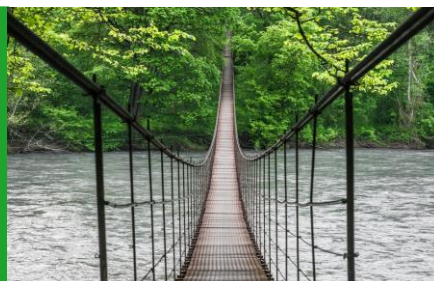


DD Equity Fund

Monthly report September 2020

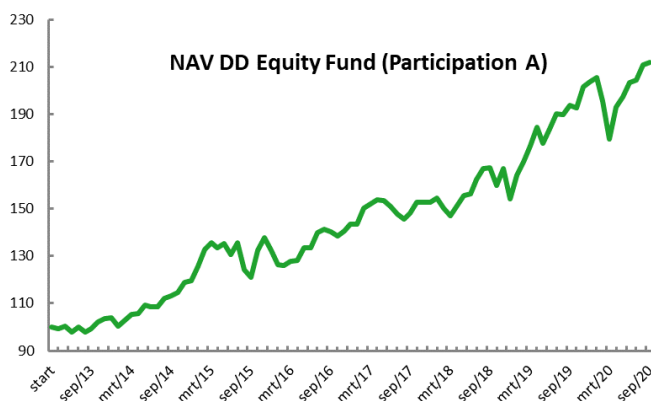


Profile

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 0.4% over the month of September 2020, as a result of which the net asset value per participation of participation A increased to € 211.76. Since the fund was launched in April 2013, the return has been 111.8%.



* 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	€ 93.0 mln
# shares outstanding A	317,247
# shares outstanding B	121,856
Net asset value A*	€ 211.76
Net asset value B*	€ 212.24
# of positions	56
Beta	0.87

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	7.40	2.32	3.02	0.56	3.19	0.39				3.90

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Market Developments

The stock markets took a step back last month. American equities in particular were under some pressure, more specifically the large technology companies. The Nasdaq Index ended the month with a loss of more than 5%. The broader S&P 500 Index also dropped 3.9%. Stock markets in Europe were also under some pressure. The European Eurostoxx 600 index fell 1.5% for the month. Despite the stock market decline and our large exposure to technology, the DD Equity Fund ended the month well with a positive result of 0.4%, helped in part by a rebound of the dollar against the euro. This brings the fund's annual return to 3.9%. The global MSCI index is down 2.6% for the year.

Biggest positive and negative contribution

The largest positive contribution last month came, just like last month, from Alibaba. The stock is our largest position in the portfolio and continues to perform well. Since the beginning of the year, the stock listed in New York is up 39%. Still, Chinese technology stocks remain relatively attractively valued compared to the US tech giants. In addition, the Chinese economy appears to be recovering faster from the corona crisis.

The recent purchase of Hellofresh also made a positive contribution to the result. It is expected that, now that the number of Covid 19 cases is rising again and people are more at home, the demand for meal boxes will continue to rise. Finally, Nike made a significant price jump last month due to very good results. Despite the malaise in the retail sector, we see that a number of clothing companies such as Nike and Adidas, but also Inditex and H&M are performing above expectations. Because people work more at home, there is less need for formal clothing, and more demand for casual clothing.

The biggest negative contributor last month came from Alphabet, the parent company of Google. The company's share price was under pressure due to the decline of the Nasdaq. In addition, Alphabet is struggling with a number of app suppliers, including EPIC games and Spotify, who feel that they have to pay too much commission to Alphabet for offering the apps in the Apple and Android app stores.

Illumina was under pressure this month due to its USD 8 billion acquisition of Grail. Illumina once fully owned Grail, but the stake had fallen to 15%. Illumina is now buying back all remaining shares it doesn't own yet. Illumina is the market leader in gene technology (DNA Sequencing). Illumina's machines can analyse genetic material quickly and relatively cheaply and play an important role in science and diagnostics, among other things. There are very good growth opportunities for gen technology, especially in the field of diagnostics. Grail is therefore a very interesting addition to Illumina products. The company is developing a blood test in which various forms of cancer can be detected quickly and easily at a much earlier stage. The reason that investors reacted somewhat negative to the acquisition is because Grail's blood test has not yet been fully developed and therefore does not return anything.

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

Top 5 positive			Top 5 negative		
	Return	Contribution		Return	Contribution
Alibaba (Chi)	4.5%	0.2%	Alphabet (US)	-8.3%	-0.3%
Hellofresh (Ger)	10.4%	0.2%	SAP (Ger)	-3.8%	-0.1%
Unilever (Neth)	6.2%	0.2%	Visa (US)	-3.8%	-0.1%
Nike (US)	14.4%	0.2%	Illumina (US)	-11.8%	-0.1%
Infosys (India)	11.8%	0.1%	ABN AMRO (Neth)	-10.4%	-0.1%

Source: DoubleDividend/Bloomberg

Portfolio changes

The number of positions in the portfolio has increased to 56 in the past month due to the addition of the American software company Intuit. Intuit is a cloud software provider for small and medium-sized businesses, freelancers and individuals. The company provides software for administration, payroll and taxes, among other things. The company is currently mainly active in the US, but has international growth ambitions.

In addition, the positions of Electronic Arts, Microsoft, ASML, Illumina, Tal Education, Daifuku, Roche and Johnson & Johnson, among others, have been expanded somewhat. The cash position has decreased to approximately 8%.

Table: top 10 Holdings in portfolio per month end

Company & weight in portfolio			
Alibaba (Chi)	5.1%	PayPal (US)	2.7%
Alphabet (US)	3.9%	Medtronic (US)	2.5%
Unilever (Neth)	3.0%	Danone (Fra)	2.4%
Johnson & Johnson (US)	3.0%	Tencent (HK)	2.4%
Applied Materials (US)	2.7%	Visa (US)	2.4%

Source: DoubleDividend

Team DoubleDividend

Appendix: portfolio characteristics

Table: Performance DDEF, Participation A*

	Sep 2020	2020	from start (April 2013)
Share price	-0.93%	5.75%	102.24%
Currency	1.32%	-2.16%	4.40%
Dividend	0.08%	1.02%	16.78%
Other	-0.08%	-0.71%	-11.66%
Total Return	0.39%	3.90%	111.76%

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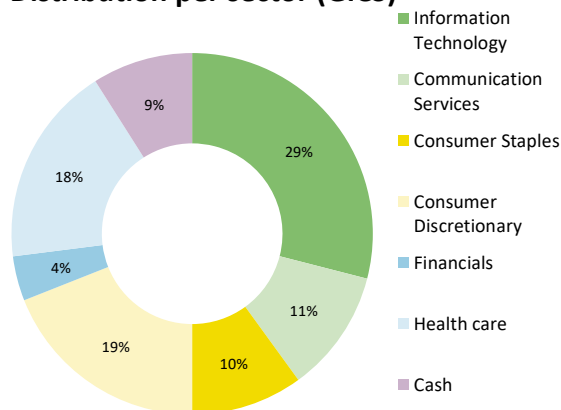
Source: DoubleDividend

Table: Characteristics portfolio DDEF per month end

Valuation		Risk	
P/E-ratio	28,7	Bèta (raw)	0.87
P/E-ratio (est)	22,3	Debt/EBITDA	2.3
EV/EBITDA (est)	17,7	VAR (Monte Carlo, 95%, 1 yr)	32.8%
Dividend yield	1,7%	Standard deviation	19.8%
Price/ cashflow (est)	17,9	Tracking error (vs MSCI world)	9.2%

Source: DoubleDividend/Bloomberg

Distribution per sector (GICS)



Distribution per country of origin

