

DD ALTERNATIVE FUND

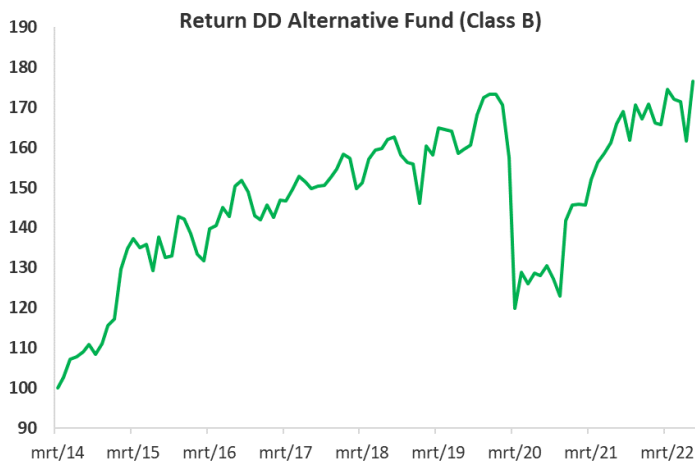
Monthly report July 2022

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 9.2% (class B) for the month of July 2022. At the end of July 2022, the net asset value per share B amounted to € 35.51, bringing the return for 2022 to 3,3%.



Fund information

Key facts

| | |
|--------------------|------------|
| Fund size | € 43.7 mln |
| # shares A | 325,913 |
| # shares B | 631,685 |
| # shares C | 283,314 |
| Net asset value A* | € 34.12 |
| Net asset value B* | € 35.51 |
| Net asset value C* | € 35.69 |
| # positions | 48 |

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



This information does not provide a sufficient basis for an investment decision. Therefore, read the key investor information and prospectus. These are available on the website of DoubleDividend Management B.V. (www.doubledividend.nl). DoubleDividend Management B.V. is manager of DD Alternative Fund N.V. and has a license as manager and is supervised by the Netherlands Authority for the Financial Markets. The net asset value has not been audited by an external auditor.

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 | -1.50 | -0.32 | -5.77 | 9.24 | | | | | | 3.26 |

* 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.

Developments in the market and portfolio

Financial markets were extremely strong last month. Better than expected corporate earnings and falling interest rates ensured that concerns about high inflation, weakening economic growth and rising geopolitical tensions were (for the time being) pushed into the background. The DD Alternative Fund closed the month with a gain of 9.2%, which means that its return for the year is also positive again (+3.3%). Not only did European real estate stocks recover substantially, but also sustainable infrastructure had a very good month.

Despite the summer period, there was plenty of corporate news last month. Vonovia, whose share price has been under considerable pressure this year due to rising interest rates and concerns about its balance sheet, announced its intention to sell € 6-7 billion worth of property to strengthen its balance sheet. The intention is to sell minority interests in portfolios in both Sweden and Germany. In addition, the healthcare real estate portfolio is for sale. This portfolio was part of Deutsche Wohnen that was incorporated last year. If the sales are successful, net debt will decrease by about 16%, bringing the debt ratio below 40%. Investors reacted with relief - the share rose by more than 10% last month - as a possible share issue is off the table.

Logistics real estate company Prologis, which last month acquired Duke Realty for \$26 billion, once again presented very strong quarterly figures. Especially in Europe, the company is doing well. In the second quarter rents rose by 4.7%, the largest increase ever for Prologis. 'The pandemic created record demand over the past two years, which translated into historically low vacancy rates and unprecedented rental growth,' stated Hamid R. Moghadam, CEO of Prologis. 'While conditions are normalizing, we are still seeing healthy demand rivaling previous peak cycles and, based on our own data insights, we expect strong demand to continue.'

For Norway's Scatec, one of the largest developers of sustainable infrastructure projects in developing countries, there was finally some good news. Scatec has an ambitious growth plan that will see investments of nearly €10 billion over the next few years, but many projects were delayed due to cost inflation, higher interest rates and political issues. In July it was announced that Scatec, together with partners Equinor and Hydro Rein, have started construction of the 531 MW solar project Mendubim in Brazil, involving an investment of \$ 430 million. Construction of three projects in South Africa's Northern Cape Province will also begin shortly. Once operational, these projects will have a total solar capacity of 540 MW and a battery storage capacity of 225MW. With a total investment of \$ 962 million, this is Scatec's largest development project.

Other renewable infrastructure companies also made acquisitions or announced new projects. For example, Acciona Energia announced that it will build two wind farms totaling 72 MW in Croatia, representing an investment of € 100 million. Greencoat Renewables acquired a 50% stake in the 80.5MWp County Meath PV farm in Ireland, the fund's first solar farm in Ireland.

Largest positive and negative contribution

Sustainable infrastructure companies Innergex, Atlantica Sustainable and Northland Power provided the largest contribution in July. Stock prices received a further boost towards the end of the month after it was announced that the Biden administration is likely to receive sufficient support for what is called the Inflation Reduction Act. If approved, The government will invest \$369 billion over the next few years to combat climate change. Cellnex also made a significant contribution to earnings with a plus of 18.1%. The company was involved in a bidding war to take over Deutsche Telekom's telecommunications towers, but ultimately abandoned the deal due to the sharply increased price. Cellnex will now focus more on organic growth instead of large (expensive) acquisitions.

The largest negative contribution came from China Longyuan, which fell 15% for no apparent business reason. The stock suffers from the general sentiment around China now that tensions with the US are rising again. This prompted us to increase our position somewhat.

Table: top 5 contribution to result (in €)

| Top 5 highest contribution | | | Top 5 lowest contribution | | |
|----------------------------|-------|------|---------------------------|--------|-------|
| Innergex (Can) | 14.8% | 0.5% | China Longyuan (HK) | -15.1% | -0.4% |
| Vonovia (Ger) | 10.4% | 0.5% | Aquila (VK) | -0.5% | -0.0% |
| Cellnex (Spa) | 18.1% | 0.5% | China Tower (HK) | 2.5% | 0.0% |
| Atlantica Sustainable (VS) | 13.4% | 0.4% | XIOR (Bel) | 2.9% | 0.0% |
| Northland Power (Can) | 13.4% | 0.4% | Gore Street Energy (VK) | 3.0% | 0.0% |

Source: DoubleDividend/Bloomberg

Portfolio changes

Over the past month, we have slightly reduced the weighting of Acciona Energias, Boralex, EDP Renovavais, Innergex Renewable, Shurgard and Supermarket Income REIT and slightly increased the position in China Longyuan. No new positions were added to the portfolio.

Table: top 10 positions in portfolio per end month

| Company and weights | | | |
|----------------------------|------|----------------------------|------|
| Vonovia (Ger) | 4.5% | Northland Power (Can) | 2.9% |
| Greencoat Renewables (Ire) | 3.6% | I-RES (Ire) | 2.8% |
| Digital Realty (VS) | 3.3% | Eurocommercial Prop (Neth) | 2.8% |
| Atlantica Sustainable (VS) | 3.2% | Cellnex (Spa) | 2.7% |
| Innergex Renewable (Can) | 3.0% | Equinix (VS) | 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 | 6.1% | VAR (Monte Carlo, 95%, 1-year) | 23.5% |
| Dividend yield, current | 3.9% | Standard deviation | 16.1% |

Source: DoubleDividend/Bloomberg

