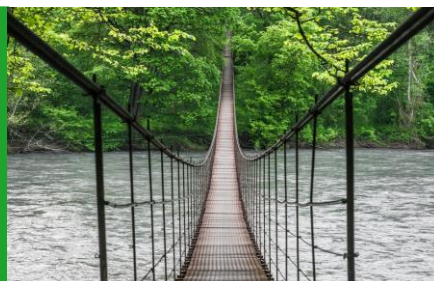


DD Equity Fund

Monthly report January 2020

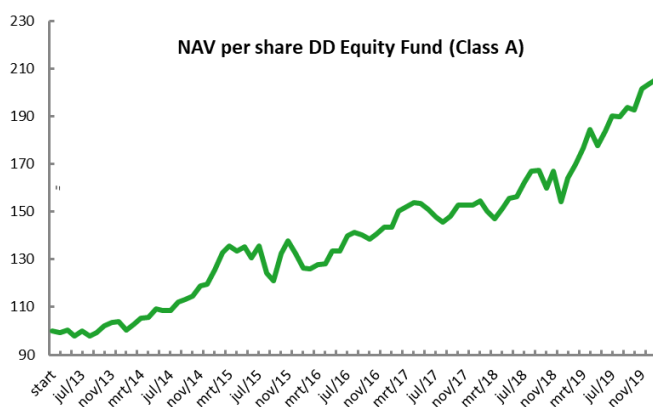


Profile

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 0,7% over the month of January 2020, as a result of which the net asset value per participation of Class A increased to € 205.29. Since the fund was launched in April 2013, the return has been 105.3%.



* 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	€ 76.4 mln
# shares outstanding A	275,474
# shares outstanding B	96.911
Net asset value A*	€ 205.29
Net asset value B*	€ 205.23
# of positions	46
Beta	0.91

Costs

Management fee A	0.80%
Management fee B	0.50%
Other costs**	0.25%
Up/ down Swing factor	0.25%

Other

Start date	Class A: April 2013 Class B: January 2020
Manager	DoubleDividend Management B.V.
Status	Open-end, daily
Exchange	Euronext Amsterdam
ISIN A	NL0010511002
ISIN B	NL0014095127
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	4.63	1.16	32.08
2020	0.73												0.73

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Market Developments

After a strong start, global stock markets came under pressure in January as a result of the Corona virus outbreak. The European Eurostoxx 600 Index declined 1.2%, while the American S&P 500 index closed the month virtually unchanged. The DD Equity fund ended the month with and plus of 0.7%, partly because of an increase of the dollar against the euro by more than 1%.

The stock markets were under pressure because of fears that the corona virus outbreak in China is putting global economic growth under pressure. In China, a large number of cities have been cut off from the outside world and a large number of companies have closed their doors to limit the further spread of the virus. Air traffic to and from China is also seriously disrupted. It seems likely that China's economic growth expectations for this year should be adjusted downwards. Many Western companies have also (partially) stopped production or sales activities in China. In addition to human suffering, the short-term effects on the economy and the financial system are thus considerable. But it is difficult to predict whether the virus will cause a more long-term disruption of the global economy. This probably requires a more long-term spread of the virus. However, due to the complexity of the production chains and the fact that many non-Chinese companies depend on China for turnover and profit growth, not getting the virus under control is an important tail risk for the financial markets.

The month was also dominated by the start of the corporate result season. In general, the results were a little better than expected. Companies in the technology sector (including SAP, Microsoft and ASML) in particular published strong numbers, while companies active in the industry (including 3M) and transport (CSX and Union Pacific) performed less well.

Biggest positive and negative contribution

Last month, the largest positive contribution came from Alphabet, the parent company of Google. The company has not yet published annual figures, but mainly benefited from strong results from other technology companies that are also active in the cloud services business, including Amazon and Microsoft. The latter also made an important contribution to the result in January. The largest negative contribution came from the Indian HDFC Bank. Sentiment of the Indian stock exchange is negative due to the weakening economic growth and political unrest in the country.

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

Top 5 positive			Top 5 negative		
	Return	Contribution		Return	Contribution
Alphabet (US)	8.7%	0.2%	HDFC (India)	-8.4%	-0.2%
Microsoft (US)	9.4%	0.2%	URW (Fra)	-12.8%	-0.2%
Visa (US)	7.3%	0.2%	CVS Health (US)	-6.9%	-0.2%
Adobe (US)	7.9%	0.2%	eBay (US)	-5.8%	-0.2%
Infosys (India)	7.6%	0.2%	Klépierre (Fra)	-9.2%	-0.1%

Source: DoubleDividend/Bloomberg

Portfolio changes

We have not added any new positions to the portfolio last month. We have, however, increased the weights of several existing positions, mainly due to the inflow of new capital into the fund. Positions in Alphabet (US), Applied Materials (US), LAM research (US), Baidu (China), CVS Health (US), Dentsply Sirona (US), Infosys (India), HDFC Bank (India), AIA Group (Hong Kong), Unilever (the Netherlands) and Danone (France) have been expanded. We did not sell any shares last month.

Table: top 10 Holdings in portfolio per month end

Company & weight in portfolio			
Alibaba (China)	3.0%	Visa (US)	2.7%
Johnson & Johnson (US)	2.9%	SAP (Ger)	2.5%
Alphabet (US)	2.9%	Adobe (US)	2.5%
Danone (Fra)	2.7%	Applied Materials (US)	2.5%
HDFC Bank (India)	2.7%	FIS (US)	2.5%

Source: DoubleDividend

Team DoubleDividend

Appendix: portfolio characteristics

Table: Performance DDEF*

	Jan 2020	2020	from start (April 2013)
Share price	-0.11%	-0.11%	90.29%
Currency	0.90%	0.90%	10.64%
Dividend	0.02%	0.02%	14.75%
Other	-0.09%	-0.09%	-10.38%
Total Return	0.73%	0.73%	105.29%

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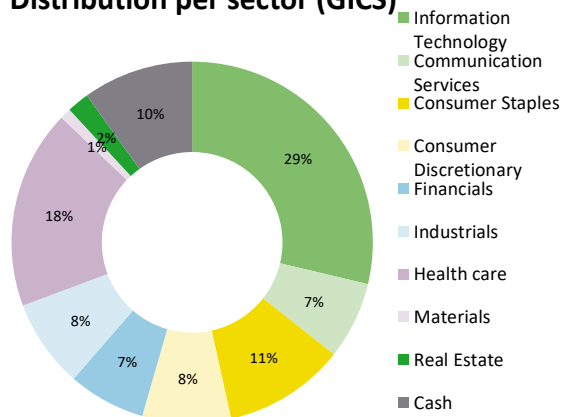
Source: DoubleDividend

Table: Characteristics portfolio DDEF per month end

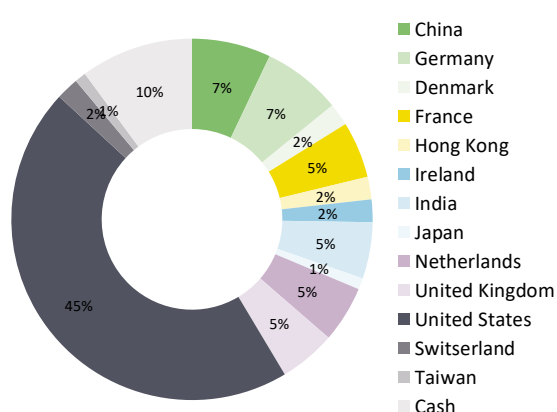
Valuation		Risk	
P/E-ratio	23.3	Bèta (raw)	0.91
P/E-ratio (est)	17.9	Debt/EBITDA	3.0
EV/EBITDA (est)	15.0	VAR (Monte Carlo, 95%, 1 yr)	16.6%
Dividend yield	2.2%	Standard deviation	11.2%
Price/ cashflow (est)	14.3	Tracking error (vs MSCI world)	3.5%

Source: DoubleDividend/Bloomberg

Distribution per sector (GICS)



Distribution per country of origin



Distribution based on revenues

