DD ALTERNATIVE FUND

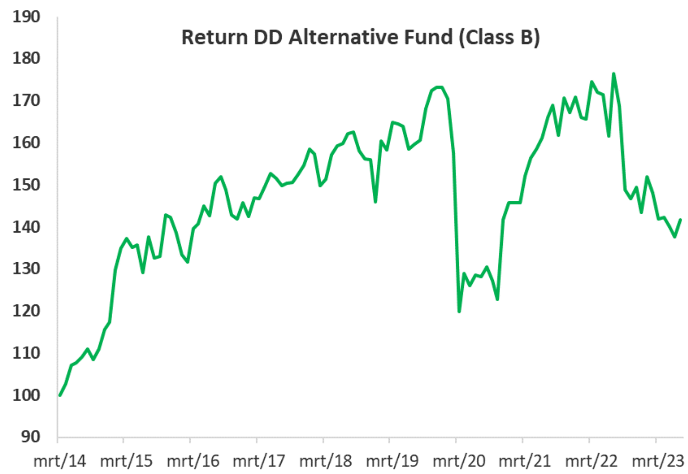
Monthly report July 2023

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 2.95% (Class B) for the month of July 2023. As a result, the net asset value per share rose to €27.78. This brings the return for 2023 to -1.1%.



Fund information

Key facts

Fund size	€ 31.1 mln
# shares A	279,580
# shares B	621,757
# shares C	230,419
Net asset value A*	€ 26.52
Net asset value B*	€ 27.78
Net asset value C*	€ 27.98
# positions	45

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**
2023	6.02	-2,63	-4.17	0.34	-1.64	-1.61	2.95						**-1.10**

* 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 DD Alternative Fund had a good month with a return of almost 3%. Real estate stocks performed especially well. Although the ECB and the Fed raised interest rates last month, it seems that the final interest rate hike is now truly imminent. Although inflation is not quite at the targeted 2% level yet, it is now falling so fast that further interest rate steps do not seem necessary. In addition, it usually takes six to nine months for the effect of an interest rate hike to show up. Investors now assume that the Fed is done with the hikes and the ECB will raise interest rates by another 0.25%. So the signs are positive. Other positive developments are the half-year results of companies. Although the higher interest rates have hit some companies hard, they continue to perform well. American Tower, Cellnex, Digital Realty, Prologis and SL Green, among others, released good quarterly figures.

Largest positive and negative contribution

LEG Immobiliën and Vonovia provided the largest contribution to earnings in July. Since the low in March, sentiment around German housing investors has improved somewhat because of better-than-expected operating results (higher rental growth and higher margins) and the sale of a number of portfolios by Vonovia. This has reduced pressure to issue new shares at a steep discount. However, the sector will not really recover until inflation (and thus interest rates) stabilize.

As in June, Digital Realty, SL Green and Eurocommercial Properties were among the companies with the highest contribution to the result. Digital Realty benefited from better-than-expected figures, mainly due to strong demand for artificial intelligence. SL Green also announced better-than-expected figures. In addition, the CEO expects that the dividend can be maintained despite the challenging market conditions. Finally, Eurocommercial Properties benefited from a buy recommendation from a broker.

Among the decliners, as in June, were almost exclusively companies focused on sustainable infrastructure. The capital-intensive nature of these companies combined with falling energy prices means that investors are ignoring this sector for the time being. The Renewable Energy Producers Index stands at a loss of 9.5% this year (measured in euros). We took advantage of the drop by expanding some positions in this sector.

Table: top 5 contribution to result (in €)

Top 5 highest contribution			Top 5 lowest contribution		
LEG (Ger)	22.3%	0.6%	Northland Power (Can)	-7.8%	-0.3%
Vonovia (Ger)	18.7%	0.5%	China Longyuan (Chi)	-7.7%	-0.2%
SL Green (US)	25.1%	0.3%	Boralex (Can)	-5.9%	-0.2%
Digital Realty (US)	8.3%	0.3%	Inwit (Ita)	-5.5%	-0.1%
Eurocommercial Prop (NL)	8.3%	0.3%	Acciona Energias (Spa)	-6.5%	-0.1%

Source: DoubleDividend/Bloomberg

Portfolio changes

Over the past month, we slightly increased the weighting of Acciona Energias, Boralex and Brookfield Renewables. Positions in Digital Realty, Equinix and SL Green were reduced slightly. The position in Canadian housing investor Capreit was sold completely due to limited upside. Italy's ERG Spa was newly added to the portfolio.

ERG Spa is one of the larger independent renewable energy producers in Europe. The company started as a petroleum trader in 1938 and owned a number of refineries and power plants until 2008. Recently, the last power plant was sold and the company is now focusing 100% on renewable energy. Its current production of 2.2 GW is to grow to 5 GW by 2027. Most of this capacity expansion will be achieved through acquisitions, but in addition ERG is also a developer of wind and solar farms. The current development pipeline is focused on Italy (wind), France (wind) and Spain (solar). Expansion plans will be financed from proceeds of recent sales, cash flows and new loans. ERG has a very strong balance sheet with an investment grade rating from Fitch and can therefore easily take out new loans on relatively attractive terms. Almost 90% of energy production is at fixed prices which makes ERG less dependent on today's volatile energy prices.

The stock has been under some pressure this year - like the rest of the sector - creating an attractive entry point. However, the company's long-term track record is very good and we expect the stock to recover substantially in the coming years.

Table: top 10 positions in portfolio per end month

Company and weights			
Cellnex (Spa)	4.1%	Atlantica Sustainable (US)	3.0%
Greencoat Renewables (Ire)	3.4%	Brookfield Renewable (US)	3.0%
Grenergy Renovables (Spa)	3.2%	Boralex (Can)	2.9%
Eurocommercial Prop. (Neth)	3.1%	LEG (Ger)	2.9%
Digital Realty (US)	3.1%	Innergex (Can)	2.9%

Source: DoubleDividend

Team DoubleDividend

Annex: portfolio characteristics

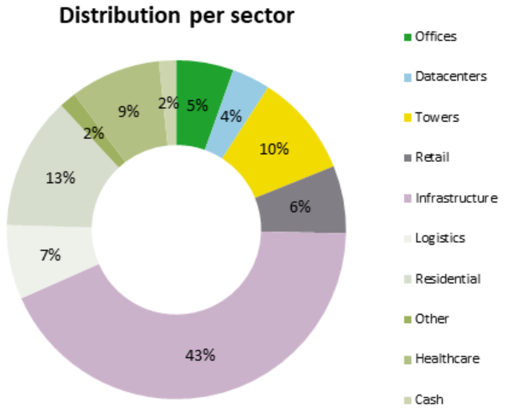
The table below shows the main characteristics of the portfolio. The cash flow yield indicates how much cash a company generates per share, expressed as a percentage. The dividend yield is the dividend yield of the current year divided by the current price (closing price of the month).

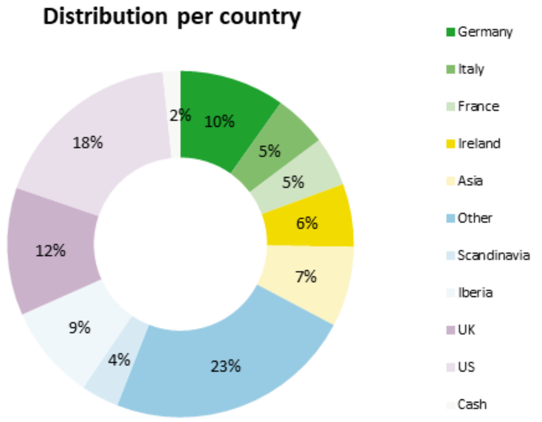
The VAR (Value At Risk) shows the maximum loss of the portfolio on an annual basis with 95% certainty based on Monte Carlo simulation. The standard deviation is a statistical measure for the distribution of the returns around the mean.

Table: Characteristics DDAF per month end

Valuation		Risk	
Cashflow yield, current	11.0%	VAR (Monte Carlo, 95%, 1-year)	22.9%
Dividend yield, current	5.0%	Standard deviation	14.0%

Source: DoubleDividend/Bloomberg





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