DD EQUITY FUND

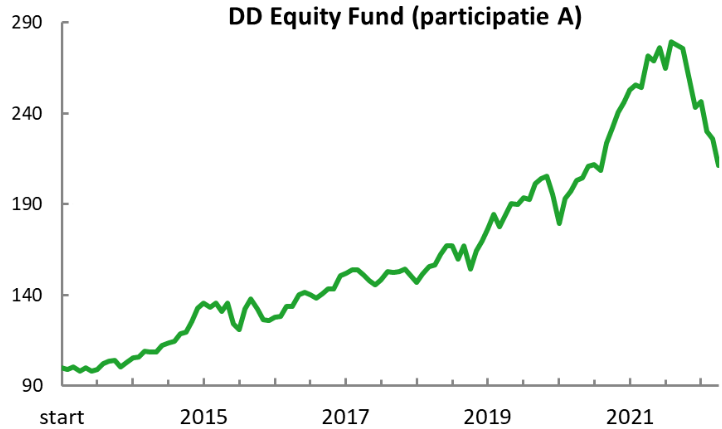
Monthly report June 2022

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 -6.55% in June 2022, as a result of which the net asset value per unit A declined to € 211.



* 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	€ 193 mln
# shares outstanding A	585,263
# shares outstanding B	214,984
# shares outstanding C	109,000
Net Asset Value A*	€ 211.16
Net Asset Value B*	€ 212.60
Net Asset Value C*	€ 213.41
# of positions	83
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

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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							**-23.41**

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Market developments

The financial markets remain under considerable pressure. In addition to high inflation and rising interest rates, the fear of a recession is playing an increasingly important role.

Global central banks have now made fighting high inflation their number one priority. The latest inflation figures do not give much hope yet. Inflation in both the US and Europe came in at around 8.5% last month, exceeding economists and analysts' expectations. The fall in some commodity prices does offer some hope of a decline in inflation in the future, but inflation is expected to remain at a structurally higher level for a longer period of time than in recent years.

Over the past month, the tone of central banks has changed. Previously, it was assumed that the economy would be strong enough to absorb the interest rate hike. Now it is increasingly assuming that the economy will be damaged by the rise in interest rates, and a recession is therefore more and more likely. For equities, this means that not only the valuation is under pressure due to rising interest rates, but corporate profitability faces a more uncertain future. This combination is putting significant pressure on share prices. While growth companies were previously under pressure, more cyclical sectors are now under pressure. Companies that are highly dependent on the consumer are also at risk, because the consumer has less to spend due to the high inflation.

By pricing in structurally higher interest rates, inflation and a recession, the market assumes the most negative scenario. It is difficult to predict how the coming months will develop and where and when the market will bottom out. We expect the volatility to continue for some time to come, at least until there is a prospect of a decline in inflation. However, due to the broad-based negative sentiment and the pricing in of the worst-case scenario, the long-term return outlook has improved.

Largest positive and negative contribution

Last month's positive contribution was entirely attributable to Chinese equities. As a result of a mix of factors, sentiment in the Chinese stock market has strongly improved in recent weeks. The Chinese government is slowly scaling down the corona measures and introducing measures to stimulate the economy. The regulation of the technology sector and platform companies also seems to have been less of a focus for the government.

The largest negative contribution came from the chip sector. Companies such as Applied Materials, ASML and Tokyo Electron were under pressure due to the weaker economic outlook. The chips sector is traditionally very cyclical, resulting in large fluctuations in company valuations. However, the long-term growth prospects, partly due to the structural shortage of chips, are still excellent. In addition, the use of microchips is becoming increasingly widespread, which may have made the industry less cyclical.

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

Top 5 Positive	Return	Contri.	Top 5 Negative	Return	Contri.
JD (Chi)	17.2%	0.2%	Applied Material (US)	-20.5%	-0.5%
Alibaba (Chi)	20.2%	0.2%	Tokyo Electron (JP)	-27.1%	-0.5%
Ping An (Chi)	12.6%	0.1%	PayPal (US)	-16.0%	-0.4%
AIA (Chi)	7.7%	0.1%	ASML (NL)	-15.0%	-0.3%
Baidu (Chi)	8.6%	0.1%	Illumina (US)	-21.1%	-0.3%

Source: DoubleDividend/Bloomberg

Portfolio changes

Last month, EssilorLuxottica and Assa Abloy were added to the portfolio. This has increased the number of positions in the portfolio to 83.

We previously had EssilorLuxottica in our portfolio. The share price of the French-Italian company specializing in eyewear, spectacle lenses and sunglasses has fallen sharply, which has created an attractive re-entry point. The company has been very active in the field of mergers and acquisitions in recent years. In addition to the merger between the French Essilor and the Italian Luxottica, the company has acquired the Dutch GrandVision Group. This has greatly improved the company's global market position and allows it to benefit even better from the long-term growth prospects offered by the market for eyeglasses and spectacle lenses. The long-term outlook is mainly supported by the aging population in western countries and the growing middle class in emerging countries. Currently, 2 billion people in the world wear glasses. In 2050, the company estimates that this will be 4.7 billion. Especially in low- and middle-income countries, where many people either have no or have incorrect vision correction, which restrict their work and development.

The Swedish Assa Abloy is the world market leader in locks, entrance doors and identification systems for buildings. The company supplies, among other things, access systems for hospitals, educational institutions, hotels, offices and government buildings and locks for homes. In addition to security, Assa Abloy's products ensure that buildings become more energy efficient, for example with self-closing doors and smart access systems that are in contact with the facilities in a building or space. Assa Abloy is growing approximately 10% year-on-year through a mix of organic growth and small acquisitions. Important growth opportunities for Assa Aboy include the emergence of smart locks, digitization, making buildings more sustainable, growth in emerging countries, and the shortage of housing. The company realizes attractive margins and has a strong balance sheet to make future acquisitions. Due to the recent price decline, Assa Abloy is attractively valued.

Furthermore, the positions in Ringcentral, AMD, Roche, Rockwool, DrMartens, Keyence, Adyen, Zalando, Genmab and Block have expanded somewhat. The position in Johnson & Johnson has been reduced moderately.

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

Companies & weight in portfolio			
Microsoft (US)	3.9%	Visa (US)	2.4%
Alphabet (US)	3.6%	Applied Material (US)	2.2%
Thermo Fisher (US)	3.0%	PayPal (US)	2.2%
Amazon (US)	2.6%	Salesforce (US)	2.2%
Adobe (US)	2.4%	Johnson & Johnson (US)	2.1%

Source: DoubleDividend

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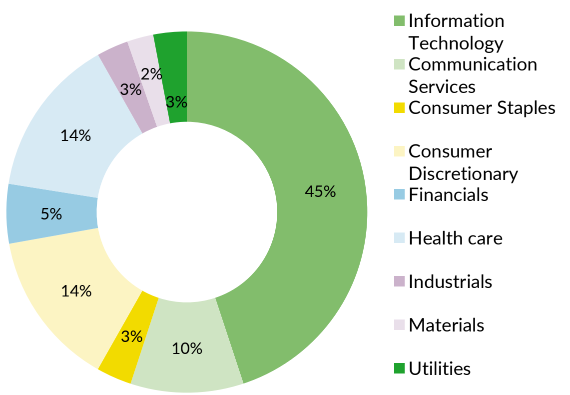
Appendix: portfolio characteristics

Table: Characteristics portfolio DDEF per month end

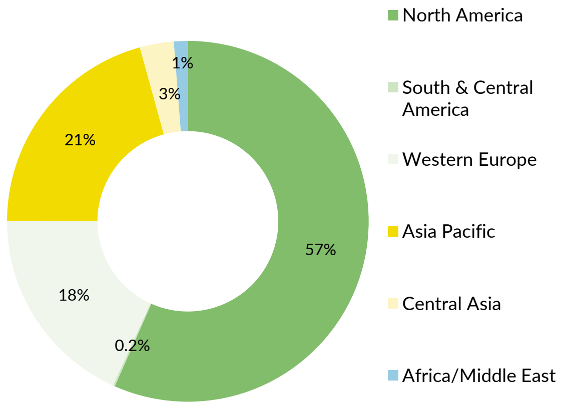
Valuation		Risk	
P/E ratio	29.0	Bèta (raw)	1.1
P/E ratio expected	19.3	Debt/EBITDA	2.4
EV/EBITDA expected	14.2	VAR (Monte Carlo, 95%, 1 yr)	33.3%
Dividend yield	1.6%	Standard deviation	20.9%
Price/cashflow expected	16.7	Tracking error (vs BBG World)	6.9%

Source: DoubleDividend/Bloomberg

Distribution per sector (GICS)



Distribution per region



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