

# Asset Management

## Monthly report July 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

Both the equity, bond and real estate markets hardly moved in July. On balance, equities declined slightly but bonds closed the month with a plus of 1%, mainly due to further declining interest rates in both Europe and the US. The global real estate market closed the month with a loss of just over 2%. The returns from the DD funds were also modest. DD Equity Fund and DD Income Fund closed the month with a modest plus of 0.6% and 1.1%, respectively. DD Property Fund ended the month with a loss of 0.4%.

In July, the returns for the various profiles ranged from 1.0% for the most defensive profile to 0.4% for the most offensive profile. The neutral profile achieved a return of 0.7% last month, but is still at a loss of 4.6% for the whole of 2020.

### Market data\*

Equities	July	2020
MSCI World	-0.5%	-6.3%
S&P 500	0.7%	-2.5%
Euro Stoxx 600	-0.9%	-12.5%
<b>Bonds</b>		
World**	1.0%	2.3%
<b>Real Estate</b>		
EPRA Index	-2.3%	-22.9%
<b>Interest rates</b>		
10-yr Germany	-0.53%	
10-yr US	0.53%	
<b>Currencies</b>		
EUR/USD	4.8%	5.0%
<b>Other (in USD)</b>		
Gold	10.9%	30.2%
Oil (Brent)	5.2%	-34.4%

\*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 July	Average per year*	Total
Defensive	8.8%	1.3%	7.4%	-1.3%	4.7%	2.8%	-4.4%	17.7%	-2.7%	3.8%	37.8%
Moderately defensive	10.1%	3.2%	10.0%	1.5%	5.4%	3.6%	-3.7%	20.6%	-3.6%	5.2%	55.0%
Neutral	12.2%	5.7%	11.1%	4.9%	6.4%	4.6%	-2.7%	22.7%	-4.6%	6.8%	75.4%
Offensive	13.9%	8.3%	14.8%	7.9%	7.3%	5.8%	-1.7%	26.1%	-4.2%	8.8%	105.9%
Very offensive	15.4%	9.6%	16.7%	10.1%	8.5%	6.4%	-1.1%	29.3%	-5.1%	10.1%	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

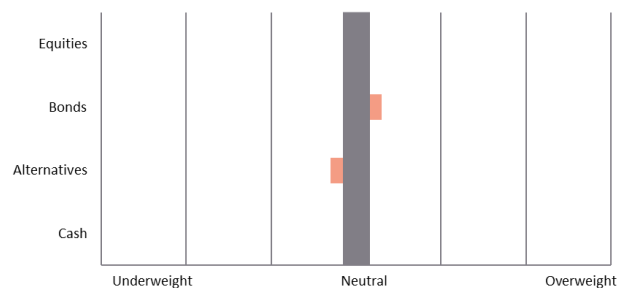
Each investment profile has a strategic allocation with bandwidths to equities, bonds and alternatives. The table below gives an overview of the five different standard investment profiles (without bandwidths). The classifications of risk profiles are motivated by the AFM (the Dutch Authority for the 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%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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. Since the end of May, we have had a slight overweight in bonds at the expense of alternatives (real estate). Although the outlook for bonds is less than average due to low interest rates, the risk is also lower. For real estate, the valuation is attractive, but the risks have increased due to the corona virus. Equities have the best outlook in the long term, but given the risks of, for example, an economic slowdown (due to the corona virus), we are a bit more cautious and maintain a large cash position in the DD Equity Fund.

### Tactical asset allocation



### Team DoubleDividend