DD ALTERNATIVE FUND

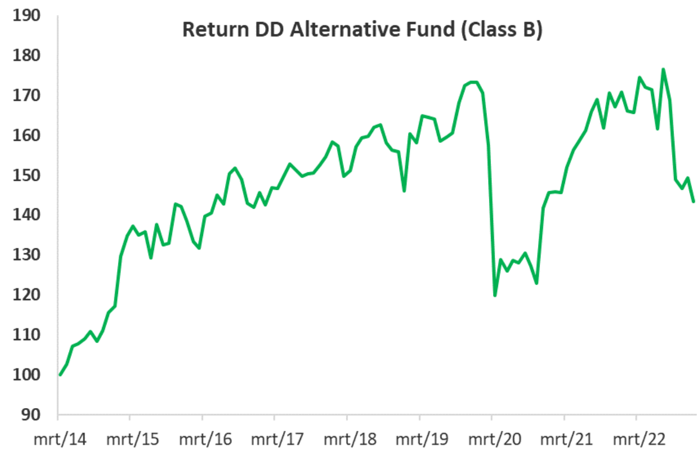
Monthly report December 2022

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 -4.04% (Class B) for the month of December 2022. Net asset value per share fell to €28.51, bringing the return for 2022 to -16.12%.



Fund information

Key facts

Fund size	€ 33.4 mln
# shares A	311,183
# shares B	617,383
# shares C	255,424
Net asset value A*	€ 27.32
Net asset value B*	€ 28.51
Net asset value C*	€ 28.68
# positions	43

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	-1.50	-0.32	-5.77	9.24	-4.36	-11.79	-1.43	1.80	-4.04	-16.12

* 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

The last month of 2022 was exemplary for the year. Both equities and bonds were under severe pressure as a result of sharply higher interest rates. Interest rates rose especially hard in Europe. For example, the German 10-year interest rate rose from 1.93% to 2.57% in December, an unprecedented rise. This was prompted by statements from both the FED and the ECB that further interest rate hikes are justified given the persistence of inflation. The rise in interest rates did not miss its impact on both real estate and sustainable infrastructure. European real estate stocks did not do too badly in December with a -1.5% return, but the global EPRA index gave up almost 6%. The Eagle Renewable Index, a measure of the performance of all renewable infrastructure companies worldwide, also fell 3.0%. Over all 2022, the EPRA index lost as much as 36.7%, but sustainable infrastructure managed to limit the loss to 2.9% which shows that diversification works well.

The DD Alternative Fund also had a difficult year end, closing December with a 4.0% loss. For all of 2022, the fund was down 16.1%. The share prices of German residential investors LEG and Vonovia had a particularly bad year with losses of around 50%. Also among the decliners were many Belgian real estate shares such as Xior, Care Property Invest and Aedifica with losses between 30 and 40%. Belgian real estate companies did exceptionally well on the stock market for years and were invariably quoted at hefty premiums. This allowed them to grow easily by issuing shares, but now these companies are trading at a discount to net asset value and expansion plans are on hold. On the other hand, EDP Renovavais, EnergieKontor, Eurocommercial Properties and Hibernia made positive contributions in 2022 with returns of more than 25%.

As described in our November 2022 monthly report, despite changing market conditions, we are not negative on the long-term outlook for both real estate and sustainable infrastructure. While risks have increased, this is offset by attractive valuations. Inflation has most likely peaked and central bank interest rate increases are expected to end in 2023. Within real estate, we have a good geographical spread and a preference for defensive growth sectors such as telecom towers, logistics and residential. Within sustainable infrastructure, we have a good mix between developers (high margins, higher risk) and independent energy producers (low margin, low risk).

Largest positive and negative contribution

Hysan Development made the biggest positive contribution to earnings in December. The stock gained 18.9% after the Hong Kong property company also gained 15.9% in November. The stock benefited from the fact that - with the exception of the mouth mask requirement - all corona measures in the city have been lifted, which has also helped the return of tourists. A number of other real estate companies including CTP, Care Property and Xior also closed in the plus in December.

Largest negative contribution came from Canadian Brookfield Renewables (BEP), one of the world's largest investors in renewable energy generation. Despite high energy prices and the fact that many contracts are automatically indexed, the stock (like many others in the sector) has suffered from sharply rising interest rates and rising development costs. While the outlook for renewable infrastructure remains good, the sector is obviously not immune to changing market conditions. Still, we believe the negative sentiment has run its course, and the sharp decline prompted us to increase Brookfield's weight in December.

Table: top 5 contribution to result (in €)

Top 5 highest contribution			Top 5 lowest contribution		
Hysan Development (HK)	18.9%	0.5%	Brookfield Ren (Can)	-17.9%	-0.6%
CTP (Neth)	5.3%	0.2%	Digital Realty (US)	-12.9%	-0.5%
Care Property (Bel)	6.3%	0.1%	Grenery Renovables (Spa)	-15.1%	-0.4%
XIOR (Bel)	5.9%	0.1%	Atlantica Sustainable (US)	-10.4%	-0.3%
Boralex (Can)	2.2%	0.1%	SL Green (US)	-21.8%	-0.3%

Source: DoubleDividend/Bloomberg

Portfolio changes

Last month, we further increased the weighting of Acciona, Brookfield Renewables, Grenery and Voltalia. This increased the weighting of renewable infrastructure to 36%. We slightly reduced the position in Equinix, the world's largest investor in data centers. The cash position at the end of December was 5%.

Table: top 10 positions in portfolio per end month

Company and weights			
Greencoat Renewables (Ire)	3.4%	I-RES (Ire)	3.0%
Hysan (HK)	3.2%	CTP (Neth)	3.0%
Cellnex (Spa)	3.1%	Vonovia (Ger)	3.0%
Digital Realty (US)	3.1%	Brookfield Renewables (Can)	2.9%
Innergex Renewable (Can)	3.0%	Atlantica Sustainable (US)	2.9%

Source: DoubleDividend

Team DoubleDividend

Annex: portfolio characteristics

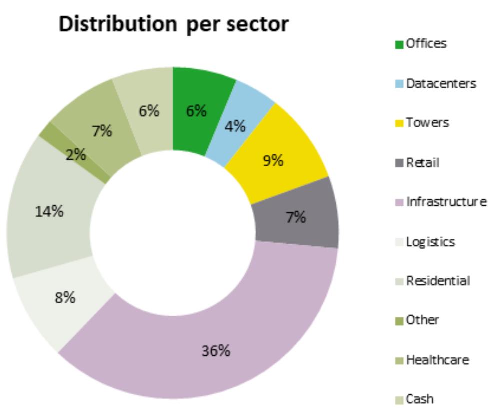
The table below shows the main characteristics of the portfolio. The cash flow yield shows the direct return (the rental income less costs) compared to the current price. Revaluations of the real estate are therefore not included. The price to net asset value indicates whether the portfolio is trading 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).

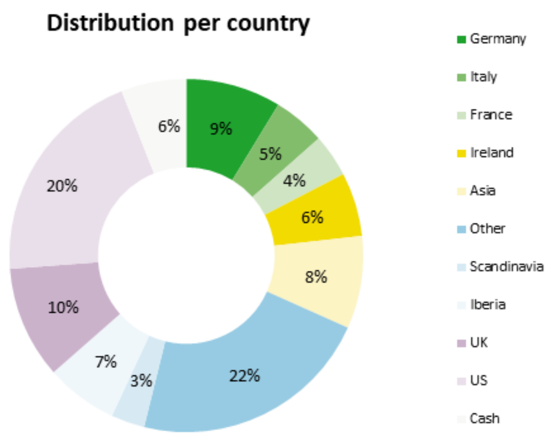
The debt ratio is the net debt to the market value of the property. The VAR (Value At Risk) shows the maximum loss of the portfolio on an annual basis with 95% certainty based on Monte Carlo simulation. The standard deviation is a statistical measure for the distribution of the returns around the mean.

Table: Characteristics DDAF per month end

Valuation		Risk	
Cashflow yield, current	9.9%	VAR (Monte Carlo, 95%, 1-year)	25.4%
Dividend yield, current	5.2%	Standard deviation	16.6%

Source: DoubleDividend/Bloomberg





DoubleDividend Management B.V.
Herengracht 320
1016 CE Amsterdam
Tel. +31 (0)20 520 76 60
contact@doubledividend.nl
www.doubledividend.nl