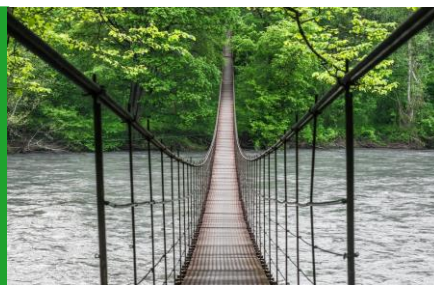


DD Equity Fund

Monthly report June 2019

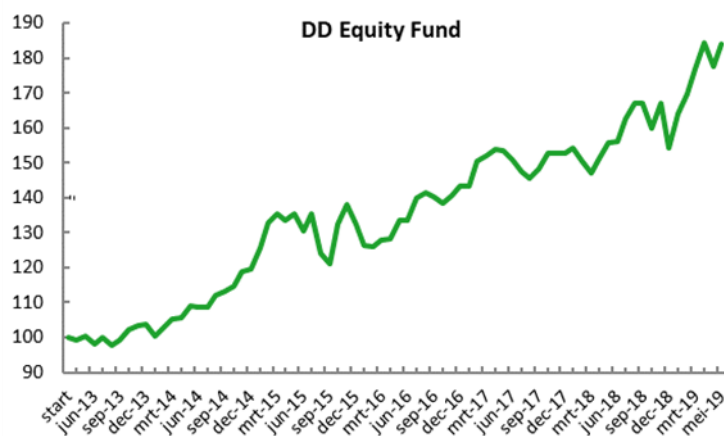


Profile

DD Equity Fund (DDEF) invests in a globally diversified portfolio of high-quality companies that are at the forefront of sustainability. At DDEF, the analysis on sustainability and financial aspects is fully integrated. The fund aims for a net return of 8%* per year in the long term and has no benchmark. DDEF is managed by an independent partnership with the conviction that sustainability makes a positive contribution to the return and risk profile of an investment portfolio. The partners of DoubleDividend also invest in the fund themselves. The fund is listed on Euronext Amsterdam and can be traded on a daily basis.

Return*

DD Equity Fund achieved a return of 3.53% over the month of June 2019, as a result of which the net asset value per participation increased to € 183.86. The return for 2019 comes to 19.2%. Since the fund was launched in April 2013, the return has been 83.7%.



* The value of your investment may fluctuate. Results achieved in the past do not provide any guarantees for the future.

Fund information

Key facts

Fund size	€ 50.8 mln
# shares outstanding	276,198
Net asset value*	€ 183.86
# of positions	45
Beta	0.90

Costs

Management fee	0.80%
Other costs**	0.25%

Up/ down Swing factor	0.25%
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Other

Start date	April 2013
Manager	DoubleDividend Management B.V.
Status	Open-end, daily
Exchange	Euronext Amsterdam
ISIN	NL0010511002
Benchmark	None
Currency	Euro

Risk monitor



* per share
** estimated

Table: monthly returns in % (net of costs and fees) *

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Okt	Nov	Dec	Total
2013				-0.84	1.37	-2.53	1.95	-2.01	1.31	3.02	1.26	0.35	3.79
2014	-3.29	2.58	2.17	0.43	3.26	-0.58	0.09	3.37	1.00	1.09	3.60	0.70	15.17
2015	5.01	5.81	2.05	-1.59	1.47	-3.44	3.71	-8.30	-2.70	9.50	4.12	-4.06	10.66
2016	-4.52	-0.31	1.46	0.44	4.09	-0.07	4.79	1.18	-0.95	-1.25	1.58	2.03	8.44
2017	-0.06	4.86	1.16	1.13	-0.17	-1.75	-2.16	-1.42	1.83	3.12	-0.13	0.10	6.49
2018	1.10	-2.62	-2.16	2.92	2.79	0.41	3.97	2.78	0.10	-4.42	4.50	-7.59	1.01
2019	6.37	3.36	4.19	4.25	-3.62	3.53							19.16

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Market Developments

After a weak month in May, the stock markets recovered strongly in June. The MSCI World Index achieved a total return of 4.3% in euros, bringing the total return over the first six months of 2019 to 17.4%. DD Equity Fund lagged slightly behind last month with a return of 3.5% and stands at 19.2% for the year. US equities in particular performed strongly last month with the S&P 500 index up 7% in dollars. However, due to the decline of the dollar the result measured in euros turned out lower.

The positive sentiment on the stock markets was mainly fuelled by the continuing fall in interest rates and the hope that the US and China would come closer together on the trade dispute during the G20 summit last weekend. A comprehensive solution has not been found yet, but Xi and Trump have not disappointed the markets and agreed to restart the stalled negotiations. During the month it became clear that the effects of the trade conflict are increasingly starting to seep through to the real economy. As there is a lot at stake for both leaders, the chance of a solution increases.

Biggest positive and negative contribution

The largest positive contribution last month came from the German software company SAP, which has become the largest position in the portfolio of the DD Equity Fund. SAP is going through a phase of accelerated growth, mainly as a result of to the strong growth of cloud services. This makes SAP relatively cheap in relation to growth and to the valuation of other companies active in the cloud and software sector such as Salesforce and Microsoft.

ASML and Applied Materials also made a major positive contribution to the result. Companies in the chip sector benefited from the rapprochement between the US and China. Companies in the chip sector are suffering a lot from the worldwide trade restrictions as a result of which valuations in this already cyclical sector have come under considerable pressure. We have therefore expanded our positions in the chip sector in recent months. Companies such as ASML, Taiwan Semiconductors, Applied Materials and Infineon are active at various stages of the chip manufacturing process. The long-term growth prospects for the chip sector remains excellent. The cyclical nature of the sector means that there are occasional attractive entry moments.

Table: top 5 positive and negative contribution to result (in €)

Top 5 positive			Top 5 negative		
	Return	Contribution		Return	Contribution
SAP (Ger)	9.4%	0.3%	Alphabet (US)	-4.1%	-0.1%
eBay (US)	7.6%	0.2%	Reckitt Benckiser (UK)	-3.2%	-0.1%
ASML (Neth)	8.5%	0.2%	Unibail-Rodamco-West (Fra)	-2.7%	-0.1%
Alibaba (Chi)	11.1%	0.2%	Klépierre (Fra)	-3.2%	-0.1%
Applied Materials (US)	13.6%	0.2%	Worldpay (US)	-1.4%	-0.0%

Source: DoubleDividend/Bloomberg

The largest negative contribution to the result came from Alphabet. The parent company of Google has been – like Amazon and Facebook - under pressure as the US Department of Justice is preparing an antitrust investigation. The shares of real estate companies Unibail-Rodamco-Westfield and Klépierre continue to perform poorly. This is striking as the real estate sector normally benefits from falling interest rates.

Portfolio changes

Last month we sold our position in Starbucks entirely. The shares of the company were no longer attractively valued in our opinion. The position in the German chip manufacturer Infineon, which has been part of the portfolio since May, has expanded considerably. The positions in the Chinese technology companies Alibaba and Baidu have also been expanded. Finally, the position in Adobe has been slightly increased.

Table: top 10 Holdings in portfolio per month end

Company & weight in portfolio			
SAP (Dui)	3.4%	ASML (NL)	2.9%
eBay (VS)	3.3%	Microsoft (VS)	2.8%
Medtronic (VS)	3.3%	Mastercard (VS)	2.8%
Henkel (Dui)	3.1%	Visa (VS)	2.7%
Danone (Fra)	3.0%	Siemens (Dui)	2.7%

Source: DoubleDividend

Team DoubleDividend

Appendix: portfolio characteristics

Table: Performance DDEF*

	June 2019	2019	from start (April 2013)
Share price	4.67%	18.42%	71.75%
Currency	-1.13%	0.22%	7.69%
Dividend	0.07%	1.11%	13.74%
Other	-0.08%	-0.59%	-9.31%
Total Return	3.53%	19.16%	83.86%

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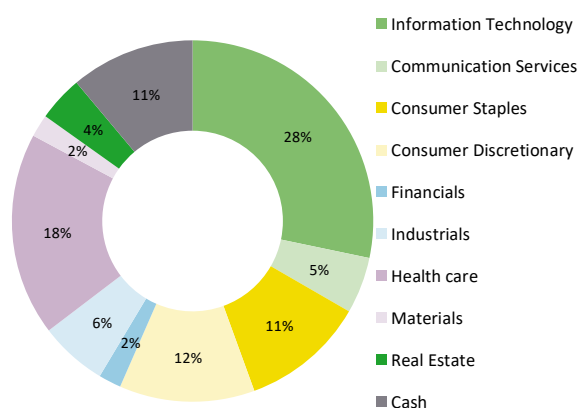
Source: DoubleDividend

Table: Characteristics portfolio DDEF per month end

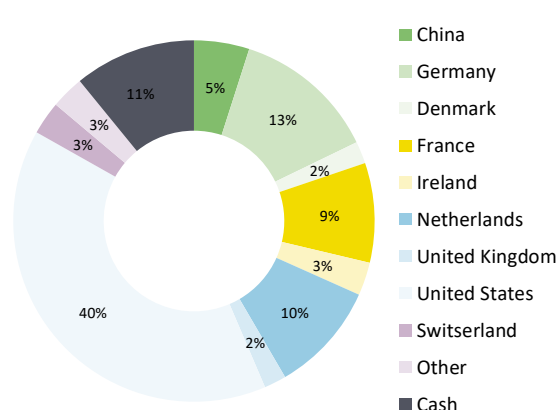
Valuation		Risk	
P/E-ratio	21.9	Bèta (raw)	0.90
P/E-ratio (est)	17.6	Debt/EBITDA	3.0
EV/EBITDA (est)	13.8	VAR (Monte Carlo, 95%, 1 yr)	18.3%
Dividend yield	2.2%	Standard deviation	11.7%
Price/ cashflow (est)	13.3	Tracking error (vs MSCI world)	3.9%

Source: DoubleDividend/Bloomberg

Distribution per sector (GICS)



Distribution per country of origin



Distribution based on revenues

