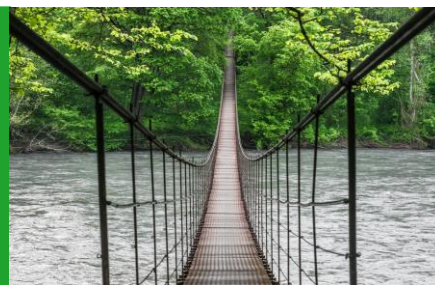


DD Equity Fund

Monthly report October 2019

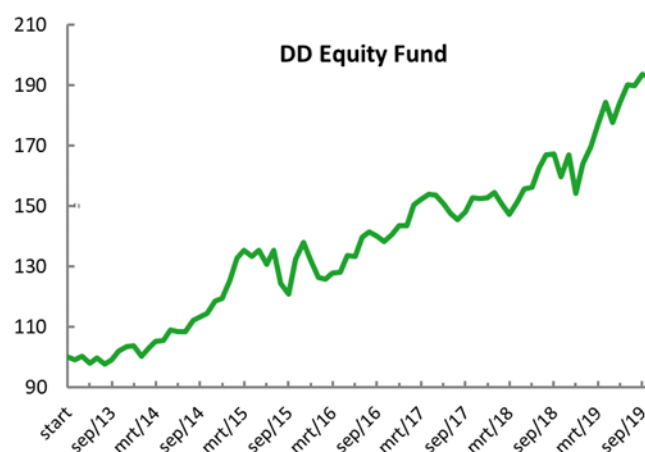


Profile

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 -0.56% over the month of October 2019, as a result of which the net asset value per participation decreased to € 192.57. The return for 2019 comes to 24.8%. Since the fund was launched in April 2013, the return has been 92.6%.



* 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	€ 61.2 mln
# shares outstanding	318,021
Net asset value*	€ 192.57
# of positions	48
Beta	0.87

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	Oct	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	3.45	-0.28	2.10	-0.56			24.80

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Market Developments

MSCI World index closed the month virtually unchanged with a plus of 0.2%. The European Eurostoxx 600 registered a plus of 1%, while the American S&P 500 increased by 2%. However, this profit almost entirely disappeared due to the fall of the dollar by more than 2% against the euro.

News in the global stock markets was dominated by the quarterly results last month. Many companies published results for the third quarter. The results showed a mixed picture with considerable shareprice volatility as a result for some individual companies. In general, the results of companies in the technology (including SAP, ASML and PayPal) and healthcare (Roche) sectors were good. Companies active in the field of consumer goods such as Nestle, Unilever, Reckitt-Benckiser and Danone, on the other hand, showed mixed results. These companies are particularly affected by the changing preferences of consumers. At Nestle, for example, the sale of water is under pressure due to the increasing aversion to plastic packaging, while Danone sells fewer (animal) milk products. The companies respond to the changing consumer demand by changing the product mix. For example, plastic packaging is increasingly being replaced by sustainable alternatives and more attention is being paid to the sale of vegetable and healthier products. However, this transition is not linear and companies must continuously adjust. More cyclical companies such as rail carriers CSX and UNP are also performing less well at the moment as a result of slowing economic growth.

Biggest positive and negative contribution

The largest positive contribution came from SAP last month. Investors responded positively to the third quarter results. The announcement that CEO McDermott was immediately replaced by the duo Christian Klein and Jennifer Morgan, two internal candidates, was also well received by the market. McDermott leaves the company in good condition and the background of the new CEOs in cloud computing should give the company a new boost. Taiwan Semi and Applied Materials benefited from the positive sentiment in the chip sector after a series of good results from companies such as ASML and LAM research. Rolling out 5G ensures good long-term prospects in the chip sector. However, the sector remains vulnerable to trade tensions between China and the US, due to the complex supply chain in the sector. After a weak period for the second consecutive month, Siemens was among the best-performing stocks in portfolio.

The largest negative contribution came from eBay after disappointing sales and profit numbers. The company's initiatives to generate more revenue through the various market places have, so far, little effect. In the meantime, CEO Devin Wenig has had to leave the company and eBay is still looking for a successor. Splitting up eBay is increasingly becoming a possibility. In particular StubHub, a sales channel for tickets for concerts and sports competitions, attracts a lot of interest from potential buyers. The share price of Infosys from India was under considerable pressure in October after an anonymous whistle blower accused the CEO of artificially increasing the profit. The company has since started an investigation. IBM finally declined after weak sales. Investors hoped that the RedHat acquisition would have halted the decline in sales. However, this acquisition was not completed until

this summer, so the market will have to be a little more patient. RedHat is seen as a company with excellent growth prospects because of its focus on hybrid cloud. With a hybrid cloud, companies can store information partly in the cloud and partly locally, so that sensitive information can be better protected.

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

Top 5 positive			Top 5 negative		
	Return	Contribution		Return	Contribution
SAP (Ger)	10.1%	0.3%	eBay (US)	-11.6%	-0.3%
Taiwan Semi (Taiwan)	8.6%	0.1%	Infosys (India)	-16.5%	-0.2%
Siemens (Ger)	5.2%	0.1%	IBM (US)	-10.1%	-0.2%
Applied Materials (US)	6.3%	0.1%	Danone (Fra)	-8.0%	-0.2%
Klépierre (Fra)	7.2%	0.1%	Levi Strauss (US)	-7.8%	-0.1%

Source: DoubleDividend/Bloomberg

Portfolio changes

Last month we further expanded the positions in ABN AMRO, Adobe, Applied Materials, Dentsply Sirona, FIS Global, Heineken, Henry Schein, PayPal, Reckitt Benckiser, Tencent, Union Pacific and Visa.

After 3 years of absence, we have added the American company 3M to the portfolio. At the end of 2016, we sold the position entirely due to the increased price. Now we find the stock attractively valued again after a substantial price correction as a result of a series of profit warnings. 3M's management has been replaced and we are confident that the company will find its way up again in the long term.

We sold the positions in Ahold and Essilor in full after our price target was achieved. The cash position was around 12% at the end of the month.

Table: top 10 Holdings in portfolio per month end

Company & weight in portfolio			
Alphabet (US)	2.9%	Microsoft (US)	2.5%
SAP (Ger)	2.7%	Alibaba (Chi)	2.5%
Medtronic (US)	2.7%	eBay (US)	2.4%
Johnson & Johnson (US)	2.7%	Visa (US)	2.4%
Henkel (Ger)	2.7%	Reckitt Benckiser (UK)	2.3%

Source: DoubleDividend

Team DoubleDividend

Appendix: portfolio characteristics

Table: Performance DDEF*

	Oct 2019	2019	from start (April 2013)
Share price	0.70%	22.76%	78.46%
Currency	-1.23%	1.42%	9.55%
Dividend	0.05%	1.59%	14.47%
Other	-0.08%	-0.98%	-9.91%
Total Return	-0.56%	24.80%	92.57%

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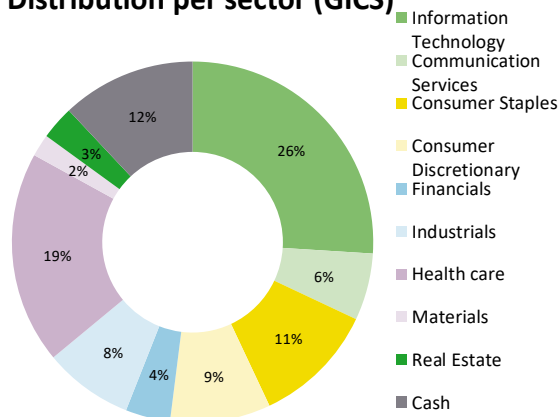
Source: DoubleDividend

Table: Characteristics portfolio DDEF per month end

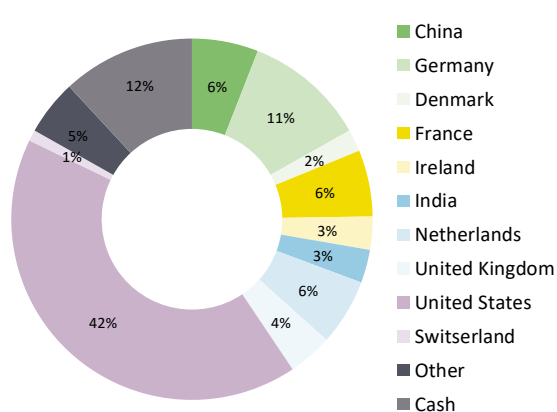
Valuation		Risk	
P/E-ratio	22.1	Bèta (raw)	0.87
P/E-ratio (est)	17.7	Debt/EBITDA	3.0
EV/EBITDA (est)	13.8	VAR (Monte Carlo, 95%, 1 yr)	17.5%
Dividend yield	2.3%	Standard deviation	11.6%
Price/ cashflow (est)	13.8	Tracking error (vs MSCI world)	3.9%

Source: DoubleDividend/Bloomberg

Distribution per sector (GICS)



Distribution per country of origin



Distribution based on revenues

