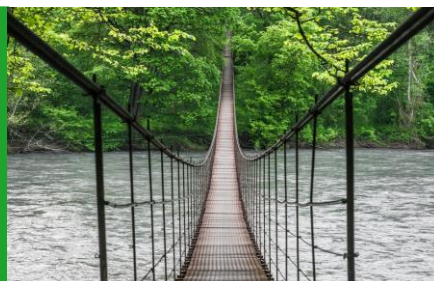


# DD Equity Fund

## Monthly report August 2019

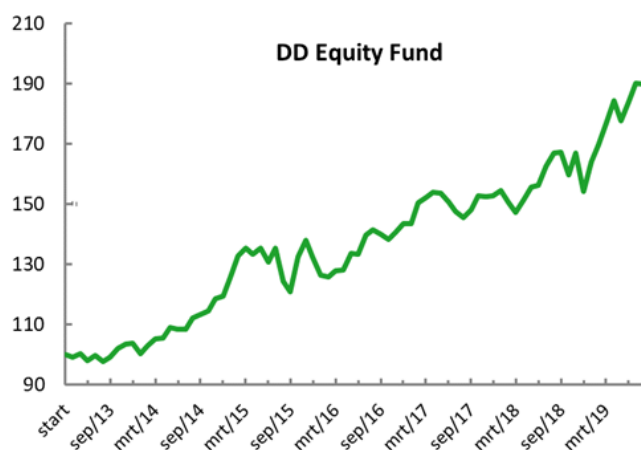


### Profile

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 -0.28% over the month of August 2019, as a result of which the net asset value per participation declined to € 189.67. The return for 2019 comes to 22.9%. Since the fund was launched in April 2013, the return has been 89.7%.



\* 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	€ 55.2 mln
# shares outstanding	290,944
Net asset value*	€ 189.67
# of positions	47
Beta	0.86

#### Costs

Management fee	0.80%
Other costs**	0.25%
Up/ down Swing factor	0.25%

#### 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	Oct	Nov	Dec	Total
<b>2013</b>				-0.84	1.37	-2.53	1.95	-2.01	1.31	3.02	1.26	0.35	<b>3.79</b>
<b>2014</b>	-3.29	2.58	2.17	0.43	3.26	-0.58	0.09	3.37	1.00	1.09	3.60	0.70	<b>15.17</b>
<b>2015</b>	5.01	5.81	2.05	-1.59	1.47	-3.44	3.71	-8.30	-2.70	9.50	4.12	-4.06	<b>10.66</b>
<b>2016</b>	-4.52	-0.31	1.46	0.44	4.09	-0.07	4.79	1.18	-0.95	-1.25	1.58	2.03	<b>8.44</b>
<b>2017</b>	-0.06	4.86	1.16	1.13	-0.17	-1.75	-2.16	-1.42	1.83	3.12	-0.13	0.10	<b>6.49</b>
<b>2018</b>	1.10	-2.62	-2.16	2.92	2.79	0.41	3.97	2.78	0.10	-4.42	4.50	-7.59	<b>1.01</b>
<b>2019</b>	6.37	3.36	4.19	4.25	-3.62	3.53	3.45	-0.28					<b>22.92</b>

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## Market Developments

Due to the flaring trade conflict between the US and China, the stock markets started the month grimly. Halfway through the month, stock markets had fallen by 5% on average, but markets recovered after the G7 meeting in Biarritz. The tone of both Trump and the Chinese has been somewhat more positive since then, but there is no sustainable solution in sight yet. Both leaders have put themselves into a difficult situation. Trump is under increasing pressure from the business sector to come to a solution and hopes for a re-election in 2020 thanks to a strong economy. The Chinese leader Xi is also under pressure due to weakening economic growth and ongoing protests in Hong Kong. Both leaders would welcome a solution to the trade dispute, but both also want/need to claim victory. For the time being it seems that the trade conflict is not affecting the American economy seriously. However, besides the Chinese economy the European economy (and the German economy in particular) is feeling the pain of the trade conflict.

The unrest in Hong Kong and the continuing uncertainty surrounding the Brexit had only a limited impact on market sentiment. The S&P 500 fell on balance by 1.6% and the Eurostoxx 600 by 1.3%. The MSCI Global Total Return Index ended the month with a minus of 1.0% measured in euro's while DD Equity Fund had to give up 0.3%.

## Biggest positive and negative contribution

The largest positive contribution came from Medtronic last month, which presented strong quarterly results and also raised the profit forecast for the year. The largest negative contribution came from Tencent, which published results that were not convincing.

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

Top 5 positive			Top 5 negative		
	Return	Contribution		Return	Contribution
Medtronic (VS)	7.0%	0.2%	Tencent (Chi)	-10.9%	-0.2%
CVS (VS)	10.2%	0.2%	Siemens (Dui)	-8.1%	-0.2%
Novo Nordisk (Den)	9.8%	0.2%	Adidas (Dui)	-6.9%	-0.2%
Unilever (Ned)	8.7%	0.2%	Union Pacific (VS)	-8.5%	-0.2%
EssilorLuxottica (Fra)	9.5%	0.1%	IBM (VS)	-6.5%	-0.2%

Source: DoubleDividend/Bloomberg

## Portfolio changes

In the past month, we sold part of our position in Danone. We increased our position in recent new additions Levi Strauss & Co and the Indian HDFC Bank. We also bought some ABN AMRO, Alibaba, Baidu, Infineon and Roche. CSX, the American railway company, has been added to the portfolio (again). CSX is a railway company mainly active in freight transport on the East coast and the Midwest. Besides Union Pacific, CSX is the second American railway company in the DDEF portfolio.

**Table: top 10 Holdings in portfolio per month end**

Company & weight in portfolio			
Medtronic (VS)	3.4%	Alphabet (VS)	2.8%
eBay (VS)	3.1%	Danone (Fra)	2.7%
ASML (Ned)	2.9%	Microsoft (VS)	2.7%
Henkel (Dui)	2.9%	Mastercard (VS)	2.6%
SAP (Dui)	2.8%	Johnson & Johnson (VS)	2.5%

Source: DoubleDividend

## Team DoubleDividend

## Appendix: portfolio characteristics

**Table: Performance DDEF\***

	Juli 2019	2019	from start (April 2013)
Share price	-0.96%	19.98%	74.17%
Currency	0.60%	2.24%	10.81%
Dividend	0.16%	1.48%	14.30%
Other	-0.08%	-0.78%	-9.61%
<b>Total Return</b>	<b>-0.28%</b>	<b>22.92%</b>	<b>89.67%</b>

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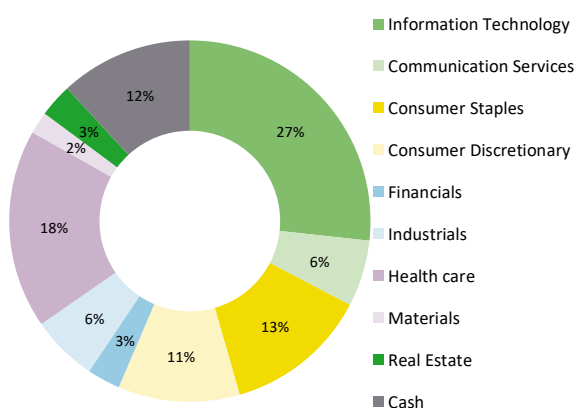
Source: DoubleDividend

**Table: Characteristics portfolio DDEF per month end**

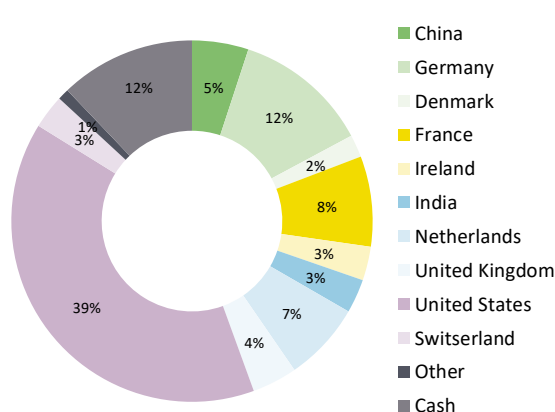
Valuation		Risk	
P/E-ratio	21.7	Bèta (raw)	0.86
P/E-ratio (est)	17.4	Debt/EBITDA	3.1
EV/EBITDA (est)	13.9	VAR (Monte Carlo, 95%, 1 yr)	18.2%
Dividend yield	2.3%	Standard deviation	11.7%
Price/ cashflow (est)	13.6	Tracking error (vs MSCI world)	3.9%

Source: DoubleDividend/Bloomberg

### Distribution per sector (GICS)



### Distribution per country of origin



### Distribution based on revenues

