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Fund management: DJE Kapital AG

Fund manager	Florian Bohnet
Responsible since	03/07/2018
Fund manager	Kilian Stemberger
Responsible since	03/07/2018

Fund Facts

ISIN:	LU1681425366
WKN:	A2DW7D
Bloomberg:	DJEMPAE Equity
Asset Class:	Equity Funds Market Neutral - Europe
Minimum equity	51%
Partial exemption of income ²	30%
Investment Company ¹ :	DJE Investment S.A.
Fund manager:	DJE Kapital AG
Type of Share:	payout ¹
Financial Year:	01/01 - 31/12
Launch Date:	03/07/2018
Fund Currency:	EUR
Fund Size (11/11/2019):	16.16 million EUR
TER p.a. (30/06/2019) ¹ :	1.21%

DJE - EQUITY MARKET NEUTRAL EUROPE PA (EUR)

INVESTMENT STRATEGY

DJE - Equity Market Neutral Europe is an equity fund focusing on large European quality companies. The fund invests at least 51% of its assets in equities at all times. The aim of the fund is positive absolute added value, even in falling markets (no guarantee). To this end, the fund management invests the majority of the fund assets in up to 50 approximately equally weighted individual stocks. Following a detailed bottom-up analysis these appear more promising than the overall market. Aiming to neutralize the market risk it is largely hedged with the help of index and currency derivatives.

PERFORMANCE IN PERCENT SINCE INCEPTION (03/07/2018)


Data: Bloomberg, own illustration.

As at: 11/11/2019

PERFORMANCE IN PERCENT SINCE INCEPTION (03 July 2018)


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: 11/11/2019

PERFORMANCE IN PERCENT

	1 Mo	YTD	1 Yr	SI
Fund	1.81%	-4.46%	-6.82%	-8.09%

As at: 11/11/2019

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 3.00%, he has to spend a one-off amount of Euro 30.00 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 | see also on (www.dje.de/DE_en/fonds/fondswissen/glossar)

2 | 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 (31/10/2019)¹

Stocks	73.63 %
Cash	26.37 %

The asset allocation may differ marginally from 100% due to the addition of rounded figures.

Top Countries in percent of fund volume (31/10/2019)

Germany	30.55 %
France	12.52 %
Switzerland	10.54 %
United Kingdom	8.06 %
Denmark	6.00 %

Fund prices per 11/11/2019

Bid:	91.62 EUR
Offer:	94.37 EUR

Fees¹

Initial Charge:	3.00%
Management Fee p.a.:	1.05%
Custodian Fee p.a.:	0.09%
Advisory Fee p.a.:	0.25%

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

Risk class (SRRI 1-7)¹

← low risk lower rewards high risk higher rewards →

1	2	3	4	5	6	7
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¹ | see also on (www.dje.de/DE_en/fonds/fondswissen/glossar)

DJE - EQUITY MARKET NEUTRAL EUROPE PA (EUR)

TOP TEN SECTORS IN PERCENT OF FUND VOLUME (31/10/2019)

HEALTH CARE	8.36 %
FOOD & BEVERAGE	7.76 %
CONSTRUCTION & MATERIALS	6.40 %
CHEMICALS	6.26 %
PERSONAL & HOUSEHOLD GOODS	6.15 %
OIL & GAS	6.14 %
UTILITIES	5.83 %
AUTOMOBILES & PARTS	4.40 %
INSURANCE	4.12 %
RETAIL	4.09 %

TOP HOLDINGS IN PERCENT OF FUND VOLUME (31/10/2019)

VALEO SA	2.30 %
SAP AG	2.25 %
LAFARGEHOLCIM LTD-REG	2.21 %
AURUBIS AG	2.17 %
FRESENIUS MEDICAL CARE AG &	2.17 %
CIE FINANCIERE RICHEMONT-REG	2.16 %
EVONIK INDUSTRIES AG	2.14 %
SCHNEIDER ELECTRIC SA	2.12 %
GLAXOSMITHKLINE PLC	2.11 %
SIKA AG-REG	2.10 %

RISK MEASURES¹

Standard Deviation (2 years)	3.57%	Maximum Drawdown (1 year)	-8.44%
Value at Risk (99% / 20 days)	-2.53%		

As at: 11/11/2019

MONTHLY COMMENTARY

The international stock markets made progress in September and were able to gain ground for the most part. Monetary policy played a major role in this. The European Central Bank resumed its EUR 20 billion monthly bond purchase program and lowered the deposit rate from -0.4% to -0.5%. After the end of July, the US Federal Reserve again lowered its key interest rate by 25 basis points to between 1.75% and 2.0%, and in China the central bank reduced its minimum reserve rate for banks for the third time. In addition, market participants hoped that the trade conflict between the US and China could possibly lead to a provisional deal, as both sides described the resumed talks as constructive. However, the majority of economic indicators disappointed, especially in Europe. The German purchasing managers' index for the manufacturing sector reached a ten-year low of 41.4 points, while its counterpart for the euro zone fell to 45.6 points. In Germany, incoming orders and industrial production also declined, with only exports increasing slightly. September was marked by a revival in cyclical stocks, which played into the cards of the STOXX 600 Europe due to its almost 10 percent bank share. Banks recorded a 9% increase in value last month, and the sectors basic materials, construction & materials and automobiles sectors also contributed significantly to the 3.6% increase in the overall market. In a market environment with such abrupt style and sector rotations, it is difficult to generate alpha in the short term. For the market neutral DJE - Equity Market Neutral Europe this month ended with a minus of -0.41%. The main reason for this was the strong underweight in the banking sector, which, however, had proven to be correct for a long time in the past. By contrast, the positions built up in the automotive, commodities and construction & materials sectors contributed positively to the fund's performance in September. The portfolio beta remains just above 0.9.



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Target group

The fund is suitable for investors

- + with a long-term investment horizon
- + who want to invest in selected high yielding European equities
- + who attach importance to the lowest possible valuation fluctuation

The fund is not suitable for investors

- with a short-term investment horizon
- who strive for a secure yield
- who want to benefit fully (i.e. without hedging) from the potential of the European stock market

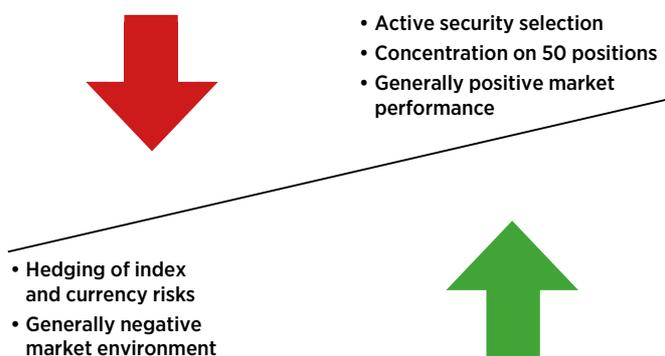
DJE - EQUITY MARKET NEUTRAL EUROPE PA (EUR)

INVESTMENT APPROACH

The basic idea of DJE - Equity Market Neutral Europe is the conviction that an active selection of sectors and individual shares is superior to a benchmark index in the long term and can achieve significant added value. Compared to European equity indices, often comprising several hundred stocks, the fund's portfolio contains only a maximum of 50 positions, which are analysed and selected on the basis of fundamental, monetary and market criteria. Due to their weighting, each individual position has a noticeable influence on the portfolio performance.

In addition, the fund management aims to neutralise market risks: Instead of hedging the securities held in the portfolio individually, part of the fund assets is invested in an index derivative. This develops positively when the broad European stock index falls; conversely, it weighs on fund performance when the index rises. Furthermore, the individual securities are weighted approximately equally. This serves to limit the risk of the fund's sector weighting deviating from the broad European equity market to the selection of individual stocks. In this way, the fund aims to achieve the most stable positive performance possible, irrespective of the market environment (no guarantee).

PERFORMANCE-FACTORS IN FALLING AND RISING STOCK MARKETS



Data: DJE Kapital AG

As at: 29/11/2017

OPPORTUNITIES AND RISKS

Opportunities

- + Benefit from the growth opportunities of the European stock market
- + The fund management is convinced that each of the 50 selected shares has the potential to outperform the broad market and has a noticeable impact on performance.
- + Low-fluctuation performance through extensive neutralization of market risks
- + Positive returns are also possible in falling markets

Risks

- Equity funds are subject to the valuation fluctuations of the stock market
- Valuation fluctuations may be greater than the hedges used by the fund management
- Currency risks from equity securities not denominated in Euro
- Positive returns cannot be guaranteed

1 | see also on KIID <https://www.dje.de/de-en/documents/LU1681425366/KIID/m/inline>



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DJE Kapital AG

DJE Kapital AG has more than 45 years of experience in wealth and asset management and is today one of the leading bank-independent financial service providers in German-speaking Europe. Our investment strategy, both in equities and bonds, is based on the FMM method developed in-house: a systematic analysis which takes three views on securities and the financial markets: fundamental, monetary and market-technical. DJE follows sustainability criteria when selecting securities and is a signatory to the United Nations Principles for Responsible Investment.

Signatory of:



Principles for
Responsible
Investment

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DJE - EQUITY MARKET NEUTRAL EUROPE

INVESTS IN EUROPEAN STOCKS AND AIMS AT LOW VOLATILITY

KILIAN STEMBERGER | FLORIAN BOHNET



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LEGAL INFORMATION / DISCLAIMER

Source for all data is DJE, unless otherwise stated.

Figures subject to revision by the auditors on the reporting dates. The published information does not constitute investment advice or a recommendation, but only provides a brief summary of the key features of the fund. The current sales documents (Key Investor Information Document, prospectus, annual report and - if the annual report is older than eight months - the semi-annual report) for the respective investment funds form the sole basis for the purchase of securities. The sales documents are available at no charge at the respective fund company, the distribution company or at www.dje.de.

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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