

## 10-year anniversary of Gutmann Global Dividends

**Gutmann's dividends strategy marked its 10th anniversary last December. After ten years, the fund's track record is extremely strong. Since its inception in December 2010, the portfolio has earned shareholders 7.5% p.a.<sup>1</sup>. With this performance, Gutmann's dividends strategy has won top places in international rankings. What is behind this success story?**

Continuity and discipline in picking investments is the recipe for success. With Gutmann's dividends strategy we invest only in first-rate companies with a tried-and-tested business model and stable dividend payouts. These are perhaps not always the hottest stocks in the market, but companies that, as a rule, deliver reliable returns. We have remained faithful to this strategy to this day and have never watered down the quality standards that our investments must meet.

### **What is typical of the portfolio of Gutmann Global Dividends?**

About half of the companies that are held in the portfolio today were there already when the fund was launched ten years ago. These are companies that have generated solid returns for their shareholders over the past ten years. We hold positions in these companies and benefit from their success: on the one hand, by receiving regular dividend payouts and, on the other, from rising stock prices that reflect earnings growth.

This does not mean, however, that we are just sitting back and doing nothing once we have invested in a company. We continually assess whether a company has a future-proof business model and will hence be able to pay a reasonable dividend to investors even five years from now.

### **How does a dividends portfolio differ in detail from a "conventional" equities portfolio?**

As a rule, companies pay out sizable dividends only once that have reached a certain degree of maturity, when earnings do not have to be ploughed back fully to fund growth but can be partly returned to shareholders. The portfolio therefore consists of companies operating in "traditional" segments of the economy. Among them are, for example, pharmaceutical companies, companies engaged in medical technology, businesses that sell consumer staples such as food and personal care products as well as companies making basic materials, e.g. in the chemicals industry.

We make sure that we invest in companies whose products and services are so essential in day-to-day life that they continue to be in demand even when times are economically challenging. This makes the portfolio a little more "robust", as a rule, even when markets are facing headwinds.

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<sup>1</sup> 5-y performance 20.9% ; 3.94% p.a.

**But is a dividends portfolio still appropriate in the current environment? Since the outbreak of the pandemic, dividend stocks have, after all, clearly underperformed technology stocks.**

This is true, of course. Last year, the market focused almost exclusively on technology stocks. Such phases happen in the equities market from time to time. A couple of years ago, dividend stocks experienced such a phase. When, a few years after the financial crisis, the world realised that interest rates were to stay low for an extended period of time, market attention shifted in particular to dividend stocks.

The success of our portfolio is not dependent on what types of stocks happen to be popular in the market at a given moment. We invest in profitable companies that make money, i.e. generate a free cash flow. Only companies that earn actual cash are able to make payouts to their shareholders. In our portfolio we also hold the one or the other tech company, but mostly pharmaceutical and consumer goods companies. These companies do not double their revenues year after year, but generate earnings which they share with their shareholders. This is just as relevant today as it was ten years ago.

**For what type of investor is a dividends portfolio suitable?**

Investors who seek to preserve the value of their assets at times of zero interest rates are looking for reasonable returns on their investments and will therefore hardly be able to bypass equities. A conservative portfolio of dividend stocks is therefore a good basic investment in an equities portfolio. Those who want to boost their returns even further may, of course, opt for more risky investments such as growth stocks.

With Gutmann Global Dividends we provide the basic investment with solid equities and regular payouts. The positive development of the fund over the past 10 years confirms the validity of this strategy and our aim is to continue this success story going forward.

**Information on the Gutmann Global Dividends investment fund**

Performance over the past 10 years	7.46% p.a.
Current dividend yield	3.6%
Number of stocks	61
Distribution of dividends	Annually, beginning of February
ISIN of Euro tranche	AT0000A0LXW3

Data as of 4 January 2021

For more details see: <https://www.gutmannfonds.at/en/AT0000A0LXW3>

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For interested parties the Key Investor Information Document ("KID") in accordance with section 134 InvFG for Gutmann Global Dividends respectively the prospectus in accordance with section 131 InvFG for Gutmann Global Dividends in their current versions are provided in German language free of charge at Gutmann KAG and Bank Gutmann AG, both Schwarzenbergplatz 16, 1010 Vienna, Austria as well as for Gutmann Global Dividends at the German information center Dkfm. Christian Ebner, Attorney at Law, Theresienhöhe 6a, 80339 Munich. All figures made without guarantees. Errors and omissions excepted. This information has been created by Bank Gutmann AG, Schwarzenbergplatz 16, 1010 Vienna. Bank Gutmann AG hereby explicitly points out that this document is intended solely for personal use and information. Publishing, copying or disclosure by any means whatsoever shall not be permitted without the consent of Bank Gutmann AG. The contents of this document have not been designed to meet the specific requirements of individual investors (desired return, tax situation, risk tolerance, etc.) but are of a general nature and reflect the current knowledge of the persons responsible for compiling the materials at the copy deadline. This document does not constitute an offer to buy or sell nor a solicitation of an offer to buy or sell securities. The required data for disclosure in accordance with Section 25 Media Act are available on the following website: <https://www.gutmann.at/en/imprint>.