

Asset Management

Monthly report February 2019



Profile

DoubleDividend Management B.V. (DoubleDividend) is an independent responsible investment specialist. Where asset management is concerned we put together a portfolio tailored to your needs, whilst taking into account the desired risk profile, the investment horizon and the desired sustainability profile of the portfolio. Primary use is made of funds managed by DoubleDividend. Clients include wealthy individuals, associations and foundations. DoubleDividend operates under the full supervision of the AFM and DNB.

Investment philosophy:

- ✓ Sustainability makes a positive contribution to the risk-return profile of an investment portfolio.
- ✓ Investment is a long-term practice.
- ✓ We invest with conviction and only in quality in order to achieve a resilient portfolio.
- ✓ We aim to achieve a realistic return, taking risks into account
- ✓ Risk refers to the permanent loss of capital in the long term and not short-term volatility.
- ✓ We engage with the client and also invest in the funds managed by DoubleDividend.

Performance

All investment profiles achieved positive returns in February. The stock markets benefited from the hope of a good trade agreement between the US and China and well received annual results. Investment grade corporate bonds and high yield also benefited from the positive sentiment on the stock markets. Although interest rates rose slightly, risk premiums declined. Real estate took a small step back in February after an increase of about 10% in January.

The most defensive profile recorded a plus of 1.6% despite the limited exposure to equities. The most offensive profile showed the best performance with a total return of 2.4% for the month, and 9.6% for the year.

Market data*

Equities	Feb	2019
MSCI World	3.8%	11.5%
S&P 500	3.8%	12.2%
Euro Stoxx 600	4.2%	10.8%
Bonds		
Europe**	-0.1%	0.9%
Real Estate		
EPRA Index	-1.2%	9.0%
Interest rates		
10-yr Dutch	0.29%	
10-yr US	2.72%	
Currencies		
EUR/USD	-0.7%	-0.8%
Other (in USD)		
Gold	-0.6%	2.4%
Oil (Brent)	6.7%	22.7%

*Total returns in euros, the price changes of gold and oil are calculated in US dollars.

** Barclays European Aggregate Index

Table: net returns for the various risk profiles*

	2012	2013	2014	2015	2016	2017	2018	2019 till Feb	Average per year	Total
Defensive	8.8%	1.3%	7.4%	-1.3%	4.7%	2.8%	-4.4%	5.3%	3.3%	26.6%
Moderately defensive	10.1%	3.2%	10.0%	1.5%	5.4%	3.6%	-3.7%	6.5%	5.0%	42.0%
Neutral	12.2%	5.7%	11.1%	4.9%	6.4%	4.6%	-2.7%	7.3%	6.2%	50.7%
Offensive	13.9%	8.3%	14.8%	7.9%	7.3%	5.8%	-1.7%	8.4%	9.0%	84.9%
Very offensive	15.4%	9.6%	16.7%	10.1%	8.5%	6.4%	-1.1%	9.6%	10.4%	103.4%

* The returns are based on the tactical asset allocation, after all costs, and with invested capital up to EUR 1 million. The value of your investments can fluctuate. Past performance is no guarantee for the future.

Tactical asset allocation

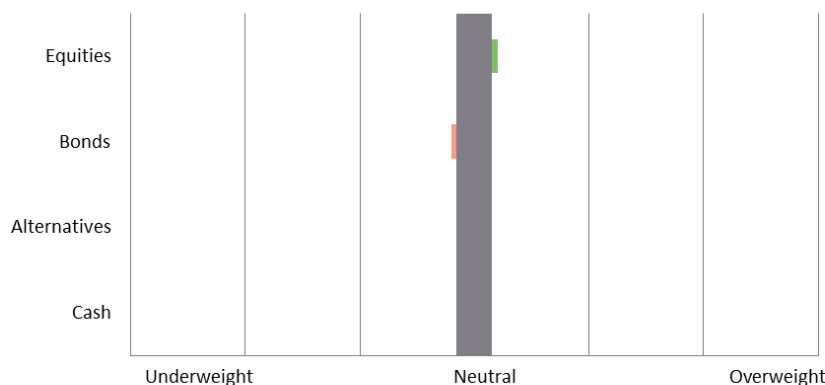
Each investment profile has a strategic allocation with bandwidths to equities, bonds and alternatives. The table below gives an overview of the five different standard investment profiles (without bandwidths). The classifications of risk profiles are motivated by the AFM (the Dutch Authority for the Financial Markets) and mainly based on historical risks and returns.

RISK PROFILES	defensive	moderate defensive	neutral	offensive	very offensive
Equities	10%	25%	40%	60%	80%
Bonds	85%	65%	45%	25%	10%
Alternatives	5%	10%	15%	15%	10%
Cash	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%

Source: DoubleDividend Management B.V.

We respond to the current market conditions by putting weights (within the bandwidths) to the various asset classes: equities, bonds and alternatives. We call this the tactical asset allocation. In February, we further reduced the overweight position of equities. We are currently only slightly overweighted equities at the expense of bonds. Equities have the best prospects in the long term, but given the recent sharp rise in share prices and the increased risks, we are more cautious. For bonds, the outlook is slightly less than average due to low interest rates, but the risk is also lower.

Tactical asset allocation



Team DoubleDividend