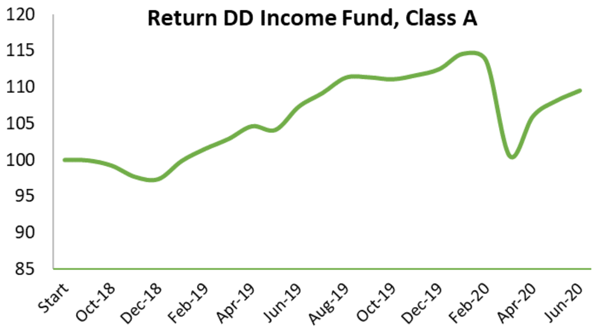
DD Income Fund
Monthly report June 2020

Profile

The DD Income Fund (DDIF) is an actively managed global sustainable bond fund. The fund invests globally in government bonds of developed and emerging countries, corporate bonds, high yield, microfinance and other financial instruments with stable income. DDIF pursues an active investment policy and does not use a benchmark. The fund is managed by an independent partnership with the conviction that sustainability makes a positive contribution to the return and risk profile of the portfolio. The fund is listed on Euronext Amsterdam and can be traded on a daily basis.

Return participation A*

DD Income Fund achieved a return of 1,29% for June 2020, bringing the net asset value per participation to € 26.78. Since the fund was launched in September 2018, the return has been 9,53% (Class A).



** 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	€ 58.4 mln
# shares outstanding A	1,398,575
# shares outstanding B	781,608
Net Asset Value A*	€ 26.78
Net Asset Value B*	€ 26.80
# of positions	97

Costs

Management fee A	0.65%
Management fee B	0.50%
Other costs**	0.30%
Up / down	
Swing factor	0.25%

Other

Start date	September 2018
Manager	DoubleDividend Management B.V.
Status	Open-end, daily
Exchange	Euronext Amsterdam
ISIN	NL0013025539
Benchmark	None
Currency	Euro

Risk monitor

* per share
** estimated

Table: monthly returns in %, Class A (net of costs and fees) *

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018									-0.06	-0.71	-1.56	-0.31	**-2.62**
2019	2.57	1.66	1.34	1.69	-0.48	3.08	1.71	1.95	0.03	-0.24	0.50	0.76	**15.50**
2020	1.86	-0.85	-11.48	5.43	2.00	1.29							**-2.62**

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Market developments

The global bond markets were relatively calm last month. Both interest rates in Europe and the US were relatively stable. The global Bloomberg Barclays Global index rose by about 0.4%. The risky high yield segment of the market performed relatively well with a return of over 2%. The correlation between (high yield) corporate bonds and the stock markets remains high. The DD Income fund also performed relatively well with a result of 1.3%, causing the loss for the year to shrink to 2.6%. As a result, the situation on the bond markets has largely returned to normal. The expected return on the portfolio is 3.3% with an average term of 7.7 years.

Table: Main portfolio characteristics DDIF per month end*

# of positions	97
# of issuers	85
Overall credit rating	BBB+
Euro exposure	72.0%
Cash	1.0%
Investment grade (incl cash)	75.7%
Expected return (yield-to-worst)	3.3%
Duration (Option Adjusted Duration in years)	7.7

Source: DoubleDividend/Bloomberg

* Yield-to-Worst is the return on the portfolio, including cash, if the ability to repay the loan earlier is taken into account. The actual return may differ because an issuer cannot meet its obligations and due to currency fluctuations. The duration indicates the approximate percentage value change of the portfolio if the interest rate changes by 1%.

Portfolio developments

The portfolio's strategy remains focused on seeking a positive absolute return at an acceptable risk. Last month we added a number of new positions to the portfolio, which further improved diversification. The number of bonds in the portfolio is 97 from 85 different issuers.

Buying government bonds with a positive expected return remains a challenge. This is especially true for developed countries. Last month we sold a French government bond because the yield had fallen below 0%. The 15% weighting in developed government bonds consists largely of bonds denominated in currencies other than the euro. Development banks such as the World Bank, Africa Development Bank and European EBRD are particularly well represented in this part of the portfolio.

At the moment, we mainly buy corporate bonds outside the financial sector. For example, last month we added bonds from Danone (food), Iberdrola (Spanish renewable energy) and Vonovia (apartments in Germany) to the portfolio. We had previously sold these bonds because high prices, but now they offer an acceptable return again. Bonds from Thermo Fisher (medical instruments), British Telecom, JAB Holding (investments) have also been added to the portfolio. With these additions, the dependence on the financial sector (banks and insurers) has decreased somewhat.

Table: portfolio per building block

Building blocks	Range	Weight	Yield-to-worst	Duration
Government bonds developed markets	10-50%	15.1%	0.9%	6.5
Government bonds emerging markets	0-25%	9.0%	3.5%	14.4
Corporate bonds investment grade	10-50%	43.5%	3.1%	8.8
Corporate bonds high yield	0-25%	16.9%	4.1%	6.5
Microfinance	0-25%	2.4%	4.1%	3.1
Other	0-25%	12.1%	5.6%	6.9
Cash	0-25%	1.0%	-0.6%	0.0
Total		**100%**	**3.3%**	**7.7**

Source: DoubleDividend

Top movers in the portfolio

Table: top 5 movers in the portfolio, in euro's

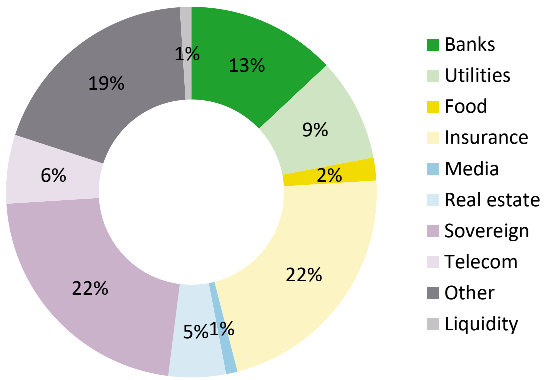
Top 5 best performers		Top 5 worst performers	
	Return		**Return**
Banco Nal Costa Rica 2023 (High Yield)	9.9%	Softbank 2025 (High Yield)	-2.7%
Rabobank Perp (Other)	8.0%	British Telecom 2080 (High Yield)	-2.7%
Ghana 2051 (gov EM)	5.4%	Microsoft 2055 (Corp IG)	-2.4%
Alberta Canada 2046 (gov DM)	5.1%	Banort Perp (MF)	-2.2%
ASR Perp (High Yield)	4.9%	Allianz Perp (Corp IG)	-1.9%

Source: DoubleDividend/Bloomberg

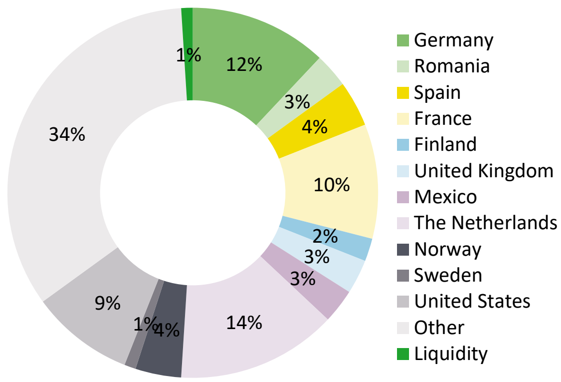
Team DoubleDividend

Appendix: portfolio characteristics

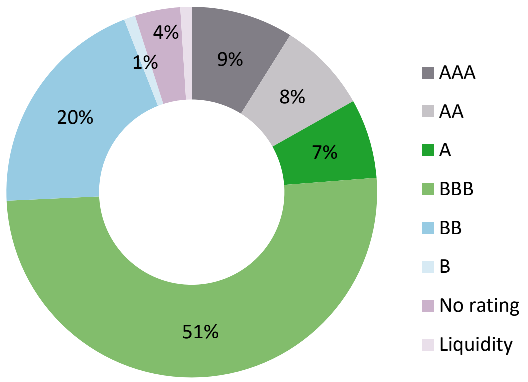
Distribution per sector (GICS)



Distribution per country of origin



Distribution per rating



Distribution per currency