

DD EQUITY FUND

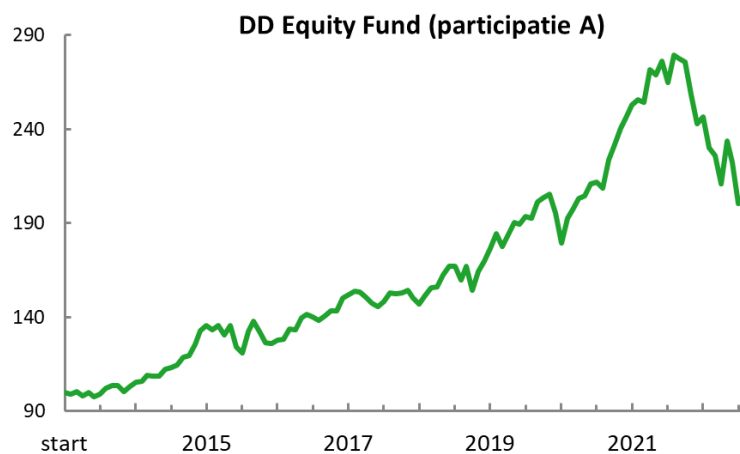
Monthly report October 2022

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 2.23% in October 2022, as a result of which the net asset value per unit A rose to € 204.73.



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

Fund information

Key facts

Fund size	€186 mln
# shares outstanding A	583,678
# shares outstanding B	214,984
# shares outstanding C	109,000
Net Asset Value A*	€ 204.73
Net Asset Value B*	€ 206.35
Net Asset Value C*	€ 207.31
# of positions	85
Beta	1,1

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

* per participation
** expect



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.

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	-4.20	5.57	-0.56	-0.76	18.94
2022	-6.20	-5.97	1.35	-6.62	-1.81	-6.55	10.69	-4.92	-9.89	2.23			-25.74

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Market developments

The financial markets were dominated this month by the third quarter results. In addition, the party congress of the Chinese Communist Party was an important event. In line with expectations, Xi Jinping has secured his third term as president of China. Even so, the Congress still provided plenty of surprises with new appointments to the top of the party. This has made it clear that the reappointment of Xi Jinping does not mean a continuation of the old policy. Policy in China will shift more towards the old Chinese tradition and will be less friendly to companies. For an extensive analysis, we refer to [the section](#) (in Dutch) on geopolitical relations in this newsletter.

The third quarter results showed a mixed picture. In general, companies continue to perform well. The majority of companies are still showing healthy sales and profit growth. However, companies are generally more cautious about future expectations, sometimes resulting in violent price reactions. It is clear that the economic uncertainties and high inflation are having an impact on consumers' budgets. This is visible, for example, at companies such as Adidas, Apple or Amazon. As a result, growth at, for example, Alphabet (google, youtube) is also slowing down somewhat because there is less growth in advertising budgets. Healthcare companies continue to perform remarkably well. Danaher and Merck, for example, came out with strong numbers and even revised their expectations for the year upwards.

High inflation has an effect on turnover and in some cases on margins. Unilever charged prices last quarter that were 12.5% higher than a year earlier, but this was at the expense of volumes that were 1.6% down over the same period. Some companies suffer from some margin pressure due to higher costs that cannot always be passed on immediately, but technology companies in particular are generally well protected in this area due to the high margin level and the possibility to cut costs.

For American companies, the high dollar hurts. For example, Microsoft posted 11% revenue growth, but without the strong dollar, revenue growth would have been 16%. The opposite applies to European companies with US activities. Hellofresh, for example, with a lot of activities in the US, reported a 31% sales growth of which 13% is due to the currency effect

Largest positive and negative contribution

The biggest positive contribution last month came from Samsung SDI. Samsung SDI is part of the large Korean Samsung group and is a specialist in the field of batteries for electronic equipment and electric vehicles. The latter in particular is an important growth market for the company. Samsung SDI reported very strong results last month, with both sales and profits up more than 50% in the past 12 months. Adobe and Illumina recovered from last month's share price loss, while Netflix benefited from user growth. For Netflix, after a bad first half, the worst seems to be over. The number of users increased by 2.4 million in the third quarter and the company also expects a growth in the number of users by 4.5 million for the fourth quarter.

Chinese equities were under significant pressure due to Xi Jinping's re-election and mounting tensions with the US. Amazon's share price fell after a weak outlook for the important fourth quarter. The company expects U.S. consumers to make fewer purchases during the holiday season due to economic uncertainties and high inflation.

Table: top 10 positive and negative contribution to the monthly result (in €)

Top 5 Positive			Top 5 Negative		
	Return	Contri.		Return	Contri.
Samsung SDI (Korea)	34.5%	0.5%	Baidu (Chi)	-35.4%	-0.5%
Adobe (US)	14.7%	0.3%	JD (Chi)	-26.6%	-0.4%
Illumina (US)	18.9%	0.3%	Tencent (Chi)	-23.5%	-0.3%
Netflix (US)	22.9%	0.3%	Amazon (US)	-10.1%	-0.3%
Visa (US)	15.6%	0.3%	Netease (Chi)	-27.1%	-0.2%

Source: DoubleDividend/Bloomberg

Portfolio changes

The L'Oréal was added to the portfolio again in the past month. The stock was already part of the portfolio in the past. The recent drop in share price provided an attractive new entry point for L'Oréal. Due to the increased uncertainties in China and the high dollar, we are looking for more investment opportunities in Europe, but the number of companies that meet our criteria is limited.

The positions in Visa, Johnson & Johnson, Tencent JD.com, Netease, Baidu and Alibaba have been reduced somewhat. The positions in ASML, Servicenow, Palo Alto Networks, Zscaler, Workday, Salesforce and Kingspan have expanded somewhat.

Table: top 10 holdings in portfolio of the month end.

Companies & weight in portfolio			
Microsoft (US)	4.1%	Applied Material (US)	2.5%
Alphabet (US)	3.4%	Salesforce (US)	2.5%
ThermoFisher (US)	3.1%	ASML (NL)	2.3%
PayPal (US)	2.9%	HDFC (India)	2.3%
Amazon(US)	2.5%	Adobe (US)	2.3%

Source: DoubleDividend

Team DoubleDividend

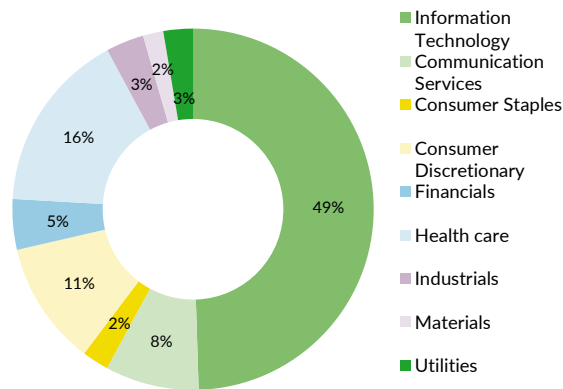
Appendix: portfolio characteristics

Table: Characteristics portfolio DDEF per month end

Valuation		Risk	
P/E ratio	29.5	Bèta (raw)	1.1
P/E ratio expected	18.8	Debt/EBITDA	2.6
EV/EBITDA expected	13.5	VAR (Monte Carlo, 95%, 1 yr)	34.3%
Dividend yield	1.8%	Standard deviation	20.9%
Price/cashflow expected	13.9	Tracking error (vs BBG World)	7.2%

Source: DoubleDividend/Bloomberg

Distribution per sector (GICS)



Distribution per region

