

Asset Management

Monthly report January 2020



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

The uncertainties surrounding the corona virus completely gripped the markets in February, resulting in sharply falling equity markets. The latest figures from China show that this virus outbreak has far-reaching economic consequences, something that will not be different in other places in the world. For a detailed explanation we refer to the monthly report of the DD Equity Fund.

All funds showed a decrease, but the DD Equity Fund and the DD Property Fund in particular took a major step backwards with decreases of 4.8% and 7.6% respectively. The DD Income Fund was still doing reasonably well with a decrease of 0.9%. The returns for the different profiles in February were between -1.6% for the most defensive profile to -5.4% for the most offensive profile.

Market data*

Equities	Feb	2020
MSCI World	-7.6%	-7.0%
S&P 500	-7.5%	-6.4%
Euro Stoxx 600	-8.3%	-9.4%
Bonds		
World**	0.3%	2.3%
Real Estate		
EPRA Index	-7.5%	-5.9%
Interest rates		
10-yr Germany	-0.61%	
10-yr US	1.15%	
Currencies		
EUR/USD	-0.6%	-1.7%
Other (in USD)		
Gold	-0.2%	4.5%
Oil (Brent)	-13.1%	-23.5%

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

** Barclays Global Aggregate Index

Table: net returns for the various risk profiles*

	2012	2013	2014	2015	2016	2017	2018	2019	2020 until Feb	Average per year*	Total
Defensive	8.8%	1.3%	7.4%	-1.3%	4.7%	2.8%	-4.4%	17.7%	-0.1%	4.3%	41.5%
Moderately defensiv	10.1%	3.2%	10.0%	1.5%	5.4%	3.6%	-3.7%	20.6%	-1.3%	5.8%	58.7%
Neutral	12.2%	5.7%	11.1%	4.9%	6.4%	4.6%	-2.7%	22.7%	-2.6%	7.4%	79.0%
Offensive	13.9%	8.3%	14.8%	7.9%	7.3%	5.8%	-1.7%	26.1%	-3.6%	9.3%	107.2%
Very offensive	15.4%	9.6%	16.7%	10.1%	8.5%	6.4%	-1.1%	29.3%	-5.1%	10.6%	127.6%

* 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

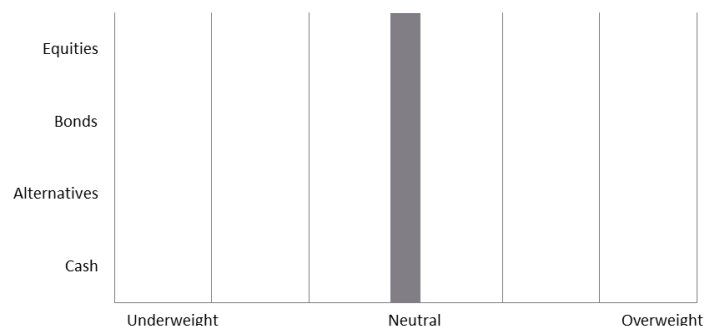
Each investment profile has a strategic allocation with bandwidths to equities, bonds and alternatives. The table below gives an overview of the five different standard investment profiles (without bandwidths). The classifications of risk profiles are motivated by the AFM (the Dutch Authority for the 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. At the moment we do not have an overweight position in equities anymore and are the strategic and tactical asset allocation identical. Equities have the best long-term outlook, but given the recent sharp rise in share prices and the increased risks of, for example, an economic downturn or an escalation of the corona virus, we are slightly more cautious. For bonds, the outlook is less than average due to low interest rates, but the risk is also lower.

Tactical asset allocation



Team DoubleDividend