPERTY-B	WERELDHAVE NV



# Country breakdown

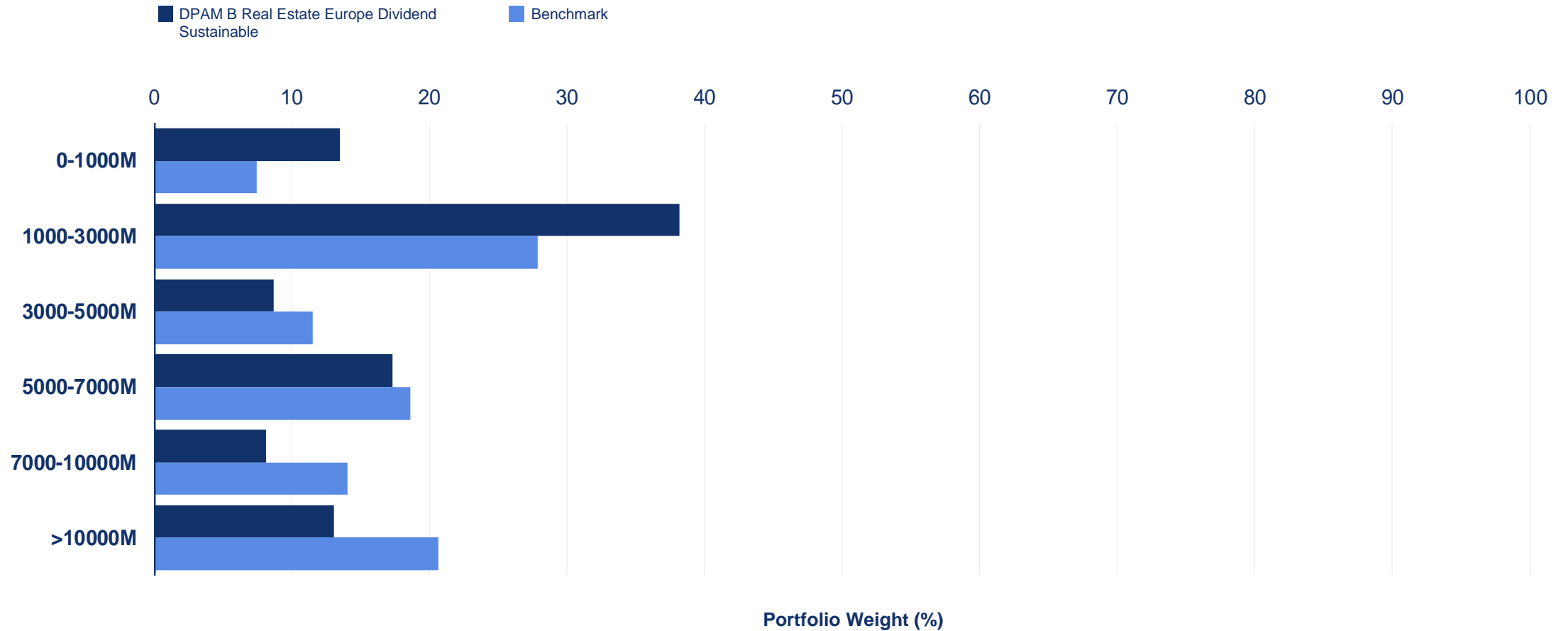
DPAM B Real Estate Europe Dividend Sustainable





# Market cap breakdown

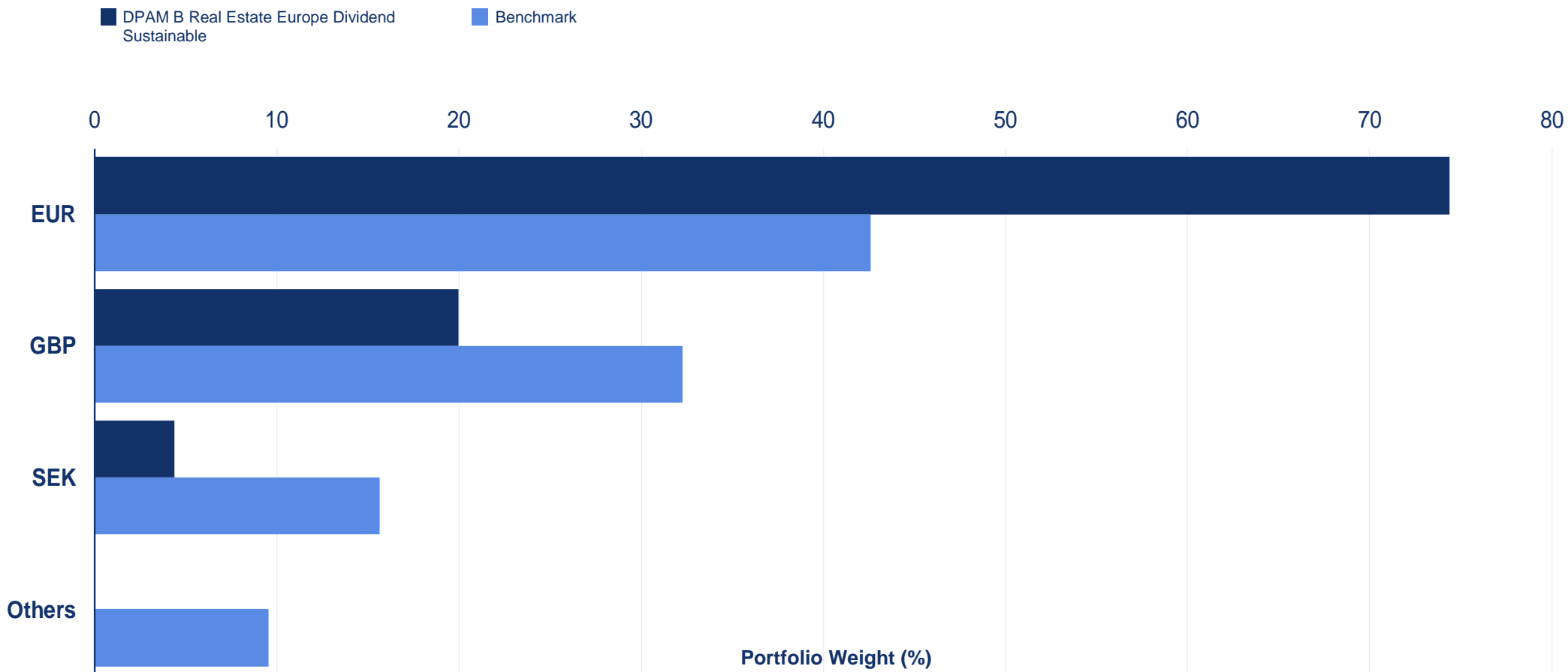
DPAM B Real Estate Europe Dividend Sustainable





# Currency breakdown

DPAM B Real Estate Europe Dividend Sustainable





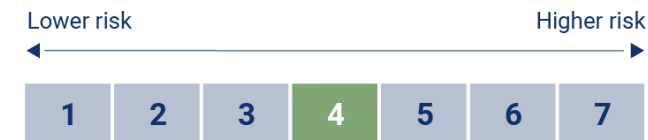
# Risks

DPAM B Real Estate Europe  
Dividend Sustainable

-  **Capital risk**  
*High*
-  **Concentration risk**  
*High*
-  **Market risk**  
*High*
-  **Liquidity risk**  
*High*
-  **Exchange risk**  
*Moderate*
-  **Credit risk**  
*Low*
-  **Derivative risk**  
*Low*
-  **Sustainability risk**  
*Low*

DPAM B Real Estate Europe Dividend Sustainable is a sub-fund of DPAM B, sicav under Belgian law

## Summary risk indicator (SRI)



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# DPAM B Real Estate Europe Dividend Sustainable

## Share Class Details

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						BE	LU	NL	FR	CH	DE	AT	IT	ES	PT	UK	FI	SE
BE6213828088	A	EUR	Dist	Retail	Launched	◆	◆		◆	◆	◆	◆	◆	◆	◆			
BE6213829094	B	EUR	Cap	Retail	Launched	◆	◆		◆	◆	◆	◆	◆	◆	◆			
BE6213830100	E	EUR	Dist	Instit	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆			
BE6213831116	F	EUR	Cap	Instit	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆		◆	
BE6330741362	L	EUR	Cap	Retail	To be launched	◆							◆					
BE6275502878	V	EUR	Dist	Clean	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	
BE6275503884	W	EUR	Cap	Clean	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	

Source: DPAM - July 2024



# DPAM B Real Estate Europe Dividend Sustainable

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BE6213829094	B	EUR	1 share	Maximum 2%	0%	1.60%	-	1.87%	0.15%
BE6213830100	E	EUR	EUR 25'000	Maximum 1%	0%	0.80%	-	1.01%	0.15%
BE6213831116	F	EUR	EUR 25'000	Maximum 1%	0%	0.80%	-	1.01%	0.15%
BE6330741362	L	EUR	EUR 1'000	Maximum 2%	0%	2.40%	-	2.72%	0.15%
BE6275502878	V	EUR	1 share	Maximum 2%	0%	0.80%	-	1.01%	0.15%
BE6275503884	W	EUR	1 share	Maximum 2%	0%	0.80%	-	1.01%	0.15%

**Entry Fee:** Maximum fee applicable when purchasing a sub-fund. Actual rates may be lower. Contact your financial advisor or distributor for more information. The entry fee reduces the potential growth and return on your investment.

**Swing pricing:** this sub-fund applies swing pricing. In accordance with the terms of the prospectus, the Board of Directors of the sicav DPAM B determines the threshold value and the value of the swing factors. Please consult the website <https://www.dpaminvestments.com> to know the applicable threshold value and swing factors.

Source: DPAM - July 2024



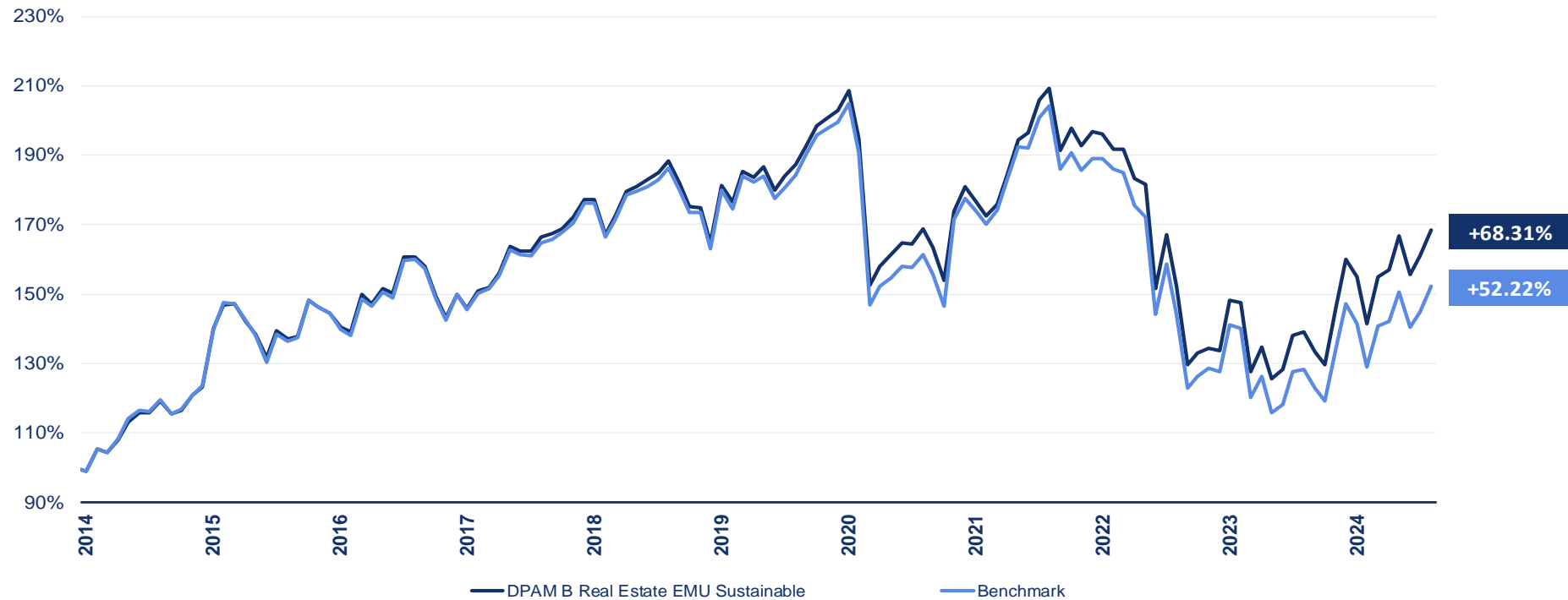


# 10-year fund performance

DPAM B Real Estate EMU Sustainable (F-share)



Past performance does not predict future returns



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
<b>Fund</b>	23.34%	17.06%	3.88%	18.18%	-7.10%	23.13%	-10.78%	8.78%	-32.09%	19.61%	5.30%
<b>Benchmark</b>	23.39%	17.02%	3.80%	17.65%	-7.50%	22.23%	-10.87%	6.39%	-32.59%	15.41%	3.50%



# Fund performances

DPAM B Real Estate EMU Sustainable (F-share)



*Past performance does not predict future returns*

## Fund performances (%)

	Portfolio	Benchmark
1M	4.53	5.09
YTD	5.30	3.50
1Y	20.98	18.76
3Y (annualised)	-7.02	-9.30
5Y (annualised)	-2.13	-3.74
10Y (annualised)	3.52	2.45



# Fund metrics and risk ratios

DPAM B Real Estate EMU Sustainable (F-share)

AuM

EUR 117 million

## Fund versus benchmark (5 years)

	Portfolio
Correlation	0.996
R <sup>2</sup>	0.992
Alpha	0.12%
Beta	0.96
Treynor Ratio	-3.15%
Tracking Error	2.4%
Information Ratio	0.59

## Portfolio summary

	Portfolio
Number of Positions	30
Base currency	EUR

## Statistics (5 years)

	Portfolio	Benchmark
Volatility	23.5%	24.45%
Sharpe Ratio	-0.13	-0.19
Downside Deviation	18.18%	18.88%
Sortino Ratio	-0.17	-0.24
Positive Months	58.33%	55%
Maximum Drawdown	-40.01%	-43.56%

Risk-Free Rate 0.9%

## Gross dividend yield (%)

	Portfolio	Benchmark
Gross Dividend Yield	3.61	3.70



# Top 10 largest holdings

DPAM B Real Estate EMU Sustainable

Top 10	Portfolio weight (%)
VONOVIA	9.56
UNIBAIL-RODAMCO	9.50
LEG IMMOBILIEN	9.49
GECINA	6.44
KLEPIERRE	4.93
TAG TEGERNSEE IMMOBILIER	4.90
COVIVIO	4.85
MERLIN PROPERTIES SOCIMI SA	4.72
COFINIMMO	3.68
WAREHOUSES DE PAUW	3.58



# Portfolio changes (3 months)

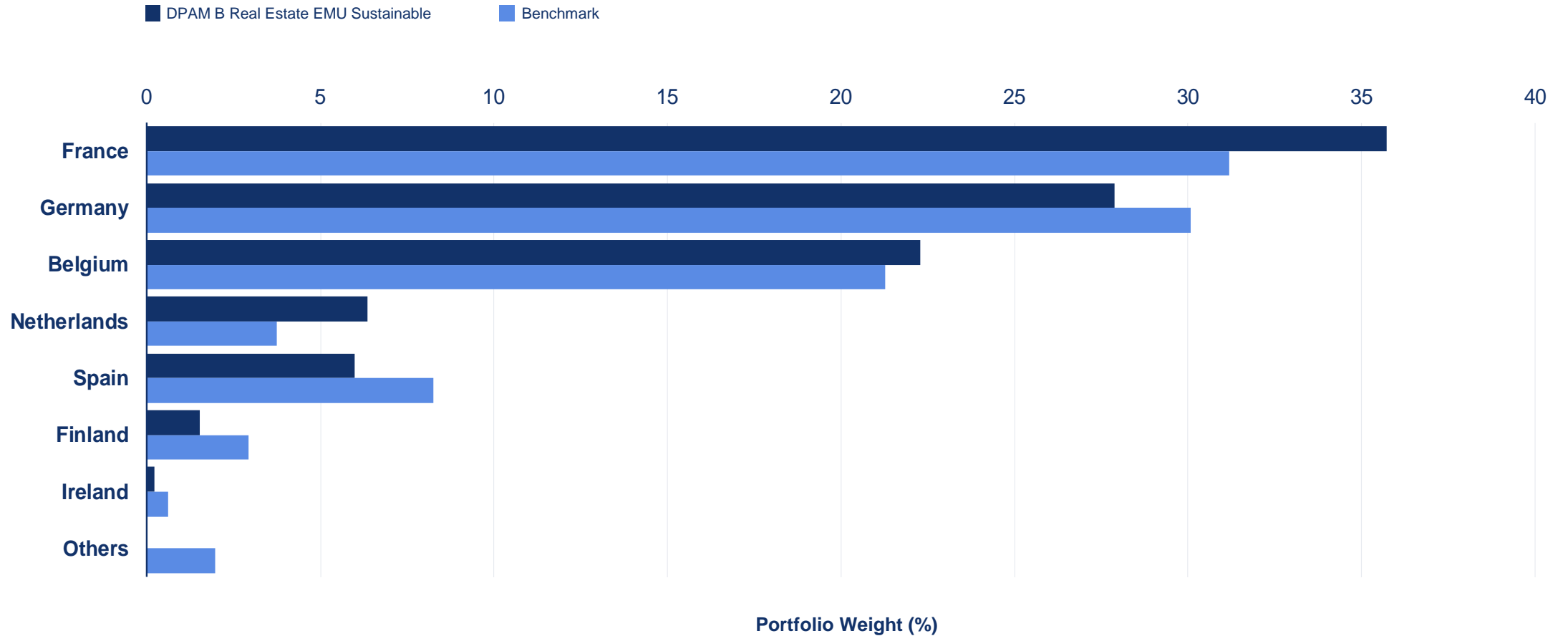
DPAM B Real Estate EMU Sustainable

Additions to the fund	Removals from the fund
No additions to the portfolio	HAMBORNER REIT AG
	NSI NV



# Country breakdown

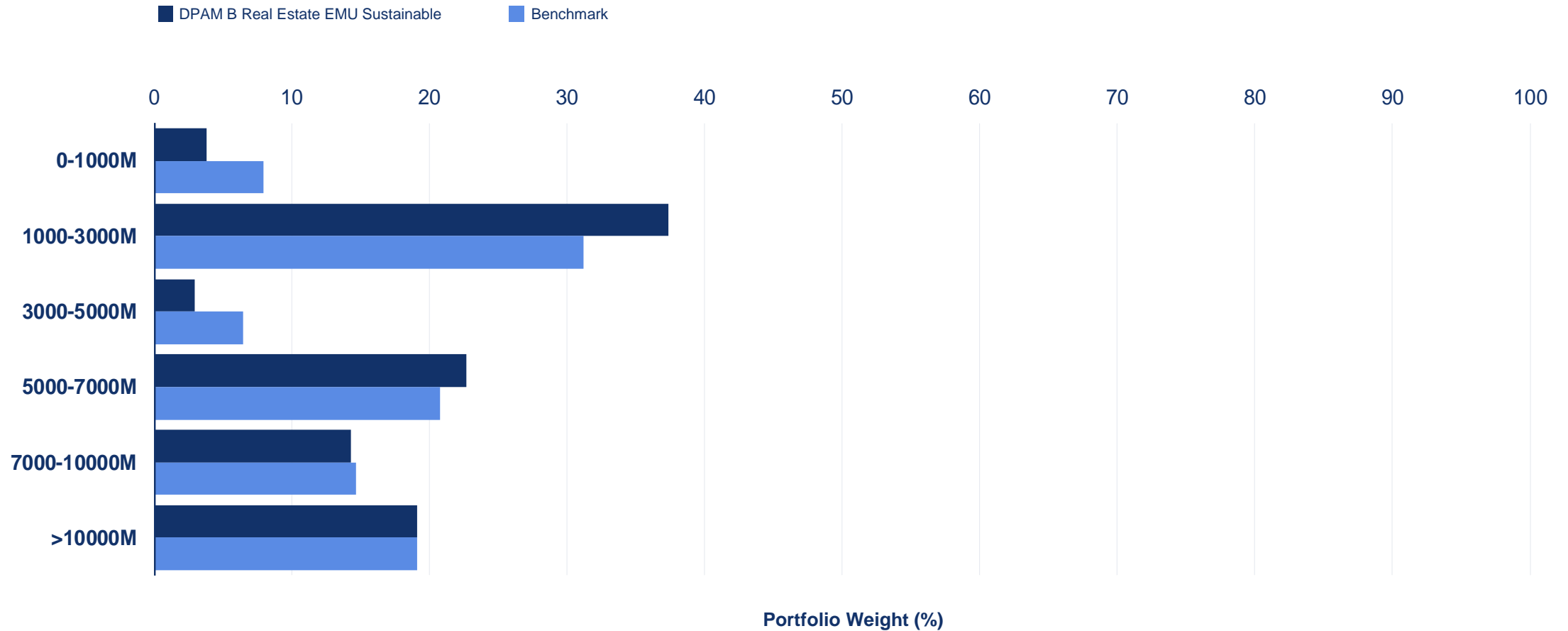
DPAM B Real Estate EMU Sustainable





# Market cap breakdown

DPAM B Real Estate EMU Sustainable





# Risks

DPAM B Real Estate EMU Sustainable



**Capital risk**  
*High*



**Concentration risk**  
*High*



**Liquidity risk**  
*High*



**Market risk**  
*Moderate*



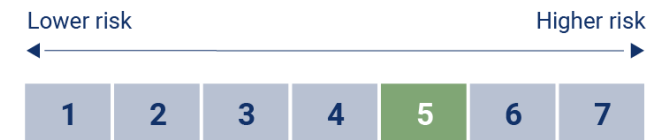
**Derivative risk**  
*Low*



**Sustainability risk**  
*Low*

DPAM B Real Estate EMU Sustainable is a sub-fund of DPAM B, sicav under Belgian law

## Summary risk indicator (SRI)



SRI calculated according to PRIIPs (EU) N° 1286/2014 regulation

We refer to the **prospectus and KID PRIIPS** for more explanation and a complete overview of the risks.







# DPAM B Real Estate EMU Sustainable

## Share Class Details

ISIN	Share class	Currency	Distribution type	Client Type	Status	Countries registered for sale												
						BE	LU	NL	FR	CH	DE	AT	IT	ES	PT	UK	FI	SE
BE6289023283	A	EUR	Dist	Retail	Launched	◆	◆		◆	◆	◆	◆	◆	◆				
BE6271654228	B	EUR	Cap	Retail	Launched	◆	◆		◆	◆	◆	◆	◆	◆				
BE6289024299	E	EUR	Dist	Instit	To be launched	◆	◆	◆	◆	◆	◆	◆	◆	◆				
BE6271655233	F	EUR	Cap	Instit	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆				
BE6335365043	L	EUR	Cap	Retail	To be launched	◆							◆					
BE6289026310	V	EUR	Dist	Clean	To be launched	◆	◆	◆	◆	◆	◆	◆	◆	◆				
BE6289027326	W	EUR	Cap	Clean	Launched	◆	◆	◆	◆	◆	◆	◆	◆	◆				

Source: DPAM - July 2024



# DPAM B Real Estate EMU Sustainable

## Share Class Details - Fees

ISIN	Share class	Currency	Minimum investment	Entry fee	Exit fee	Management fee	Performance fee	Ongoing Costs	Transaction Costs
BE6289023283	A	EUR	1 share	Maximum 2%	0%	1.60%	-	1.82%	0.22%
BE6271654228	B	EUR	1 share	Maximum 2%	0%	1.60%	-	1.79%	0.22%
BE6289024299	E	EUR	EUR 25'000	Maximum 1%	0%	0.80%	-	0.95%	0.22%
BE6271655233	F	EUR	EUR 25'000	Maximum 1%	0%	0.80%	-	0.95%	0.22%
BE6335365043	L	EUR	EUR 1'000	Maximum 2%	0%	2.40%	-	2.66%	0.22%
BE6289026310	V	EUR	1 share	Maximum 2%	0%	0.80%	-	1.05%	0.22%
BE6289027326	W	EUR	1 share	Maximum 2%	0%	0.80%	-	0.94%	0.22%

**Entry Fee:** Maximum fee applicable when purchasing a sub-fund. Actual rates may be lower. Contact your financial advisor or distributor for more information. The entry fee reduces the potential growth and return on your investment.

**Swing pricing:** this sub-fund applies swing pricing. In accordance with the terms of the prospectus, the Board of Directors of the sicav DPAM B determines the threshold value and the value of the swing factors. Please consult the website <https://www.dpaminvestments.com> to know the applicable threshold value and swing factors.

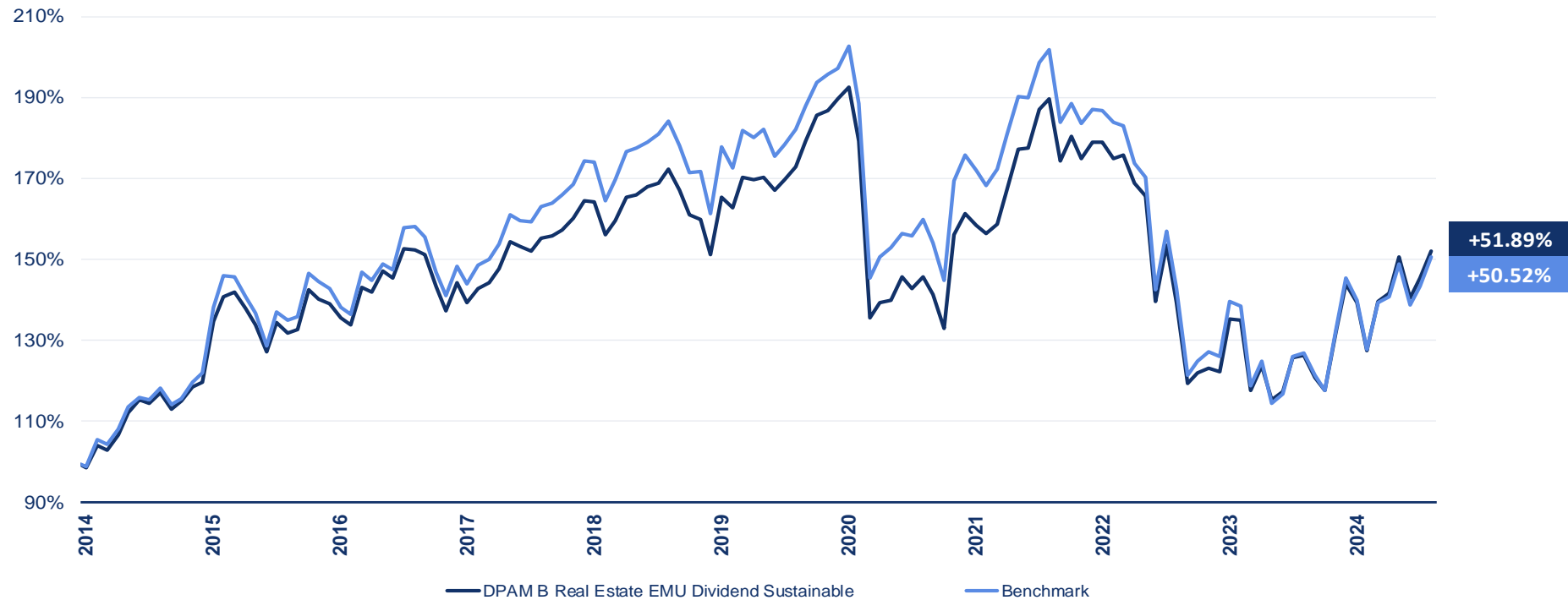
Source: DPAM - July 2024



# 10-year fund performance

DPAM B Real Estate EMU Dividend Sustainable (F-share)

 Past performance does not predict future returns



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
<b>Fund</b>	19.71%	16.19%	3.66%	14.04%	-8.17%	25.51%	-14.96%	10.93%	-31.60%	17.75%	5.49%
<b>Benchmark</b>	22.01%	17.02%	3.80%	17.65%	-7.50%	22.23%	-10.87%	6.39%	-32.59%	15.41%	3.50%



# Fund performances

DPAM B Real Estate EMU Dividend Sustainable (F-share)



*Past performance does not predict future returns*

## Fund performances (%)

	Portfolio	Benchmark
1M	4.46	5.09
YTD	5.49	3.50
1Y	20.24	18.76
3Y (annualised)	-7.15	-9.30
5Y (annualised)	-2.56	-3.74
10Y (annualised)	2.65	2.44



# Fund metrics and risk ratios

DPAM B Real Estate EMU Dividend Sustainable (F-share)

AuM

EUR 110 million

## Fund versus benchmark (5 years)

	Portfolio
Correlation	0.995
R <sup>2</sup>	0.989
Alpha	0.1%
Beta	0.99
Treynor Ratio	-3.5%
Tracking Error	2.55%
Information Ratio	0.45

## Portfolio summary

	Portfolio
Number of Positions	31
Base currency	EUR

## Statistics (5 years)

	Portfolio	Benchmark
Volatility	24.21%	24.45%
Sharpe Ratio	-0.14	-0.19
Downside Deviation	18.56%	18.88%
Sortino Ratio	-0.19	-0.24
Positive Months	60%	55%
Maximum Drawdown	-40.19%	-43.56%

Risk-Free Rate 0.9%

## Gross dividend yield (%)

	Portfolio	Benchmark
Gross Dividend Yield	3.66	3.70



# Top 10 largest holdings

DPAM B Real Estate EMU Dividend Sustainable

Top 10	Portfolio weight (%)
VONOVIA	9.47
UNIBAIL-RODAMCO	9.46
LEG IMMOBILIEN	9.30
KLEPIERRE	6.57
MERLIN PROPERTIES SOCIMI SA	4.93
GECINA	4.89
TAG TEGERNSEE IMMOBILIER	4.87
COVIVIO	4.83
COFINIMMO	4.03
WAREHOUSES DE PAUW	3.61



# Portfolio changes (3 months)

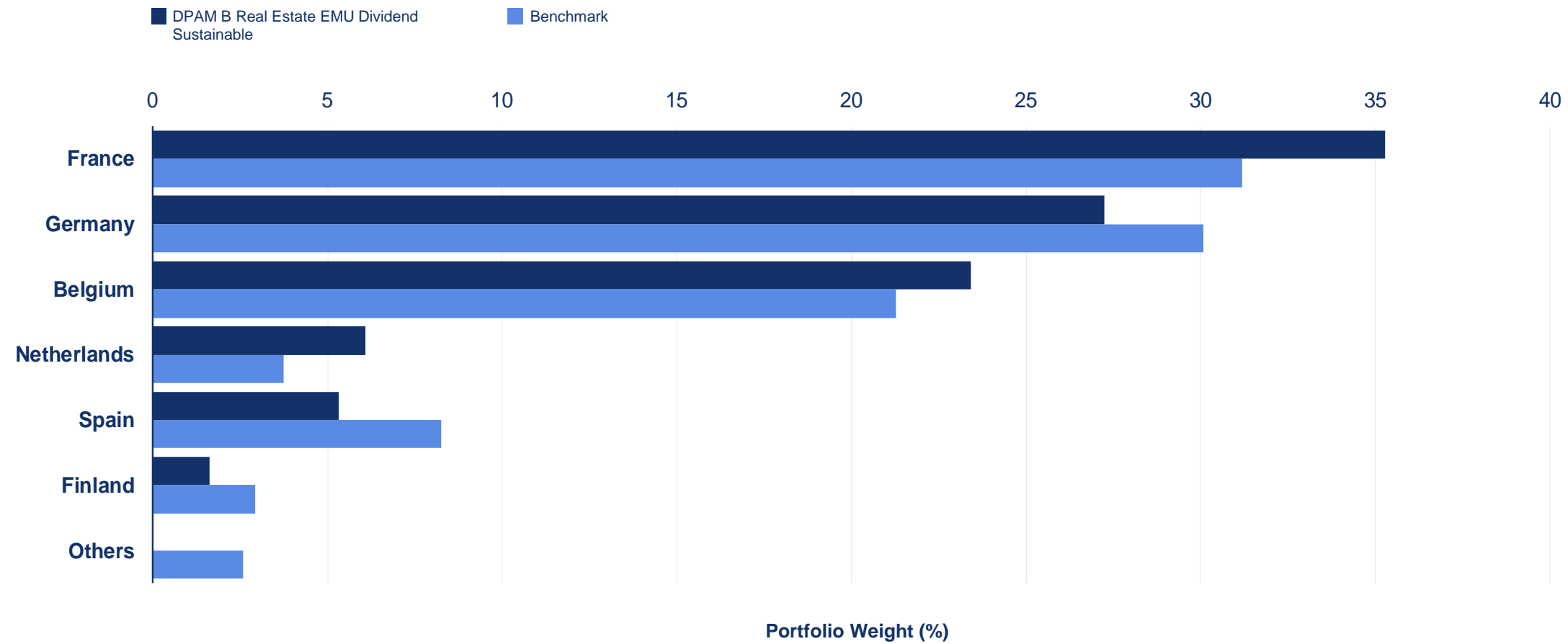
DPAM B Real Estate EMU Dividend Sustainable

Additions to the fund	Removals from the fund
No additions to the portfolio	HAMBORNER REIT AG



# Country breakdown

DPAM B Real Estate EMU Dividend Sustainable

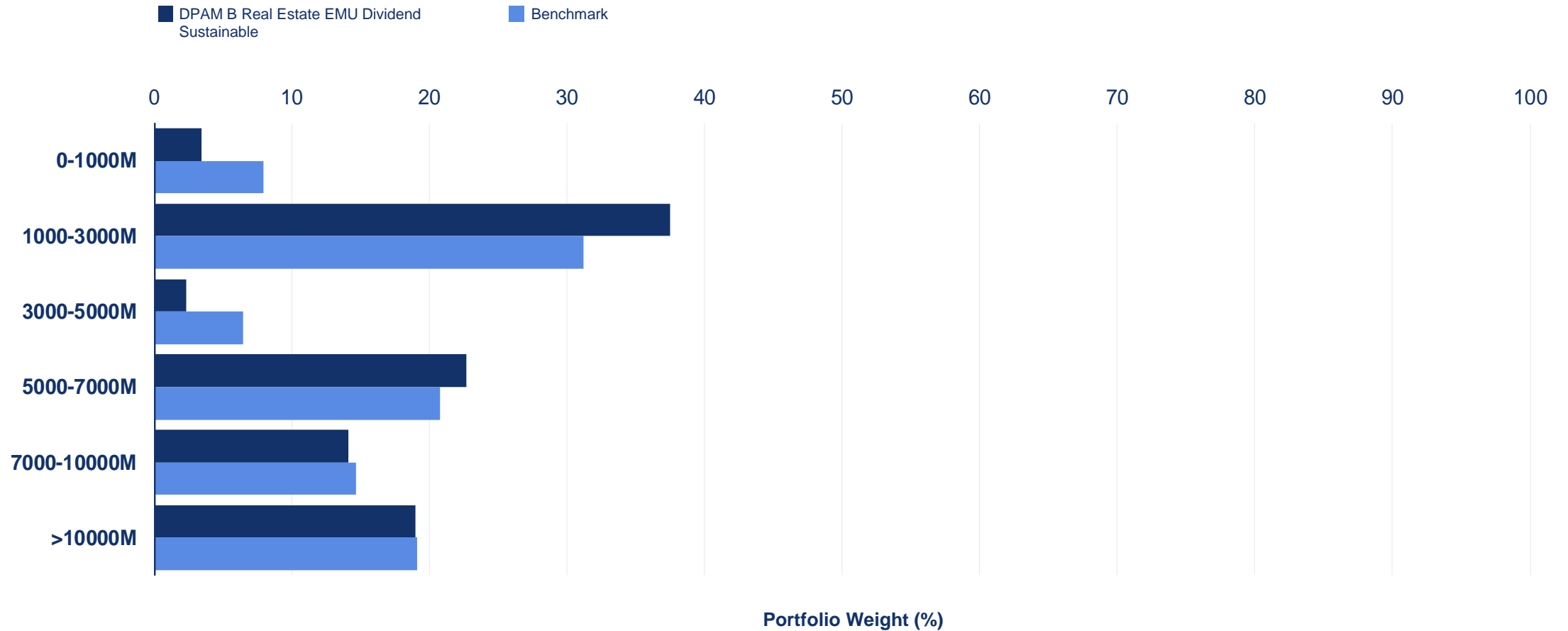






# Market cap breakdown

DPAM B Real Estate EMU Dividend Sustainable





# Risks

DPAM B Real Estate EMU Dividend Sustainable



**Capital risk**  
*High*



**Concentration risk**  
*High*



**Liquidity risk**  
*High*



**Market risk**  
*High*



**Derivative risk**  
*Low*



**Sustainability risk**  
*Low*

DPAM B Real Estate EMU Dividend Sustainable is a sub-fund of DPAM B, sicav under Belgian law

## Summary risk indicator (SRI)



SRI calculated according to PRIIPs (EU) N° 1286/2014 regulation

We refer to the **prospectus and KID PRIIPS** for more explanation and a complete overview of the risks.





# DPAM B Real Estate EMU Dividend Sustainable

## Share Class Details

ISIN	Share class	Currency	Distribution type	Client Type	Status	Countries registered for sale												
						BE	LU	NL	FR	CH	DE	AT	IT	ES	PT	UK	FI	SE
BE6289205161	A	EUR	Dist	Retail	Launched	◆	◆		◆	◆	◆	◆	◆	◆				
BE0942186256	B	EUR	Cap	Retail	Launched	◆	◆		◆	◆	◆	◆	◆	◆				
BE0947578820	E	EUR	Dist	Instit	Launched	◆	◆		◆	◆	◆	◆	◆	◆				
BE0947577814	F	EUR	Cap	Instit	Launched	◆	◆		◆	◆	◆	◆	◆	◆				
BE6335364038	L	EUR	Cap	Retail	To be launched	◆							◆					
BE6299566958	V	EUR	Dist	Clean	To be launched	◆	◆		◆	◆	◆	◆	◆	◆				
BE6299567964	W	EUR	Cap	Clean	To be launched	◆	◆		◆	◆	◆	◆	◆	◆				

Source: DPAM - July 2024



# DPAM B Real Estate EMU Dividend Sustainable

## Share Class Details - Fees

ISIN	Share class	Currency	Minimum investment	Entry fee	Exit fee	Management fee	Performance fee	Ongoing Costs	Transaction Costs
BE6289205161	A	EUR	1 share	Maximum 2%	0%	1.60%	-	1.85%	0.25%
BE0942186256	B	EUR	1 share	Maximum 2%	0%	1.60%	-	1.82%	0.25%
BE0947578820	E	EUR	EUR 25'000	Maximum 1%	0%	0.80%	-	0.93%	0.25%
BE0947577814	F	EUR	EUR 25'000	Maximum 1%	0%	0.80%	-	0.94%	0.25%
BE6335364038	L	EUR	EUR 1'000	Maximum 2%	0%	2.40%	-	2.65%	0.25%
BE6299566958	V	EUR	1 share	Maximum 2%	0%	0.80%	-	1.05%	0.25%
BE6299567964	W	EUR	1 share	Maximum 2%	0%	0.80%	-	1.05%	0.25%

**Entry Fee:** Maximum fee applicable when purchasing a sub-fund. Actual rates may be lower. Contact your financial advisor or distributor for more information. The entry fee reduces the potential growth and return on your investment.

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Source: DPAM - July 2024

# Agenda



Why

Strategy  
Highlights

Portfolio  
Characteristics

**Outlook**

Appendix

"The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment/product."



# Investment themes



## German residential

### Drivers

---

Rents are low (average 6-8€/m<sup>2</sup>/month)  
Only institutionalized residential market in Europe  
Very cheap on price/m<sup>2</sup> compared to other countries  
High scarcity due to lack of supply

---

### Companies

---

- Vonovia
  - Phoenix Spree Deutschland
  - TAG Immobilien
  - LEG Immobilien
- 



## Retail

Higher yielding assets after value declines  
Almost no additional supply  
Balance sheets of most companies are strong  
Good operational metrics  
Low rents in retail parks

---

- Retail Estates, NewRiver Retail
  - Mercialis, Carmila
  - URW, Klepierre
- 



## Positioned for growth

In a low growth environment, companies that show sound cash flow growth will outperform.  
Premium rating helps to finance accretive acquisitions, external growth or autonomous growth of pipeline.

- CTP
- Segro
- Unite
- WDP



# Investment themes



**Dividend  
yield**

## Drivers

---

Covered, sustainable and growing dividend yields provide income return.

---

## Companies

---

- Carmila, Mercalys
  - LandSec, British Land
-



# Investment themes



**Specific business models**

## Drivers

---

Property owners but with focus on operating and development activities leading to potential higher growth.

---

## Companies

---

- Altarea
  - Empiric Student Property
  - VGP
  - Sirius
- 



**Selected small caps/ deep value**

Financially sound.  
Sustainable cash flow and dividend yield.  
Companies combining an attractive valuation and a growth story to compensate for lower liquidity (long-term buy & hold).

---

- Argan
  - Sirius
  - ESP
  - Catena
-





# Investment themes



## E-commerce

### Drivers

---

After strong growth during the Covid years, penetration rates of e-commerce continue to increase. Lack of available space in Western Europe is an extra driver of rental growth, especially in logistic hubs close to large cities ('last mile').

---

### Companies

---

- Argan, Montea, WDP, VGP
  - Warehouse REIT
  - Catena
  - Tritax Big Box, Segro, Urban Logistics REIT
- 



## Urbanisation

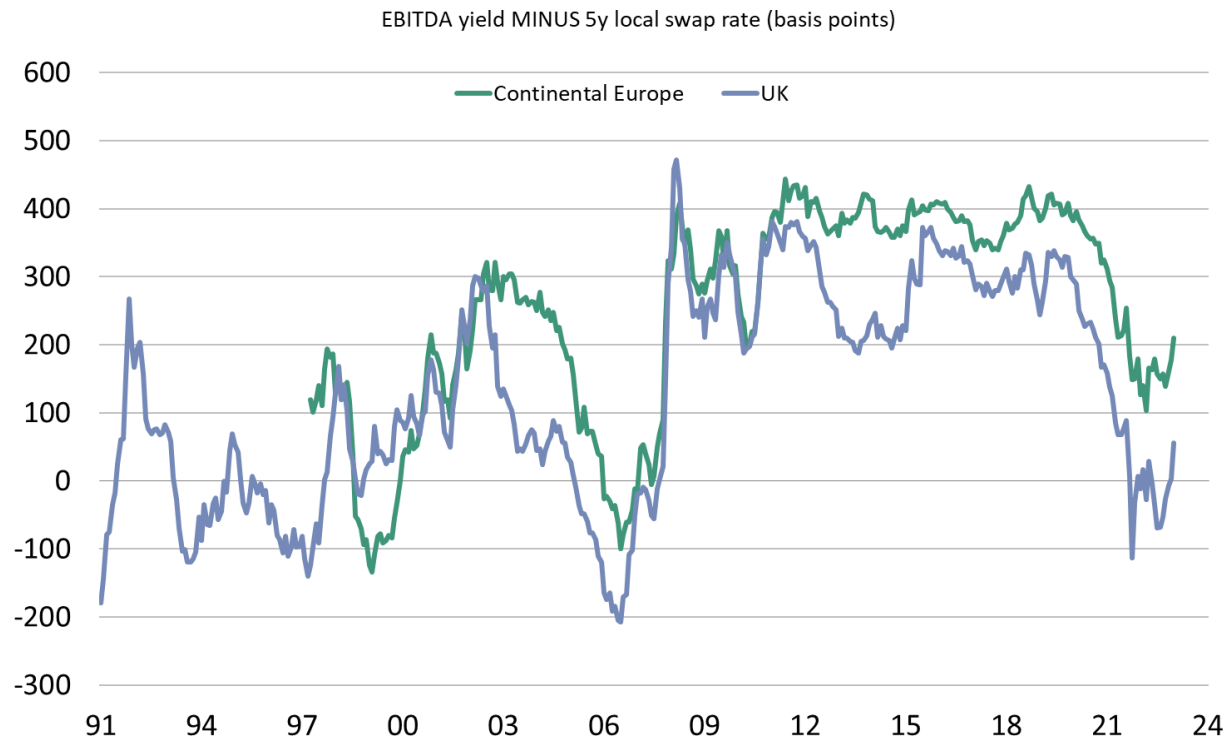
Prime assets in best city districts.  
Well-located residential.  
Mixed use schemes

---

- PSDL
  - Fabege
  - Gecina
  - Shaftesbury Capital
-



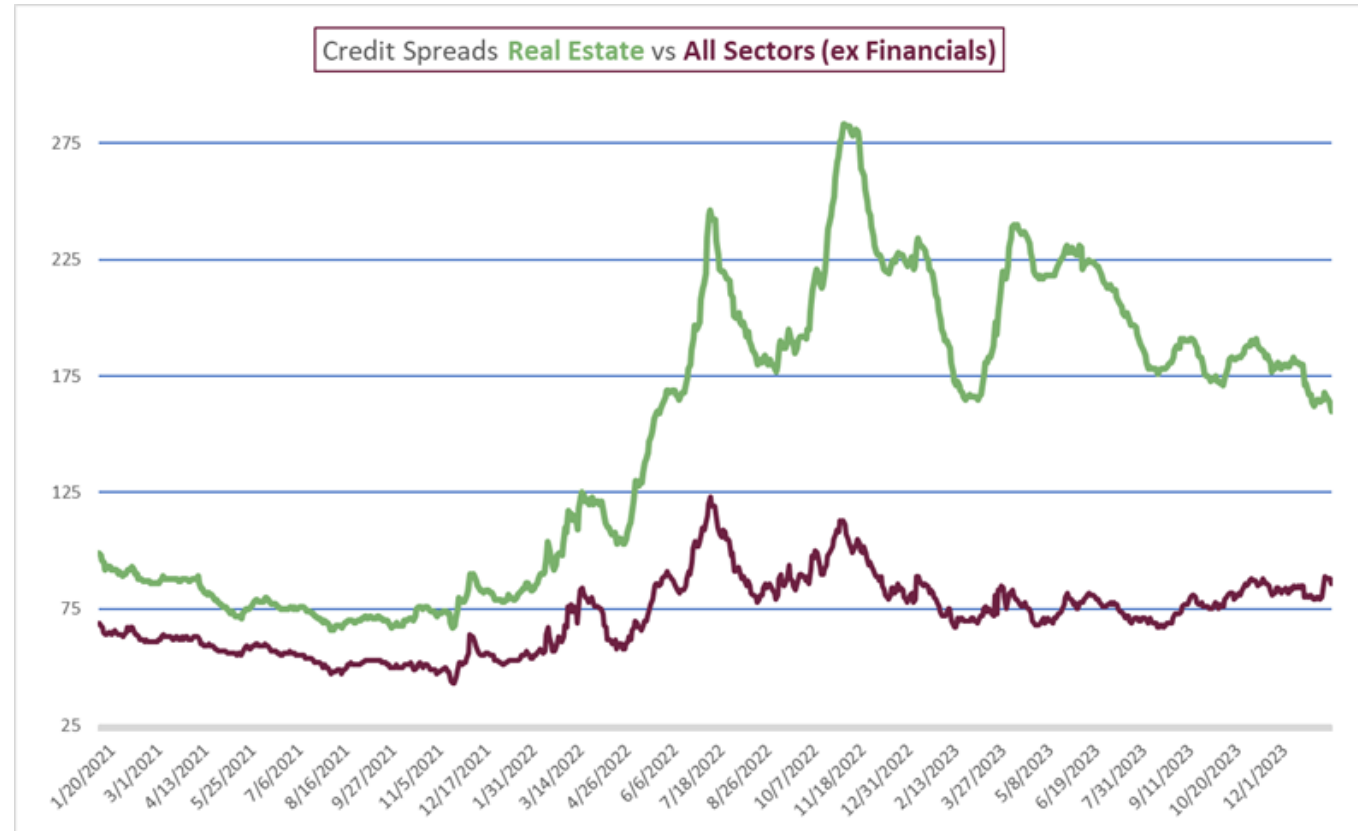
# The Yield gap



Source: Morgan Stanley Research, DPAM – 31/03/2024



# Cost of Leverage: credit spreads

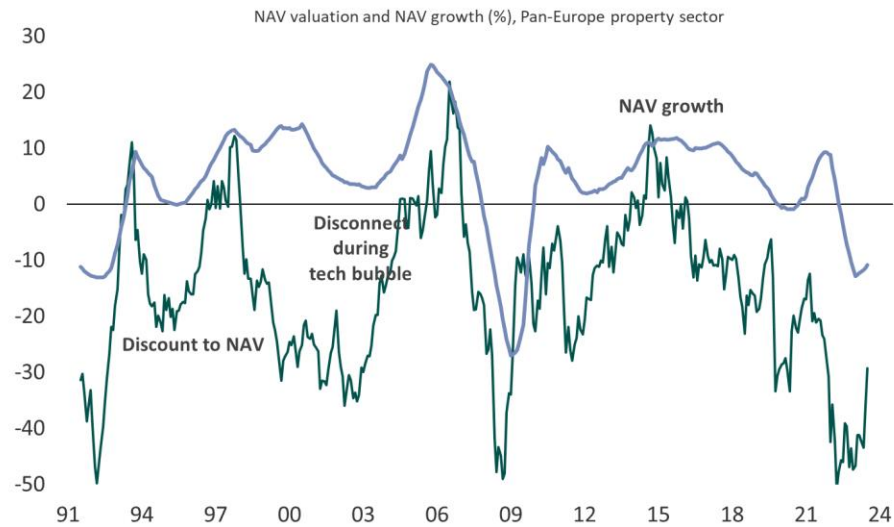


EUR credit spreads for Real Estate (EJRE Index) and Non-Financial Index (EN00 Index)

Source: DPAM, BofA – 09/01/2024



# Valuations & NAV



Source: Morgan Stanley Research, DPAM – 31/12/2023

---

The largest companies, such as **Vonovia** and **URW**, are the more discounted ones.

the NAV weighted-average discount is skewed downwards in this cycle.



# Valuation sheet

Name	Sector	Country	Price	Mark cap m€	Last	EPS Yield		Dividend yield		P / NTA -1		CF gth 22-25	Div gth 22-25	NTA gth 22-25	TAR 22- 25	
						23E	24E	23E	24E	23E	24E					
Covivio	Diversified	France	46.70	4,717	06/23	9.0%	8.9%	8.0%	8.0%	-44.6%	-40.5%	0.3%	2.2%	-6.0%	2.0%	
Merlin	Diversified	Spain	9.51	4,465	09/23	6.2%	6.5%	4.7%	4.7%	-33.7%	-34.3%	3.1%	0.0%	-1.4%	3.3%	
SBB	Diversified	Sweden	4.71	517	09/23	18.8%	6.3%	0.0%	0.0%	-64.6%	38.3%	-47.3%	-100.0%	-47.4%	-47.4%	
Swiss Prime Site	Diversified	Switzerland	89.80	7,345	06/23	4.1%	4.4%	3.8%	4.0%	-8.7%	-7.2%	6.6%	1.9%	-0.7%	3.2%	
British Land	Diversified	United Kingdom	399	4,300	09/23	6.8%	6.9%	5.8%	5.8%	-30.6%	-34.2%	0.5%	0.8%	2.6%	8.4%	
Landsec	Diversified	United Kingdom	675	5,835	09/23	7.5%	7.7%	5.9%	6.0%	-23.5%	-25.5%	2.4%	2.9%	1.0%	6.9%	
Aedifica	Healthcare	Belgium	62.70	2,981	09/23	7.6%	7.7%	6.1%	6.1%	-15.5%	-16.0%	1.3%	0.9%	-0.2%	5.8%	
Cofinimmo	Healthcare	Belgium	71.65	2,634	09/23	9.6%	8.9%	8.7%	8.7%	-28.2%	-24.4%	-1.1%	0.0%	-3.3%	5.3%	
PHP	Healthcare	United Kingdom	100	1,549	06/23	6.9%	6.8%	6.8%	6.8%	-5.9%	0.1%	1.4%	1.8%	-1.6%	5.1%	
WDP	Logistics	Belgium	27.56	5,714	09/23	5.0%	5.3%	4.1%	4.3%	35.3%	18.8%	8.3%	8.0%	7.8%	11.8%	
CTP	Logistics	Central Europe	15.04	6,741	09/23	4.9%	5.4%	3.7%	4.1%	-4.4%	-16.3%	18.0%	14.2%	14.7%	18.3%	
Argan	Logistics	France	84.70	1,955	06/23	6.2%	6.6%	3.7%	3.8%	8.4%	0.5%	5.3%	4.8%	-0.2%	3.6%	
Segro	Logistics	United Kingdom	865	12,336	06/23	3.8%	4.0%	3.2%	3.4%	-8.3%	-10.3%	5.2%	5.3%	0.6%	3.9%	
Catena	Logistics	Sweden	439.20	1,935	09/23	4.7%	5.0%	2.0%	2.2%	26.4%	8.9%	6.0%	10.0%	9.9%	12.0%	
Sagax	Logistics	Sweden	252.90	6,784	09/23	4.0%	4.4%	1.2%	1.4%	130.2%	108.0%	8.5%	11.1%	12.5%	13.7%	
Gecina	Office	France	105.80	8,107	06/23	5.7%	5.9%	5.2%	5.3%	-30.3%	-28.8%	5.8%	2.2%	-2.6%	2.6%	
Icade	Office	France	34.86	2,658	06/23	11.1%	10.0%	13.7%	13.7%	-52.9%	-47.9%	1.3%	3.2%	-10.3%	3.4%	
Colonial	Office	Spain	5.94	3,203	06/23	5.0%	5.8%	4.2%	4.7%	-42.8%	-42.2%	8.2%	8.9%	-1.6%	2.6%	
Castellum	Office	Sweden	135.00	5,872	09/23	6.4%	6.6%	0.0%	3.8%	-9.7%	-15.6%	-5.8%		-1.6%	-1.6%	
Fabege	Office	Sweden	99.58	2,909	09/23	4.3%	4.3%	2.4%	2.4%	-28.3%	-20.6%	2.6%	2.0%	-5.2%	-2.8%	
PSP Swiss Property	Office	Switzerland	117.70	5,756	09/23	4.1%	4.1%	3.3%	3.3%	-9.4%	-7.7%	2.8%	1.3%	-0.8%	2.4%	
Derwent London	Office	United Kingdom	2,164	2,822	06/23	4.9%	5.2%	3.7%	3.7%	-35.8%	-38.5%	2.3%	1.5%	1.7%	5.4%	
Kojamo	Residential	Finland	11.26	2,783	09/23	5.7%	5.9%	0.0%	0.0%	-27.6%	-26.6%	-0.2%	0.0%	-2.4%	-2.4%	
Vonovia	Residential	Germany	27.45	22,362	09/23	7.6%	7.1%	3.1%	5.5%	-33.5%	-27.8%	-6.9%	20.8%	-6.6%	-3.5%	
LEG	Residential	Germany	74.94	5,554	09/23	8.3%	8.2%	2.7%	3.3%	-35.2%	-29.3%	-1.2%		-5.9%	-3.2%	
TAG	Residential	Germany	12.94	2,271	09/23	7.6%	7.6%	0.0%	5.7%	-15.0%	-10.0%	-5.0%		-4.8%	-4.8%	
Retail Estates	Retail	Belgium	63.20	909	09/23	10.1%	10.5%	7.9%	8.0%	-19.0%	-22.1%	4.4%	1.3%	5.3%	13.2%	
Klépierre	Retail	France	24.30	6,971	06/23	9.8%	9.8%	7.4%	7.6%	-14.0%	-10.4%	-1.6%	2.8%	-0.9%	6.5%	
Mercialys	Retail	France	10.46	982	06/23	11.1%	11.4%	9.2%	9.2%	-35.6%	-38.3%	2.9%	0.0%	-0.5%	8.7%	
Carmila	Retail	France	16.12	2,296	06/23	9.8%	9.6%	7.3%	7.3%	-33.4%	-34.5%	0.4%	0.0%	0.7%	7.9%	
URW	Retail	France	67.00	9,316	06/23	14.7%	15.1%	3.7%	7.6%	-41.5%	-43.6%	3.8%		1.2%	4.9%	
Shaftesbury Capital	Retail	United Kingdom	132	2,793	12/22	2.7%	3.3%	2.3%	2.9%	-33.8%	-38.4%	31.5%	18.9%	8.4%	10.7%	
Wereldhave	Retail	Netherlands	14.50	584	06/23	12.2%	11.3%	8.3%	8.6%	-34.7%	-34.4%	-2.1%	2.5%	1.9%	10.2%	
Big Yellow	self storage	United Kingdom	1,157	2,636	09/23	4.9%	5.1%	3.9%	4.1%	-6.4%	-12.5%	3.1%	3.3%	6.1%	10.0%	
Safestore	self storage	United Kingdom	861	2,179	04/23	5.6%	5.8%	3.5%	3.5%	-6.3%	-15.9%	4.2%	2.8%	9.3%	12.8%	
Shurgard	self storage	Western Europe	42.00	3,744	06/23	4.1%	4.0%	2.8%	2.8%	-2.6%	-8.7%	3.2%	0.0%	6.1%	8.9%	
Xior	Student	Belgium	29.00	1,033	09/23	7.6%	7.4%	6.1%	6.1%	-29.3%	-29.0%	3.3%	3.2%	0.1%	6.1%	
<b>Average total (Ptf weighted)</b>				1,616												
<b>16-Jan-24</b>				2,424												
						<b>6.6%</b>	<b>6.7%</b>	<b>4.0%</b>	<b>4.7%</b>	<b>-19.5%</b>	<b>-20.1%</b>	<b>2.6%</b>	<b>4.1%</b>	<b>-0.1%</b>	<b>4.6%</b>	

These figures are sell-side research estimates that are reviewed on a constant basis and may prove too low or too high compared to actual figures that will be published in the future.



# Valuation

NAV Estimates: the UK one year ahead of CE (trough in 2023 vs 24)

		Headline NAV				Growth in headline NAV				Discount to headline NAV			
		2022	2023e	2024e	2025e	2022	2023e	2024e	2025e	2022	2023e	2024e	2025e
Aedifica	€	78	73	74	77	5	-6	0	5	-21	-16	-16	-20
Aroundtown	€	9	7	6	6	-3	-22	-15	-1	-75	-69	-63	-63
Assura	p	54	52	53	55	-12	-4	3	3	-14	-10	-13	-16
Big Yellow	p	1,182	1,230	1,257	1,380	0	4	2	10	-2	-6	-8	-16
British Land	p	588	549	578	642	-19	-7	5	11	-33	-28	-31	-38
Castellum	SKr	193	157	143	143	-4	-19	-10	1	-29	-13	-3	-4
Cofinimmo	€	107	94	92	96	0	-12	-2	4	-35	-25	-24	-27
Colonial	€	11.8	10.5	8.9	8.8	-2	-12	-15	-1	-49	-42	-32	-31
Covivio	€	106	86	75	77	-6	-19	-13	3	-56	-46	-38	-40
CTP	€	13.8	14.9	16.3	17.9	15	8	9	10	9	1	-8	-16
Derwent London	p	3,633	3,274	3,371	3,630	-9	-10	3	8	-37	-30	-32	-37
Fabege	SKr	161	144	127	120	0	-11	-11	-6	-36	-28	-19	-14
Gecina	€	172	151	132	133	-2	-13	-12	1	-38	-29	-19	-20
Great Portland	p	758	626	637	677	-9	-17	2	6	-46	-35	-36	-40
Hammerson	p	52.7	51.1	50.9	52.4	-18	-3	-1	3	-47	-46	-46	-47
Icade	€	89.8	71.5	64.0	61.8	-5	-20	-11	-3	-62	-52	-47	-45
Klepierre	€	30.9	29.4	29.1	27.8	-1	-5	-1	-4	-21	-17	-16	-12
Land Securities	p	936	869	909	992	-12	-7	5	9	-26	-21	-24	-30
LEG Immobilien	€	151	130	126	131	4	-14	-4	4	-50	-42	-40	-42
LondonMetric	p	199	200	207	224	-24	0	3	8	-7	-8	-11	-18
Merlin Properties	€	15.7	14.7	13.9	13.9	-3	-6	-5	0	-38	-34	-30	-30
PSP Swiss Property	SFr	137	129	119	119	3	-6	-8	0	-15	-9	-2	-2
Safestore	p	877	943	997	1,102	30	8	6	11	-3	-10	-15	-23
SEGRO	p	966	942	969	1,051	-15	-3	3	8	-10	-7	-10	-17
Shaftesbury Capital	p	182	192	191	202	-14	5	-1	6	-26	-30	-30	-33
Shurgard	€	40.7	41.3	42.6	46.0	16	1	3	8	2	0	-3	-10
Unibail-Rodamco-Westfield	€	121	112	103	100	-2	-7	-8	-3	-45	-41	-36	-34
Unite Group	p	927	932	984	1,070	5	1	5	9	12	11	5	-3
Vonovia	€	57.5	46.7	45.4	47.4	-8	-19	-3	4	-52	-41	-39	-42
Warehouses de Pauw	€	20.7	19.9	20.8	22.2	3	-4	4	7	33	38	32	24
<b>Continental Europe</b>						<b>-1</b>	<b>-11</b>	<b>-5</b>	<b>2</b>	<b>-33</b>	<b>-27</b>	<b>-23</b>	<b>-25</b>
<b>UnRed Kingdom</b>						<b>-9</b>	<b>-3</b>	<b>3</b>	<b>8</b>	<b>-16</b>	<b>-14</b>	<b>-17</b>	<b>-24</b>
<b>Pan-Europe</b>						<b>-3</b>	<b>-8</b>	<b>-2</b>	<b>4</b>	<b>-28</b>	<b>-23</b>	<b>-22</b>	<b>-25</b>



# Valuation and implied asset repricing



**A +/- 20% discount to NTA implies (market cap weighted):**

Around 12% further negative repricing of underlying assets, unlevered and on average

Property yields increase by 70bps, on average from 5.0 to 5.7%



**At the same time sell-side estimates of further asset repricing in 2024 is just 1%**

Implying an 11% discount on GAV, on trough valuations



**There is still pressure on balance sheets for over-leveraged companies, to be solved by:**

Dividend cuts, motivated selling and rescue rights issues. This has happened and may continue in 2024



**But opportunities for growth companies with healthy balance sheets**

Raising equity to benefit from market opportunities. This has started for the most solid companies in H2 2023



# Conclusions



**The extreme dispersion between the discount to NAV and NAV growth is decreasing with the negative asset repricing.** There is still some way to go for both lines before normalisation



Leverage remains a concern which will need to be addressed by over levered companies. The significant easing in interest rates of Q4 2023 provides opportunities to these companies to reshape their balance sheets in a sustainable way. This should continue to ease the historical high risk premium on the sector



**Repricing of property values** via outward yield shift may continue in 2024 but will only affect the lower yielding subsectors while rental growth will continue to cushion this impact



**Indexation** continues to be a **significant balancing factor**, comforting the healthy rental growth forecasts and offsetting higher financial charges



A **better visibility and lower volatility on interest rates and credit spread clearly helped** the sector in late 2023. It may also lead to a reopening of transactions in the direct market.





# Return expectations



If we **assume** that the **trough in asset values is around end 2024** and based on current discounts of around 20% to this through NAV for the current portfolios => **once the market realises the trough is in sight, there is no valid reason for significant discounts anymore**. From 20% to 10% discount means a performance of 12-13% over a period of 2 years, with an annual 5-6% dividend yield on top of that



This is a base case scenario based on current share prices and estimated value declines and future dividends. Those estimates will evolve over time based on market data



The track record of a European listed real estate fund, before management fees and over the last 24 years, shows an **annualised performance of 7.7%** at end 2023. This is what can be expected from a **long-term holding in European/Eurozone levered property companies**, with good years compensating bad years

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“The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment/product.”



# Preferred companies

In the current market



We invest in **companies that have a competitive advantage**, which enables them to increase rents over time and create shareholders value



We look for **strong management teams, solid balance sheets** – today the KEY element - and solid **ESG profiles**



We favour **undervalued mid-cap companies** that are priced at compelling relative valuations, conscious of lower liquidity



We pick companies with a **diversified and sustainable income** profile



We **avoid** companies trading at a huge discount but with weak balance sheets, as these are potential '**value traps**'



# Strategy & outlook

## In the current market

- For 2024 we favour **Continental Europe logistics, German residential, retail, Student accommodation and healthcare**. We are constructive on London offices and increasingly like **self storage**
- In retail, we favour **retail parks and convenience retail** over large shopping centres but increased the latter in 2023 H2
- In offices, we favour **well-located grade A** over lower-quality assets
- Our bottom-up analysis leads to a geographical breakdown with main **overweights in France, Germany and Belgium and underweights in Switzerland and Sweden**

# Agenda

Why

Strategy  
Highlights

Portfolio  
Characteristics

Outlook

**Appendix**



04

# The Net Zero Asset Managers Initiative

273 signatures with USD 61.3 trillion in AUM

Founding Network Partners



## What we commit to

Going beyond: a thorough feasibility study resulted in a Net Zero commitment

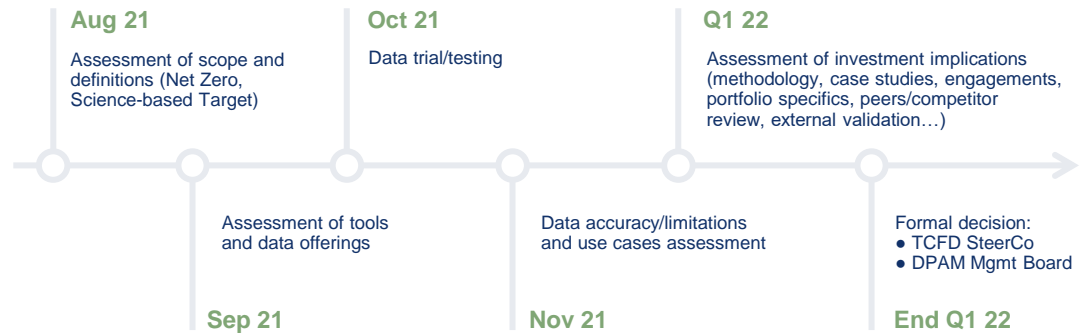
01

Support the goal of net zero green house gas emissions by 2050 or sooner, to limit global warming to 1,5°

02

Support investing aligned with net zero emissions.

### Feasibility study timeline



Disclaimer: the exact approach and methodology is to be approved by an external party, i.e. CDP



04

# The Net Zero Asset Managers Initiative

273 signatures with USD 61.3 trillion in AUM

## How we align net zero & risk exposure impact

### Science based Targets portfolio coverage approach



#### Target

#### Target

75% of portfolio constituents has a Science Based Targets or emissions aligned with a 1.5°C scenario by 2030 (linear increase)

Min. 50% of portfolio constituents has a Science Based Targets or emissions aligned with a 1.5°C scenario by 2030 (linear increase)

Scope: Article 8, 8+ and 9 funds Emissions scope 1 & 2 only (for now) 100% portfolio coverage by 2040

Scope: Article 8, 8+ and 9 funds Emissions scope 1 & 2 only (for now) 100% portfolio coverage by 2040

#### Engagement until 2025

- Collaborative: annual collaborative engagement via 'CDP SBT campaign.'
- Individual: focus on TCFD assessment scope.

#### Engagement post 2025

- TBD (more focus on escalation; voting/resolutions/statements/divestment)



# Inflation and real estate lease agreements



Lease agreements are a strong title that **protect property owners**. A default by the tenant is generally not accepted by courts



Indexation of lease agreements **differ from country to country**



Generally speaking, **Continental European leases** have a **yearly indexation** of the lease amount to the CPI (or other local inflation indices) at a fixed date or at the anniversary date of the lease. In Germany, commercial leases are indexed once cumulative inflation > 5%, residential indexation is regulated but aims at tracking inflation



In the **UK**, inflation is not automatically applied to all leases. Most leases operate under the 5-yearly, upward-only rent review system. The reference is the market rent for similar buildings, so one need to see higher market rents to index the lease amount



Recently we have seen more inflation-linked or fixed annual rental uplifts in certain lease contracts. More so in specific warehouse (logistics), healthcare and retail (grocery) leases

In the short-term, rental income will increase with inflation, but for the medium- to long-term, the tenants need to be able to continue paying a higher rent



# Indexation, a strong balancing factor!

Yield outshift <> Indexation

## A simplified example

	2021	2022	2023	2024	2025
<b>Indexation</b>		4%	8%	4%	2%
<b>Net rental income</b>	€100	€104	€112	€117	€119
<b>Valuation yield</b>	5.50%	5.70%	5.90%	6.00%	5.90%
<b>Value of the asset</b>	€1818	€1825	€1904	€1947	€2019

Higher interest rates are pushing property yields higher. However, indexation is cushioning this detrimental effect on property values.





# Credible sustainability approach

Externally recognized by an independent third party



**DPAM Equities Real Estate Europe Sustainable received the LuxFLAG ESG LABEL (from 2018 onwards)**

The Luxflag ESG label is the sustainability label awarded by the Luxembourg Finance Labelling Agency. More information on <https://luxflag.org/labels/esg/>



**International non-profit association** backed by 7 credible private and public partners



Founded in 2014 to reassure investors of **A fund's incorporation of ESG considerations**



**Evidence of ESG screening** required for 100% of the portfolio according to LuxFLAG's ESG principles



**Extensive application review** by a panel of industry experts, academics and researchers



**Independent audit** of the investment process & practices by an external auditing firm



**Annual proof of compliance** and panel review required to obtain label renewal



# Current investment strategies

AUM 31/03/2024: EUR 919 million

## Europe



### Actively managed against benchmark

#### DPAM B Real Estate Europe Sustainable + clone account (1999)

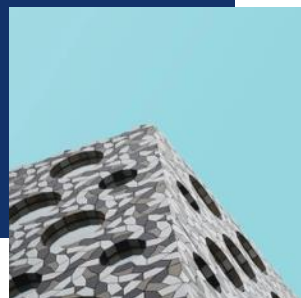
- Outperform a defined European benchmark
- Max 30% out of benchmark securities
- Lower volatility than the benchmark
- AUM fund EUR 443 million + 85 million clone account
- Equities only

### Conviction and dividend focus

#### DPAM B Real Estate Europe Dividend Sustainable (2010)

- Concentrated on high convictions
- Dividends or coupons above sector average (50%)
- Lower Beta fund
- AUM fund EUR 172 million
- Equities and up to Max 10% bonds
- Outperform a defined European benchmark

## Eurozone



#### DPAM B Real Estate EMU Sustainable (1999)

- Outperform a defined Eurozone benchmark
- Max 20% out of benchmark securities
- Lower volatility than the benchmark
- AUM fund EUR 115 million
- Equities only

#### DPAM B Real Estate EMU Dividend Sustainable (2003)

- Concentrated on high convictions
- Dividends above sector average
- Lower Beta fund
- AUM fund EUR 104 million
- Equities only
- Outperform a defined Eurozone benchmark



# Investment mandates & institutional fund

AUM 31/03/2024: EUR 181 million

## Balanced fund



### Manager of listed real estate UCITs fund of Swiss private bank

- Fund investing in European property equities and bonds
- Outperform GPR Europe Balanced Index
- Inception November 2016, AUM EUR 78 million

## Belgium plus



### Mandate for Belgian pension fund

- Outperform GPR Belgium all REIT Index
- Inception 2007, AUM EUR 19 million
- 2.3% annual excess over 13 years

## Conviction fund



### II Real Estate Europe conviction

- No benchmark, only strong convictions and opportunities
- Inception 2005, reshaped in a fund in 2018, AUM EUR 32 million
- 3.5% annual excess vs. EPRA/ GPR over 15 years with 30% lower volatility

## Income focus



### Income mandates for Belgian pension funds

- Outperform the FTSE EPRA/NAREIT Eurozone Capped Net Return
- 2 mandates, AUM EUR 52 million



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*\* Syncicap Asset Management  
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