DD ALTERNATIVE FUND

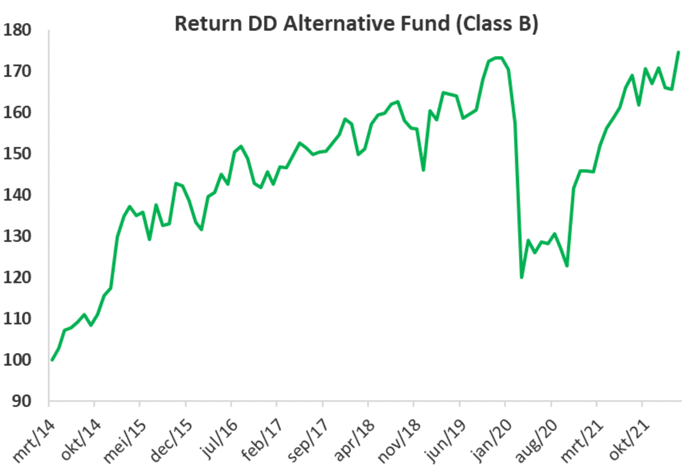
Monthly report March 2022

Profile

DD Alternative Fund N.V. (DDAF or DD Alternative Fund) is a global sustainable equity fund that invests in alternative investment categories, including in particular companies that invest in real estate and infrastructure. DDAF invests in at least twenty companies that meet our quality investment criteria. At DDAF, the analysis on sustainability and financial aspects is fully integrated. The fund aims for a net return of 7%* per year in the long term and has no benchmark. DDAF is listed on Euronext in Amsterdam and can be traded daily.

Return class B*

DD Alternative Fund achieved a return of 5.37% (class B) for the month of March 2022. At the end of March 2022, the net asset value per share B amounted to € 35.55, bringing the return for 2022 to 2,17%.



Fund information

Key facts

Fund size	€ 46.6 mln
# shares A	331,471
# shares B	685,540
# shares C	306,034
Net asset value A*	€ 34.22
Net asset value B*	€ 35.55
Net asset value C*	€ 35.70
# positions	46

Costs

Management fee A	1.20%
Management fee B	0.70%
Management fee C	0.50%
Overige kosten**	0.45%
Op- en afslag	0.25%

Other

Start date	Class A: May 2005
	Class B: January 2015
	Class C: January 2020
Manager	DoubleDividend
	Management B.V.
Status	Open-end, dagelijks
Exchange	Euronext Amsterdam
ISIN (A)	NL0009445915
ISIN (B)	NL0010949350
ISIN (C)	NL0014095119
Benchmark	None
Currency	Euro

Risk monitor

* per share

** estimated

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FINANCIAL & SOCIAL RETURNS

Table: monthly total return in % (after costs. dividend included) *

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2012	1.53	2.02	4.59	-3.24	-2.34	1.51	3.09	-0.18	1.49	2.56	0.48	-0.02	**11.81**
2013	0.83	0.72	-1.41	4.38	1.39	-7.59	2.56	-1.31	3.14	2.61	-0.81	-0.67	**3.35**
2014	-0.47	5.76	-1.86	2.69	4.37	0.54	1.24	1.66	-2.20	2.36	4.13	1.48	**21.18**
2015	10.58	3.96	1.72	-1.51	0.52	-4.86	6.54	-3.70	0.32	7.37	-0.40	-2.56	**18.13**
2016	-3.76	-1.28	6.08	0.71	3.13	-1.62	5.37	1.01	-1.97	-4.02	-0.70	2.66	**5.13**
2017	-2.14	3.02	-0.13	2.01	2.08	-0.83	-1.11	0.45	0.11	1.32	1.34	2.44	**8.74**
2018	-0.74	-4.78	1.03	3.91	1.37	0.32	1.40	0.29	-2.75	-1.15	-0.21	-6.35	**-7.82**
2019	9.85	-1.37	4.20	-0.25	-0.27	-3.32	0.67	0.65	4.62	2.61	0.42	0.02	**18.63**
2020	-1.55	-7.63	-23.87	7.51	-2.27	2.09	-0.42	1.90	-2.56	-3.42	15.36	2.84	**-15.88**
2021	0.03	-0.08	4.41	2.80	1.41	1.66	2.96	1.82	-4.23	5.47	-2,10	2.28	**17.27**
2022	-2.82	-0.22	5.37										**2.17**

* From 2015 Class B shares returns are used. The value of your investment may fluctuate. Results achieved in the past do not provide any guarantees for the future.

Market developments

European real estate stocks fell sharply in the first week of March, but eventually ended the month in positive territory. On balance, the FTSE EPRA Developed Europe Index rose by 0.9%, but for the whole of 2022 the index still stands at a loss of 5%. Healthcare and mini-storage did particularly well in March, with returns sometimes exceeding 10%. The absolute highlight last month was Hibernia with a return of 39.3%. Brookfield made a bid of €1.634 per share for the company. The Irish office investor stood at a large discount to net asset value and Brookfield is now taking advantage of that. Incidentally, this is Brookfield's third acquisition of an office player in a short time. The DD Alternative Fund also had a position in Hibernia but has sold its stake completely as the stock price came close to the offer price and we do not expect a higher bid.

Renewable infrastructure managed to maintain the upward trend that started in late February. The Eagle Renewable Index rose 3.2% (in euro terms) in March, making the return for the year positive again (+1.2%). The sector is in the spotlight now that energy prices are rising hard since the outbreak of the war in Ukraine. Also positive for the sector is the European Commission's new plan, REPowerEU, with the goal of independence from Russian fossil fuels by 2030. The plan includes an increase in imports of LNG, coal and petroleum from other countries and an acceleration of the Green Deal (energy efficiency targets and scaling up of renewable energy sources). In this way, European politicians hope to better protect individuals and businesses from sharp increases in energy prices and reduce short-term dependence on Russian energy.

The REPowerEU plan is good news for developers of renewable energy projects. Although there are still plenty of challenges, such as cost inflation, storage of renewable energy and improving and expanding transmission infrastructure, the energy transition will now really accelerate. For example, in March the Dutch cabinet decided to permanently double the number of wind turbines in the North Sea within 10 years. Other countries also have plenty of plans to accelerate the process of making their energy supplies more sustainable. However, the likelihood of intervention by governments in the energy market has also increased. There is a real chance that the European Commission will authorize member states to levy an additional tax on the extraordinary profits that energy companies make as a result of high energy prices. In doing so, the European Commission aims to protect consumers and help finance the accelerated energy transition. Such a tax is likely to be received negatively at first, but since renewable energy producers have not benefited from the recent spike (the vast majority of production is delivered at a fixed price), the tax is unlikely to affect them significantly.

Last month we spoke to several rea, estate management teams. The main focus was on the impact of high inflation and rising interest rates. For now, none of the companies are really worried, but it is clear that for some sectors the times of unbridled growth are behind us. German residential investors Vonovia and LEG, for example, are no longer prioritizing acquisitions, but are focusing more on internal growth and making the existing portfolio more sustainable. Large acquisitions are less lucrative now that interest costs have risen in a short time while property prices have not yet shown any correction. Aedifica and Care Property

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Invest, both active in homes for the elderly and care centers, also indicate that they are being more selective with new acquisitions. Both companies continue to expand, but with more attention to the quality of the tenant and the energy label of a property. The logistics sector still seems to have the best prospects. Developers in particular benefit from the demand for distribution centers as more and more companies want to become less dependent on long supply chains and want to produce closer to home. The higher construction and interest costs are not yet a problem, as rents are also rising sharply. The problem, however, is that the valuation of many logistics players is still very high, despite the recent price drops. Bargains are therefore hard to find.

Largest positive and negative contribution

The largest positive contribution came from Hibernia which, as described above, is being acquired by Brookfield. Renewable energy companies Grenery Renovables, Brookfield and Innergex also made a strong contribution to the result. Another notable riser was Eurocommercial Properties, which presented very good annual results. The vacancy rate at the end of December last year was only 1.5%, the lowest in the sector. The positive rent review of 5% on expiring leases in the past 12 months is also noteworthy given the decline in rents among sector peers. Management also says the 2022 start is encouraging although uncertainty has increased due to sharply higher inflation and a drop in consumer confidence.

As in February, residential investor Vonovia made the largest negative contribution as a result of rising interest rates and the focus on internal growth instead of making major acquisitions. As a result, sector partner LEG also had a mediocre month. Nevertheless, the long-term prospects for the German housing sector remain good. The rebuilding value of the existing residential portfolio is substantially higher than the current appraised value and rising construction costs will only increase this difference. Meanwhile, both companies are at a very large discount to net asset value and the dividend yield is attractive at around 4%. We therefore increased both positions slightly last month.

Table: top 5 contribution to result (in €)

Top 5 highest contribution			Top 5 lowest contribution		
Hibernia (Ire)	39.1%	0.7%	Vonovia (Ger)	-10.9%	-0.7%
Grenery Renovables (Spa)	21.4%	0.6%	LEG (Ger)	-10.4%	-0.3%
Brookfield Renewable (US)	15.5%	0.5%	Greencoat Renew. (Ire)	-3.4%	-0.1%
Eurocomm. Prop. (Neth)	12.0%	0.4%	Klépierre (Fra)	-5.8%	-0.1%
Innergex (Can)	11.6%	0.4%	Aquila European (UK)	-1.5%	-0.1%

Source: DoubleDividend/Bloomberg

Portfolio changes

Over the past month, we have increased the weightings of Aberdeen Logistics, American Tower, Capreit, CTP, Digital Realty, Healthcare Trust of America, I-RES, LEG, Store Capital, Target Healthcare and Vonovia. The weighting of Acciona, Boralex, Brookfield Renewables, EDP Renovavais, EnergieKontor, Greencoat Renewables, Grenery, Northland Power, Shurgard and Supermarket Income REIT was somewhat reduced. The positions in Hibernia and Kojamo have been sold in full. The cash position at the end of March was around 5%.

Table: top 10 positions in portfolio per end month

Company and weights			
Vonovia (Ger)	5.4%	Mitsui Fudosan (Jap)	2.9%
Eurocommercial Prop (Neth)	3.7%	American Tower (US)	2.9%
Innergex (Can)	3.2%	I-RES (Ire)	2.8%
Digital Realty (US)	3.0%	Atlantica Sustainable (US)	2.8%
Aquila Renewables (UK)	2.9%	Grenery Renovables (Spa)	2.7%

Source: DoubleDividend

Team DoubleDividend

Annex: portfolio characteristics

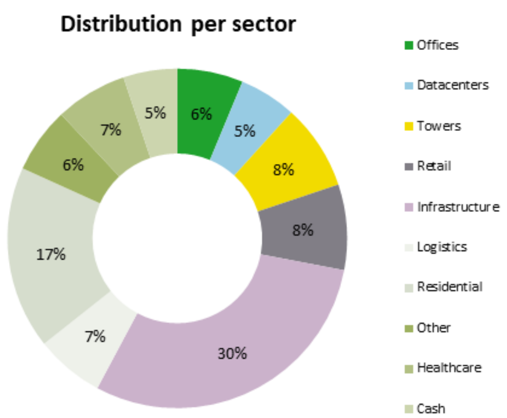
The table below shows the main characteristics of the portfolio. The cash flow yield shows the direct return (the rental income less costs) compared to the current price. Revaluations of the real estate are therefore not included. The price to net asset value indicates whether the portfolio is trading at a premium or a discount in relation to the value of the underlying real estate. If this value is lower than 100%. then there is a discount to net asset value and vice versa. The dividend yield is the dividend yield of the current year divided by the current price (closing price of the month).

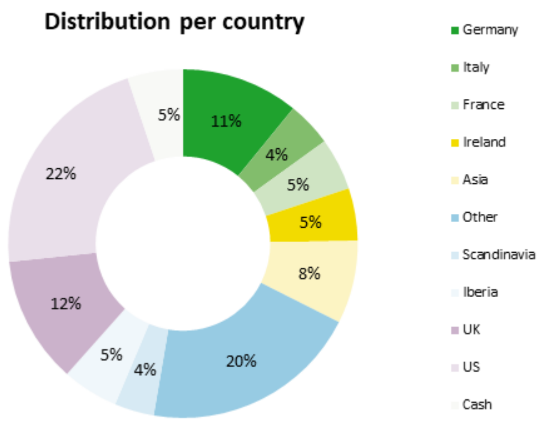
The debt ratio is the net debt to the market value of the property. The VAR (Value At Risk) shows the maximum loss of the portfolio on an annual basis with 95% certainty based on Monte Carlo simulation. The standard deviation is a statistical measure for the distribution of the returns around the mean.

Table: Characteristics DDAF per month end

Valuation		Risk	
Cashflow yield, current	5.5%	VAR (Monte Carlo, 95%, 1-year)	23.8%
Dividend yield, current	3.3%	Standard deviation	16.3%

Source: DoubleDividend/Bloomberg





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