

DD EQUITY FUND

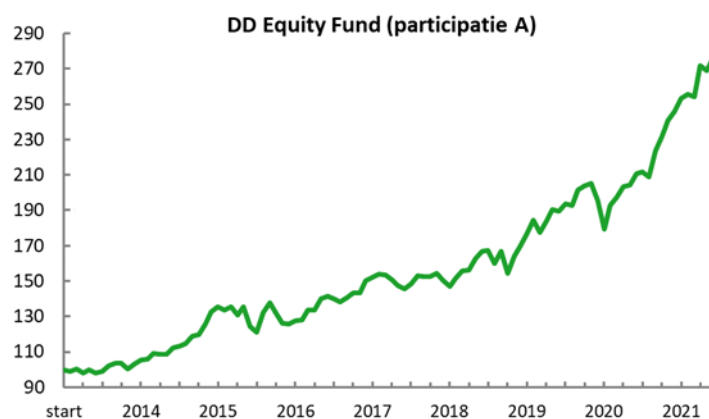
Monthly report August 2021

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 2.77% in August 2021, as a result of which the net asset value per unit A increased to € 276.22. This brings the return for 2021 to 19.02%.



* The value of your investment may fluctuate. Results achieved in the past do not provide any guarantees for the future.

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 Equity Fund 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.

Fund information

Key facts

Fund size	€ 224.7 mln
# shares outstanding A	508,143
# shares outstanding B	194,862
# shares outstanding C	109,000
Net Asset Value A*	€ 276,22
Net Asset Value B*	€ 277,48
Net Asset Value C*	€ 277,91
# of positions	70
Beta	0.99

Costs

Management fee A	0.80%
Management fee B	0.50%
Management fee C	0.25%
Other costs**	0.20%
Up/down Swing factor	0.25%

Other

Start date	Part. A: April 2013 Part. B: January 2020 Part. C: January 2021
Manager	DoubleDividend Management B.V.
Status	Open-end, daily
Exchange	Euronext Amsterdam
ISIN (A)	NL0010511002
ISIN (B)	NL0014095127
ISIN (C)	NL0015614603
Benchmark	None
Currency	Euro

Risk monitor



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	-1.40	7.20	3.56	13.73
2021	3.83	2.21	2.87	1.10	-0.64	6.97	-1.07	2.71					19.17

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Market Developments

Global equity markets had a good month in August. Bloomberg's global stock index rose 3% in value. The rise in the stock markets was broad-based. Equity markets rose in both the US and Europe, but emerging markets again lagged last month. The DDEF was able to capitalize on the strong markets in Europe and the US, posting a return of 2.7% over the month.

Europe and the US continue to perform well, mainly thanks to strong corporate results. The situation in Afghanistan had little impact on market sentiment last month. In China, the authorities' policy changes seem to be gaining traction in the market. Initially, the authorities focused mainly on the power of technology companies and data privacy. Now the focus is broadening and "common prosperity" is the most important policy goal. In order to reduce inequality, the party focuses on the health sector, the housing market, fair pay and takes actions against pollution and long working days. It seems that the party suddenly remembers that they are actually communists and not capitalists. This has resulted in a clear shift in (social) economic policy, also known as "Xiconomics".

Biggest positive and negative contributions

The largest positive contribution to the result last month came from Alphabet, the parent company of Google and Youtube. The company is the largest holding in the portfolio and has already appreciated by 67% this year. eBay and Hellofresh also made a nice contribution to the result this year, thanks to an increase of 52% and 45% respectively.

The largest negative contribution to the result this month came from the fintech companies FIS Global, Mastercard and Visa. The prices of these companies were negatively influenced, by possible more regulation of the fees by the US government and more competition from other Fintech companies. The ongoing travel restrictions as a result of the delta variant also negatively affect Visa and Mastercard.

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

Top 5 Positive			Top 5 Negative		
Alphabet (VS)	8.0%	0.3%	FIS Global (VS)	-13.9%	-0.2%
eBAY (VS)	13.3%	0.3%	Mastercard (VS)	-9.9%	-0.2%
Hellofresh (Dui)	15.4%	0.2%	Visa (VS)	-6.5%	-0.2%
HDFC Bank (India)	11.5%	0.2%	Alibaba (China)	-14.1%	-0.2%
Microsoft (VS)	6.6%	0.2%	PingAN (China)	-11.1%	-0.1%

Source: DoubleDividend/Bloomberg

Portfolio changes

In the past month, 4 new positions were added to the portfolio; biotechnology company Crispr Therapeutics, cloud and e-commerce giant Amazon, security software company Okta and specialty chemicals company Air Products. This has increased the number of positions in the portfolio to 70.

Crispr Therapeutics is a biotechnology company that develops medicines based on the CRISPR-Cas9 technology. CRISPR-Cas9 is a new technology that is seen as a major breakthrough in microbiology. The development of this technology earned Emmanuelle Charpentier and Jennifer Doudna the Nobel Prize in Chemistry in 2020. CRISPR-Cas9 is a technique in molecular biology in which DNA can be very precisely modified. The methodology is much more precise than previous techniques in genetic editing (such as ZFN or TALEN) developed in the 1990s. The application of the technique is especially promising in the medical world as it can provide a solution for a large number of diseases including cancer, haemophilia, thalassemia, Huntington's disease and sickle cell disease. The technique represents a breakthrough, especially for genetic disorders, as the "genetic defect" can be "repaired". But many other applications are also possible. The technique has also been used, for example, to cure mosquitoes from malaria. Co-founded by Nobel Prize winner Emmanuelle Charpentier, Crispr Therapeutics has a pipeline of drugs, the most promising of which is a drug for sickle cell disease and thalassemia. The first research results were only published very recently (June 2021), but they are also very promising. The successful development of this drug offers great opportunities for the pipeline of drugs in, for example, oncology.

Okta is a software company active in the field of cybersecurity. The Okta Identity Cloud helps organizations manage which people have access to which IT systems. With more and more people working remotely and logging in from different devices, and also more customers and suppliers logging in, the identification process has become much more complex. The shift to the Cloud has also made IM (Identification Management) more important and more complex. Okta software provides solutions for the question; Who has access to which IT systems and when? The company works with all major cloud service providers including Amazon Web Services, Microsoft and Google. Okta also has strategic alliances with CrowdStrike and Amazon Web Services, among others. Okta's revenue is growing by 35-40% year on year.

Amazon is actually two companies in one. The most profitable part of Amazon is Amazon Web services (AWS), the largest cloud (infrastructure) service provider in the world. AWS has a 47% market share in the IaaS (Infrastructure as a Service) market, with annual revenues of more than \$50 billion. In addition, Amazon is of course known as an e-commerce giant. This business is much larger than AWS in terms of revenue, but also much less profitable. Amazon has of course been on our radar for quite some time, but the relatively low profit margins, the high valuation and doubts about the sustainability policy have so far prevented us from including the stock in our portfolio. Amazon, however, has made significant progress in these areas over time. Profit margins have doubled in the past 2 years and the Amazon share has lagged significantly behind the market over the last 12 month, making the company's valuation a lot more attractive.

In the field of sustainability, Amazon has developed into a frontrunner. Amazon's climate policy, in particular, is ambitious. The company has recently caught up with major technology companies such as Microsoft and Google, which already had ambitious climate plans. By 2025, the entire company must run on energy from renewable sources and by 2040 Amazon must be climate neutral. Amazon wants to achieve this by making servers more efficient, investing in sustainable energy and replacing the entire fleet of delivery cars with electric cars. Amazon is currently the largest consumer of renewable energy in the world. Amazon is also investing heavily in sustainable energy projects. Given the enormous size of Amazon, the company can really make a difference and also give an impulse a more sustainable logistics and retail sector. For example, Amazon has invested heavily in electric car manufacturer Rivian and has ordered 100,000 electric delivery cars from Rivian in order to replace the entire Amazon fleet by 2030. Amazon's other investments and initiatives include electric flying and climate neutral data centers.

Finally, **AIR Products** is a company that has been added to the portfolio again after the share price has clearly lagged in recent months. The company is active in the field of industrial gases. The company supplies atmospheric gases (such as oxygen, nitrogen and argon) and process gases (such as hydrogen and helium) to users in the medical world, food chain and industry. There is a huge opportunity in the field of hydrogen for the industrial gases sector. Due to its infrastructure and knowledge, the sector is very well equipped to play a major role in replacing fossil fuels with green hydrogen. Air Products is also fully committed to green hydrogen with various large investment projects.

Table: top 10 holdings in portfolio per month end

Companies & weight in portfolio			
Alphabet (VS)	3.9%	Visa (VS)	2.4%
Microsoft (VS)	3.3%	Applied Materials (VS)	2.3%
Thermo Fisher (VS))	2.6%	Johnson & Johnson (VS)	2.2%
PayPal (VS)	2.6%	HDFC Bank (India)	2.2%
Adobe (VS)	2.5%	Tencent (China)	2.1%

Source: DoubleDividend

Team DoubleDividend

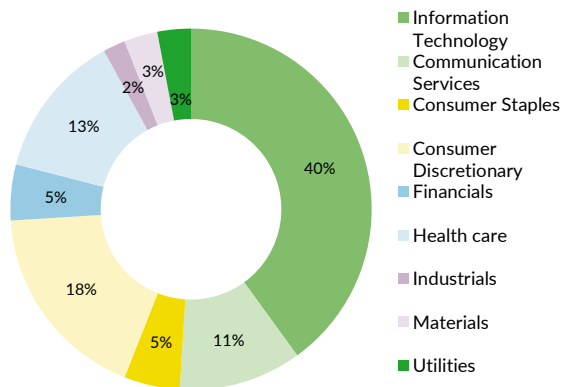
Appendix: portfolio characteristics

Table: Characteristics portfolio DDEF per month end

Valuation		Risk	
P/E ratio	35.0	Bèta (raw)	0.97
P/E ratio expected	25.8	Debt/EBITDA	2.1
EV/EBITDA expected	19.6	VAR (Monte Carlo, 95%, 1 yr)	27.8%
Dividend yield	1.3%	Standard deviation	17.0%
Price/cashflow expected	19.3	Tracking error (vs MSCI world)	6.2%

Source: DoubleDividend/Bloomberg

Distribution per sector (GICS)



Distribution per region

