

DJE - DIVIDENDE & SUBSTANZ LOOKS FOR UNDERVALUED AND DIVIDEND YIELDING TITLES



DR. JAN EHRHARDT

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Fund Manager: DJE Kapital AG

Responsible Dr. Jan Ehrhardt
since inception

Fund Facts

ISIN:	LU0159550150
WKN:	164325
Bloomberg:	DJEDIVP LX
Reuters:	LU0159550150.LUF
Asset Class:	Global Equity Funds
Minimum equity	51%
Partial exemption of income ⁵	30%
Investment Company ³ :	DJE Investment S.A.
Fund Manager:	DJE Kapital AG
Type of Share:	retention ³
Financial Year:	01/07 - 30/06
Launch Date:	27/01/2003
Fund currency:	EUR
Fund Size (24/04/2019):	1.18 Mrd. EUR
TER p.a. (30/06/2018) ³ :	1.82 %

Reference Index of the fund³

■ 100% MSCI World EUR¹

Ratings & Awards⁴ (24/04/2019)

Morningstar Rating Overall²: ★★

DJE - DIVIDENDE & SUBSTANZ P (EUR)

INVESTMENT STRATEGY

The investment focus of DJE - Dividende & Substanz is on stocks that pay good dividends and have solid balance sheets. The fund is benchmark agnostic and invests internationally while pursuing an active value approach which focuses on companies' value-retention characteristics and fundamentals. In addition, it is also possible to invest in fixed and variable-rate securities. In the selection of individual stocks, companies are analysed using quantitative and qualitative criteria. These criteria do not focus solely on earnings figures, but also on a broad range of balance sheet indicators that are crucial for the selection of financially strong companies.

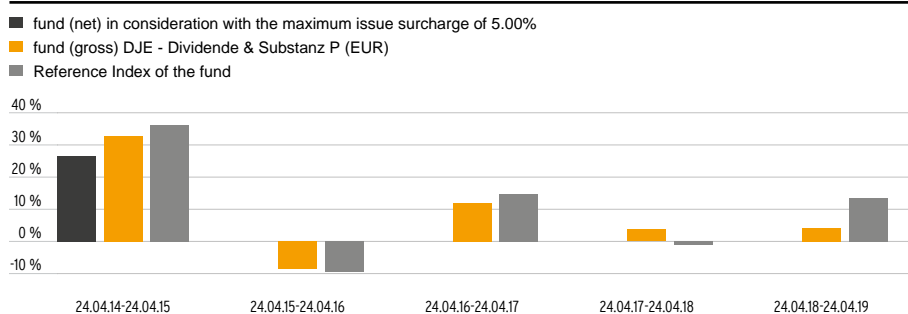
PERFORMANCE IN PERCENT VS. REFERENCE INDEX SINCE INCEPTION (27/01/2003)



Data: Bloomberg, own illustration.

As at: 24/04/2019

PERFORMANCE IN PERCENT VS. REFERENCE INDEX LAST 5 YEARS (24/04/2014)



Data: Bloomberg, own illustration. Calculated according to the BVI Bundesverband Investment und Asset Management e.V.) method, i.e. not taking into account the front end load.

As at: 24/04/2019

PERFORMANCE VS. REFERENCE INDEX IN PERCENT

	1 Mo	YTD	1 Yr	3 Yrs	5 Yrs	SI
Fund	3.10%	13.85%	4.05%	20.74%	46.53%	314.95%
Reference Index	4.28%	18.33%	13.61%	29.06%	59.14%	175.35%

As at: 24/04/2019

The presented charts and tables concerning performance are based on our own calculations according to the gross performance (BVI) method¹ and illustrate past development. Future results may vary both positively and negatively. The BVI method takes into account all costs incurred at the fund level (e.g. management fees), the net performance and the issue fee. Additional individual costs may be incurred at the customer level (e.g. custodian fees, commission and other charges). Model calculation (net): an investor wishes to purchase shares for Euro 1,000. With a maximum issue surcharge of 5.00%, he has to spend a one-off amount of Euro 50.00 when making the purchase. In addition, there may be custodian costs that reduce performance. The custodian costs are decided by your bank's price list and service charges. Information regarding past development is not a reliable indicator of future performance.

1 | 2 see also on page 4

3 | see also on (www.dje.de/DE_en/fonds/fondswissen/glossar)

4 | sources on homepage (www.dje.de/DE_en/page/14500)

5 | The fiscal treatment depends on the personal circumstances of the respective client and can be subject of change in the future.

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Asset Allocation in percent of fund volume (29/03/2019)³

Stocks	96.19 %
Cash	3.81 %

Top Countries in percent of fund volume (29/03/2019)

United States	32.22 %
Germany	17.08 %
Hong Kong	10.52 %
France	10.45 %
Switzerland	8.68 %

Fund prices per 24/04/2019

Bid:	414.95 EUR
Offer:	435.70 EUR

Fees³

Initial Charge:	5.00%
Management Fee p.a.:	1.32%
Custodian Fee p.a.:	0.10%
Advisory Fee p.a.:	0.35%

up to 10% of the increase in Fund assets in excess of 6% (Hurdle Rate), High Water Mark over preceding 5 years.

³ | see also on (www.dje.de/DE_en/fonds/fondswissen/glossar)

DJE - DIVIDENDE & SUBSTANZ P (EUR)

TOP TEN SECTORS IN PERCENT OF FUND VOLUME (29/03/2019)

HEALTH CARE	10.95 %
FINANCIAL SERVICES	9.64 %
TRAVEL & LEISURE	8.30 %
PERSONAL & HOUSEHOLD GOODS	7.37 %
CHEMICALS	7.21 %
TECHNOLOGY	6.80 %
FOOD & BEVERAGE	6.46 %
INSURANCE	5.51 %
INDUSTRIAL GOODS & SERVICES	5.40 %
UTILITIES	4.06 %

TOP HOLDINGS IN PERCENT OF FUND VOLUME (29/03/2019)

GREAT EAGLE HOLDINGS LTD	3.99 %
DANONE	3.82 %
BLACKROCK INC	2.89 %
ROCHE HOLDING AG-GENUSSSCHEIN	2.80 %
MERCK & CO. INC	2.32 %
LOREAL	2.22 %
LAS VEGAS SANDS CORP	2.21 %
ORSTED A/S	2.05 %
HANNOVER RUECKVERSICHERU-REG	2.00 %
ELI LILLY & CO	1.81 %

RISK MEASURES³

Standard Deviation (2 years)	9.87%	Sharpe Ratio (2 years)	0.41
Tracking Error (2 years)	6.64%	Correlation (2 years)	0.73
Value at Risk (99% / 20 days)	-6.23%	Beta (2 years)	0.67
Maximum Drawdown (1 year)	-13.05%	Treynor Ratio (2 years)	5.99

As at: 24/04/2019

MONTHLY COMMENTARY

In March the international equity markets continued their recovery although the upward momentum slowed compared to the two extremely strong previous months. The German stock market on the other hand was stagnating due to weakness in the automotive and financial sectors. The international stock markets were supported monetary. The European Central Bank announced a two-year programme for long-term interest-free refinancing loans (TLTRO). On the European bond markets this triggered a rally in government bonds. Yields on ten-year German government bonds fell below the 0% mark for the first time since 2016. The US Federal Reserve (Fed) announced its intention to reduce its balance sheet more slowly from May onwards and to discontinue the reduction from September. In addition it signaled that it is unlikely to raise key interest rates again this year. An agreement in the trade conflict had not yet been found but the markets continued to expect a positive result from the talks between the USA and China. In this market environment the DJE - Dividende & Substanz rose 1.61%. Its benchmark index MSCI World rose 2.48% in euro terms. During the month the fund benefited primarily from its investments in the household goods and food & beverage sector. Anyway titles of the credit and automotive sector had a negative impact. Viewing individual stocks the French food producer Danone and the consumer goods producer L'Oréal as well as the American asset manager Blackrock provided the strongest contribution to the overall result of the fund. However, the German Wacker-Chemie Group and the telecommunications company Veon had a negative impact on the fund's performance. During the month the fund management increased its exposure to the financial services, technology and household goods sectors. In return it reduced its holdings in the chemical, industrial and real estate sectors. Regionally, the fund management reduced its exposure to the UK, Germany and China (including Hong Kong) in favour of US equities. Because of these adjustments the fund's equity exposure fell from 98.5% to 96.2%. There were no currency hedges at the end of the month.

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Target group

The fund is suitable for investors

- + with a medium to long-term investment horizon
- + who seek to focus their equity investments on stocks that pay dividends
- + who wish to reduce risk compared to a direct investment

The fund is not suitable for investors

- with a short-term investment horizon
- who seek safe returns
- who are not prepared to accept increased volatility

Risk class (SRRI 1-7)³

← low risk lower rewards high risk higher rewards →

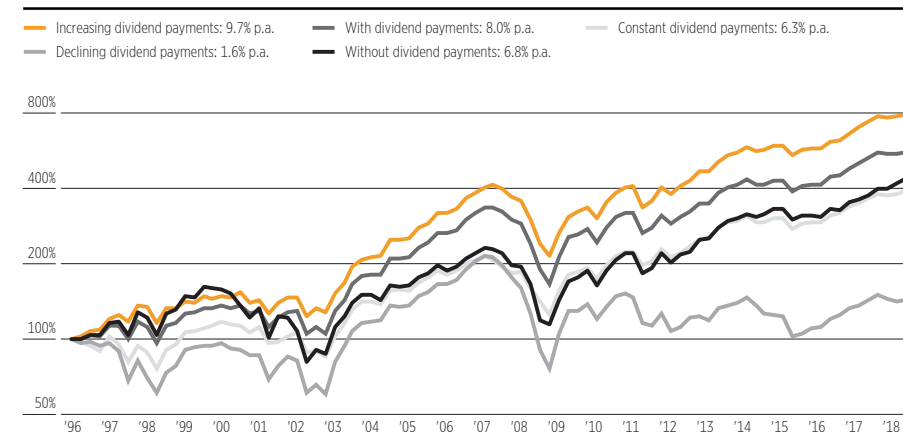
1	2	3	4	5	6	7
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INVESTMENT APPROACH

The particular importance of dividend payments is often underestimated. In the long run, dividends offer the highest contribution to the overall performance of an equity investment as reinvested dividends achieve a considerable compound interest-effect. Therefore the DJE- Dividende & Substanz prefers equities with high yields. Anyway, the possibility of obtaining the highest possible yield is not decisively, but the achievement of sustainable and in the best case increasing yields (see graphic). This is supported by a low distribution quota. Empirical analyses proved especially in a difficult market environment that high-yield titles offer much more stability than titles with a low dividend, as the dividend is able to soften temporarily losses. The calculation is easy and clear: good substance, excellent balance structure as well as a high dividend return in combination with the highest possible secured profit situation increases the chances to achieve a sustainable investment success.

PERFORMANCE* OF SHARES WITH A DIFFERENT DIVIDEND POLICY FROM THE MSCI WORLD EUR



As at: 31/03/2017
As at: 30/09/2018

OPPORTUNITIES AND RISKS

Opportunities

- + Participation in the growth opportunities of the global stock markets unconstrained of benchmark index parameters
- + Attractive level of global dividend-paying securities
- + Experienced fund manager following an investment approach based on fundamental, monetary and market-technical (FMM) analysis, which has a proven track record of over 45 years

Risks

- Equity prices may exhibit relatively strong fluctuations depending on market conditions
- Currency risks resulting from a high proportion of foreign investments
- Issuer country and credit risks
- Proven investment approach to date is no guarantee of future investment success

³ see also on KIID <https://www.dje.de/de-de/documents/LU0159550150/KIID/inline>

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DJE Kapital AG

The DJE Kapital AG has more than 45 years experience in wealth management and is one of the leading bank independent wealth and asset managers in German-speaking Europe. Our investment strategy is based on a three-dimensional approach, the FMM methodology. It takes three views on the stock exchange and financial markets: fundamental, monetary and market-technical.

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1 | Benchmark source: MSCI. Neither MSCI nor any other third parties involved in compiling, calculating or creating MSCI data or connected therewith offer any guarantee or assurance, explicitly or implicitly, concerning this data or any results that stem from using this information. In particular, none of the parties guarantee the independence, accuracy or completeness of the data, its general usability or its suitability for a specific purpose. Without limitation of these conditions, MSCI, companies associated with MSCI and third parties involved in compiling, calculating or creating MSCI data or connected therewith accept no liability under any circumstances for loss, be it indirect, direct, special, consequential or of any other kind, including a loss of earnings. Similarly, no liability is accepted for damage claims, even if you were informed of the possibility of such losses. MSCI data may not be forwarded or distributed to third parties without the express written permission of MSCI.

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All data and estimates are indicative and may change at any time. This information is based on our assessment of current legal and tax regulations. The data were carefully compiled, but no guarantee can be given for the accuracy of such information. All data are subject to change.

The performance is calculated using the BVI (Bundesverband Investment und Asset Management e.V.) method, i.e. without taking into account the subscription fee. Individual expenses such as fees, commissions and other charges are not taken into account in the data and would have a detrimental effect on the performance if they were. The subscription fees payable reduce the invested capital as well as the performance depicted. Data on past performance are not a reliable indicator of future performance.

The tax treatment depends on the individual circumstances of the investor and may be subject to change. Please see the prospectus for more detailed tax information.

In connection with brokering fund units, the Dr. Jens Ehrhardt Group and its distribution partners may receive reimbursements from costs charged to the funds by the investment companies in accordance with the respective prospectuses.

The units of this fund that are issued may only be sold or offered for sale in jurisdictions in which such offer or sale is permitted. Therefore the units of this fund may not be offered for sale or sold in the USA, or offered for sale or sold to or for the account of US citizens or US persons resident in the USA.

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