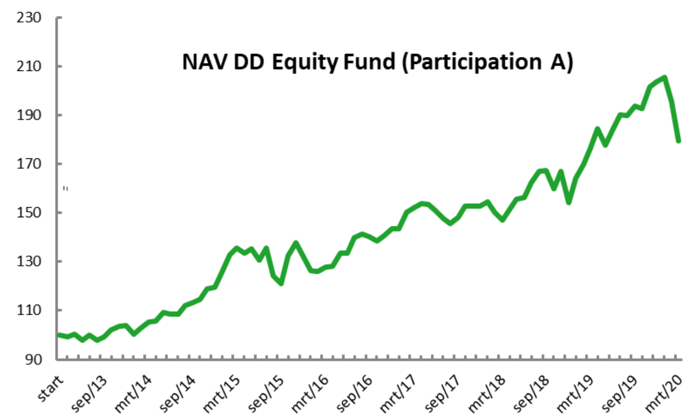
DD Equity Fund
Monthly report March 2020

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 participation A*

DD Equity Fund achieved a return of -8.16% over the month of February 2020, as a result of which the net asset value per participation of participation A decreased to € 179.55. Since the fund was launched in April 2013, the return has been 79.6%.



* 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	€ 71.2 mln
# shares outstanding A	288,535
# shares outstanding B	108,081
Net asset value A*	€ 179.55
Net asset value B*	€ 179.69
# of positions	45
Beta	0.76

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 % (Participation A, 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	-4.77	-8.16										**-11.90**

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

Market Developments

Global stock markets were once again largely impacted by the corona virus in the past month. The markets do their best to estimate the financial and economic consequences of the crisis, resulting in great volatility. In recent weeks, the market showed not only strong price declines, but also historically large price increases.

On March 23, the stock markets hit a provisional low. The MSCI World index had fallen nearly 34% from its peak on February 19. Stock markets recovered strongly in the past week as a result of the extensive package of support measures from governments and central banks. The MSCI World Index closed the month with a minus of 13.1%, bringing the annual result to a loss of 19.2%. Both European and American stock exchanges suffered from substantial losses in the past month. The Eurostoxx 600 Index ended the month with a loss of 14.4% and is down from 24.8% for the year. The US S&P 500 Index fell 12.4% and stands at a loss of 20% for the year.

The DD Equity Fund also had to give up a lot of ground, but proved its defensive qualities. The fund closed the month with a loss of 8.2%, bringing the annual result to minus 11.9%.

Economic Impact

With the further spread of the coronavirus around the world and the drastic measures to prevent further spread and burden the health system, the economic consequences are growing. It is clear that the economic consequences are enormous. A recession is now a given. The only question is how deep and especially how long. The global economy is currently paused. OECD estimates that in many countries with far-reaching measures, the economy has shrunk by 25-35%. This enormous blow is mainly the result of the stalling of consumer spending. In Hong Kong, retail spending decreased by 44% in February. In the US alone, it is projected to fall by $ 430 billion in three months.

Millions of people worldwide have become unemployed, especially in countries with a limited social safety net. Unemployment claims in the US rose from 0.3 to 3.3 million people in "no time". Government action aims to limit permanent damage to the economy so that when the virus is under control, the economy can recover quickly. Important measures are aimed at protecting employment through the payment of wages and aid to small and medium-sized enterprises with relatively few reserves. Central banks provide support by flooding the markets with liquidity. These measures are of great importance, but are likely to last only for a limited period of time. Within a few weeks, the economy will have to start up again slowly and chances are that the virus will not yet be under control. A scenario in which the economy will start in modified form in a few weeks is therefore increasingly likely.

Impact on companies
Companies that are hit the hardest at the moment are mainly active in aviation, the hotel industry, retail, oil & gas and the financial sector. Sectors that perform relatively well are mainly related to daily groceries, health care and, for example, utilities and telecom.

This can also be seen in the DD Equity Fund portfolio. The fund's relatively strong performance can be explained not only by its large cash position, but also by the fact that the fund has invested little in the sectors that perform relatively poorly and more in the sectors that perform relatively well. Pharmaceuticals such as Roche, Novo Nordisk and Merck, for example, made a positive contribution to the result in the past month. The same was true for Nestlé, Procter & Gamble and Essity, companies that mainly sell daily consumer goods such as food, household products and personal care products. The biggest decliners in the portfolio are mainly related to the retail sector (such as Unibail-Rodamco-Westfield), the banking sector (HDFC Bank) and also the relatively cyclical chip sector (Applied Materials and LAM research).

Biggest positive and negative contribution

The largest negative contribution came from CVS Health, which fell in value by 12%, followed by ABN AMRO, which even fell in value by more than 20%. Stocks that already performed poorly fell the fastest during the market sell-off.

eBay did make a positive contribution to the result of the month. After the sale of Stubhubb, other activities may now also be sold. The positions in Air Products and CSX also made a positive contribution to the result because they were sold just before the market correction.

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

Top 5 positive			Top 5 negative		
	Return	Contribution		Return	Contribution
Nike (US)	12.7%	0.2%	HDFC Bank (India)	-29.8%	-0.9%
Roche (CH)	4.5%	0.1%	Applied Materials (US)	-21.1%	-0.6%
Microsoft (US)	2.5%	0.1%	Unibail-Rodamco (Fra)	-48.8%	-0.6%
Novo Nordisk (CH)	5.0%	0.1%	LAM Research (US)	-17.7%	-0.4%
Procter & Gamble (US)	4.8%	0.1%	Alphabet (US)	-13.1%	-0.4%

Source: DoubleDividend/Bloomberg

Portfolio changes

We did many transactions in the portfolio in the past month. In total, more than 110 transactions took place this month. The large number of transactions has three reasons: 1) Due to the changed market conditions, we have further refined the fund's strategy. 2) We took advantage of the volatility in the market with purchases and sales and 3) Due to the great volatility in the market, we have made relatively many small transactions.

The fund's strategy has not changed, but has been refined somewhat. We have selected a number of sectors that are expected to perform relatively well in the current circumstances and in some cases take advantage of the likely more permanent changes. These include healthcare & diagnostics, digital payment, daily consumer goods, cloud services and digitization. We also pay extra attention to the balance sheet position of companies.

Many companies active in health care and diagnostics have an increased weight in the portfolio. This applies to Johnson & Johnson and Medtronic, among others. Visa and Mastercard (digital payment), Alibaba (e-commerce), Unilever and Danone (food) and Microsoft and Adobe (cloud and working from home) have also gained weight in the portfolio. Procter & Gamble (food, home & beauty), Essity (personal hygiene) and Agilent (laboratory instruments) have been newly added to the portfolio. Nike and Air Products have also been included in the portfolio again after a sharp fall in prices.

The positions in IBM, Johnson Controls, Levi Strauss & Co, 3M and FIS Global have been sold completely. These companies carry slightly more risk and have a less strong balance sheet position than the other companies in the portfolio.

Finally, we took advantage of the volatility in the market by buying and selling positions. Nestlé, Infineon and Novartis were bought this month and also sold with (substantial) profit. The position in Nike has also been partially reduced after a substantial profit, so that Nike has made the largest positive contribution to the result.

On balance, we have further improved the quality in the portfolio and reduced the risks. The cash position remains relatively large at 21.2%.

Table: top 10 Holdings in portfolio per month end

Company & weight in portfolio			
Alphabet (US)	3.5%	Visa (US)	2.7%
Johnson & Johnson (US)	3.2%	AIA Group (HK)	2.7%
Alibaba (China)	3.0%	SAP (GER)	2.6%
Unilever (NL)	3.1%	Applied Materials (US)	2.6%
Danone (Fra)	3.1%	Medtronic (US)	2.5%

Source: DoubleDividend

Team DoubleDividend

Appendix: portfolio characteristics

Table: Performance DDEF, Participation A*

	Mar 2020	2020	from start (April 2013)
Share price	-8.38%	-13.52%	62.95%
Currency	0.07%	1.45%	11.76%
Dividend	0.23%	0.41%	15.54%
Other	-0.08%	-0.24%	-10.71%
Total Return	**-8.16%**	**-11.90%**	**79.55%**

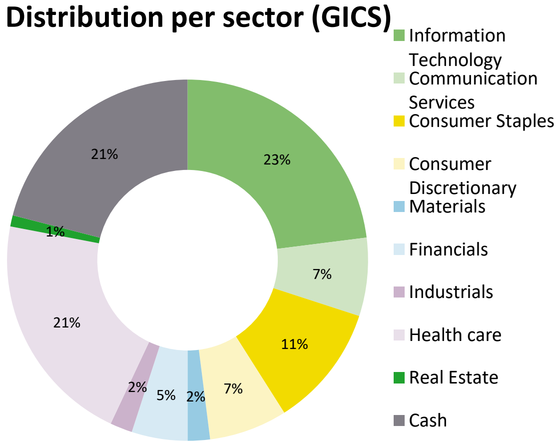
* The value of your investment may fluctuate. Results achieved in the past do not provide any guarantees for the future.
Source: DoubleDividend

Table: Characteristics portfolio DDEF per month end

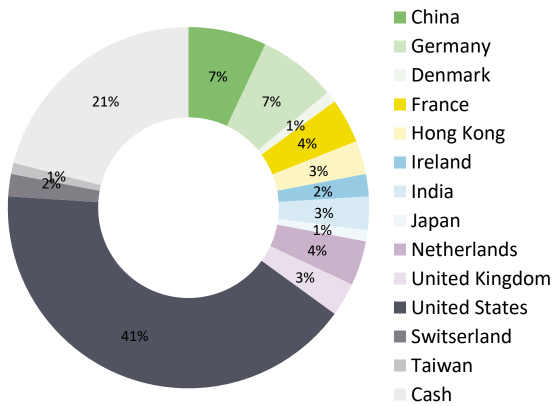
Valuation		**Risk**	
P/E-ratio	19.6	Bèta (raw)	0.76
P/E-ratio (est)	15.7	Debt/EBITDA	2.7
EV/EBITDA (est)	13.6	VAR (Monte Carlo, 95%, 1 yr)	35.3%
Dividend yield	2.6%	Standard deviation	20.5%
Price/ cashflow (est)	12.9	Tracking error (vs MSCI world)	9.2%

Source: DoubleDividend/Bloomberg

Distribution per sector (GICS)



Distribution per country of origin



Distribution based on revenues