



DII NEWSLETTER FEBRUARY 2016

Capital preservation in 2015 – good start in 2016

Dear investors,

in 2015 our fund DII almost preserved its investors' capital, with a return of -0,45%. However, most equity-oriented mixed funds achieved a positive return in the past year. The result of the DII, which therefore looks disappointing at first sight, is due to its unconventional portfolio structure with a very high share of emerging markets and real assets. As these two asset categories, that suffered high losses in the last year, amount to almost half of the DII's portfolio, a bare preservation of capital is actually quite a decent result. This becomes clear if we compare the DII's return with the return of the corresponding market indices, weighed by their share in the DII portfolio:

CHANGE OF VALUE 31.12.2014 – 31.12.2015 (IN EUR)

ASSET CATEGORY	INDEX	WEIGHT IN THE DII	RETURN (IN EUR)
Equities developed countries	MSCI World Index (EUR)	30%	10,42%
Equities emerging markets	MSCI Emerging Markets Index (EUR)	20%	-4,87%
Real assets	S&P GSCI (EUR)	25%	-25,21%
Global Bonds	Barclays Global Aggregate TR EUR	25%	7,60%
INDEXPORTFOLIO			-2,25%
DII			-0,45%

Whereas an index portfolio with the same structure as the fund thus would have suffered a loss of 2,25% last year, the DII could limit this loss to only 0,45%.

In the first two months of 2016 all stock markets of the major developed countries, that had still recorded gains in 2015, suffered significant losses. In this difficult environment the broad diversification and the unconventional structure of the DII, that last year still had a disadvantageous effect compared to most other equity-oriented mixed funds, were now a distinct advantage:



CHANGE OF VALUE 31.12.2015 – 29.02.2016 (IN EUR)

ASSET CATEGORY	INDEX	RETURN (IN EUR)
Equities developed countries	MSCI World Index (EUR)	-7,25%
Mixed funds EUR aggressive – Global		-5,74%
DII		-4,09%

In this period, the DII achieved a rank among the best 19% of its fund category, with a loss lower by 30% than the average loss of global equity-oriented mixed funds

(see <http://www.morningstar.de/de/funds/snapshot/snapshot.aspx?id=F00000SCNK&tab=1>).

The evolution of the DII's value since its issue at the end of 2013 shows the great influence of emerging markets and real assets on its performance compared to conventional mixed funds with a higher share of equities from Europe and North America. For investors who share our conviction that significant future opportunities for economic growth will also be found outside the most highly developed countries, and that real assets provide the best protection against the by no means unlikely scenario of future inflation – for those investors the DII remains an excellent choice for the long-run preservation and increase of their wealth. We thank you cordially for your trust.

Yours sincerely,

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