DD EQUITY FUND

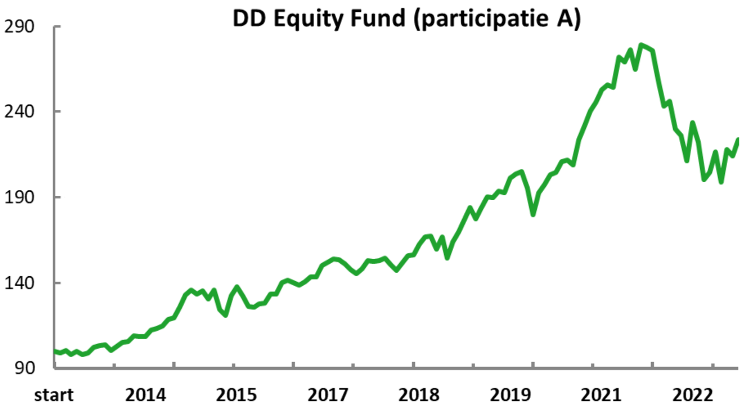
Monthly report March 2023

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 4.32% in March 2023, as a result of which the net asset value per unit A rose to € 223.66.



* 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	€197.98 mln
# shares outstanding A	581,538
# shares outstanding B	192,253
# shares outstanding C	108,000
Net Asset Value A*	€ 223.66
Net Asset Value B*	€ 225.73
Net Asset Value C*	€ 227.00
# of positions	87
Beta	1.2

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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FINANCIAL & SOCIAL RETURNS

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	5.86	-8.19	**-27.82**
2023	9.60	-1.68	4.32										**12.41**

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Market developments

The financial markets were heavily influenced by the unrest in the banking sector this month. The problems started with a number of regional banks in the US, including the Silicon Valey Bank (SVB). Later in the month, Credit Suisse had to be bailed out through a takeover by another Swiss bank UBS. Regulators, politicians, financial experts and other stakeholders emphasized that both banks were in unique circumstances and that we are not on the eve of a major banking crisis. A crisis like the one in 2008 and 2009 is unlikely, but the collapse of these banks cannot be completely separated from a certain degree of instability in the financial system. Rising interest rates put pressure on the value of loans and collateral held by banks. Banks that also face other problems, such as Credit Suisse and the SVB, will be the first to run into problems. (Social) media and technology also ensure that when the public loses confidence in a bank, the death sentence is quickly signed. Both at Credit Suisse and at the SVB it was literally a matter of a few days.

The question is, what now? As mentioned, a major banking crisis is not very likely. Nevertheless, both banks and regulators will want to further strengthen bank buffers. This means that banks will be very selective when it comes to lending new money. This entails risks for capital-intensive sectors and companies with a weak balance sheet. After all, refinancing is becoming more difficult and more expensive. Incidentally, banks help the central banks with another problem, combating inflation. Because banks lend less, there is less economic activity, which depresses inflation.

Equity markets were under pressure from the turmoil in the banking sector, but recovered towards the end of the month. Investors hope that due to the problems in the banking sector, the cycle of interest rate hikes is nearing its end. The DD Equity Fund also weathered the turbulent month well and ended with a result of 4.3%. The fund benefited from its significant position in technology stocks and companies with strong balance sheets.

DD Equity Fund exists 10 years

The DD Equity fund exists 10 years this month. Since the start of the fund in April 2013, the price of the fund has risen from € 100.00 to € 223.66, a total return of almost 124%. On an annual basis, this amounts to a result of 8.4% (compounded, or including return on return). This is in line with the target of 8% after costs over the long run.

IPCC Climate Report and DoubleDividend's climate policy

The new climate report from the Intergovernmental Panel on Climate Change (IPCC), an intergovernmental organization of the United Nations, concludes that the goal of limiting global warming is increasingly out of sight. The warming of 1.5 degrees is likely to be reached between 2030 and 2035, 10 years earlier than foreseen in the 2014 climate report. The UN climate panel calls for immediate and drastic action. A considerable expansion of the policy measures is necessary, because with the current measures, global warming will amount to approximately 3 degrees. Yet the report is not only alarming, but also offers some hope. The report offers clear and concrete guidelines on what we can and must do in the short term to limit global warming. The recommendations of the UN climate panel also provide useful guidelines for DoubleDividend's investment portfolios. First of all, the climate panel emphasizes that there are three main enablers for combating climate change: financing, technology and international cooperation. Investors thus have the opportunity to be part of the solution.

In addition, the report provides guidelines for in which areas investments should be made so that the highest climate gains are realized in the shortest possible period. These areas already overlap with DoubleDividend's investment portfolios. In the recommendations of the IPCC climate panel, a distinction is made between the supply side and the demand side. The supply side relates to making the energy supply more sustainable. The highest climate benefits at the lowest cost is achieved by investing heavily in wind and solar energy. The reduction of methane emissions, bioelectricity and hydropower also offer good opportunities for climate gains, while CO2 capture and, to a lesser extent, nuclear energy are relatively expensive options. The demand side is at least as important. On the demand side, according to the IPCC report, a greenhouse gas reduction of 40-70% can be achieved by 2050. Most gains can be made in the short term by making buildings, transport over land and the food supply chain more sustainable. This must therefore be the priority, also for investors. The report motivates us even more to look for investment opportunities that meet our criteria and contribute to combating climate change. Where we need to do more work is translating the policy of individual companies into an expected development of emissions at the portfolio level.

Largest positive and negative contribution

The technology sector is performing relatively well this year. The NASDAQ index, with many technology stocks, is already up about 17% this year. In the portfolio of DD Equity Fund, technology stocks also performed well last month and made an important contribution to the result. While the sector was still under considerable pressure last year due to rising interest rates, technology stocks are doing well due to their strong balance sheets and high, stable cash flows. The cost reductions that many technology companies are implementing are also slowly starting to pay off. A good example is software company Salesforce that is fully committed to margin growth and rose by 22% last month, bringing the increase over the first three months of the year to 51%.

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

Top 5 Positive			Top 5 Negative		
	Return	Contri.		Return	Contri.
Salesforce (US)	19.2%	0.5%	FIS (US)	-15.6%	-0.2%
Microsoft (US)	12.8%	0.5%	SolarEdge (US)	-6.7%	-0.1%
AMD (US)	21.8%	0.3%	China Longyuan (Chi)	-9.1%	-0.1%
Adobe (US)	16.1%	0.3%	HDFC (India)	-3.8%	-0.1%
Nvidia (US)	16.8%	0.3%	Medtronic (US)	-4.1%	-0.1%

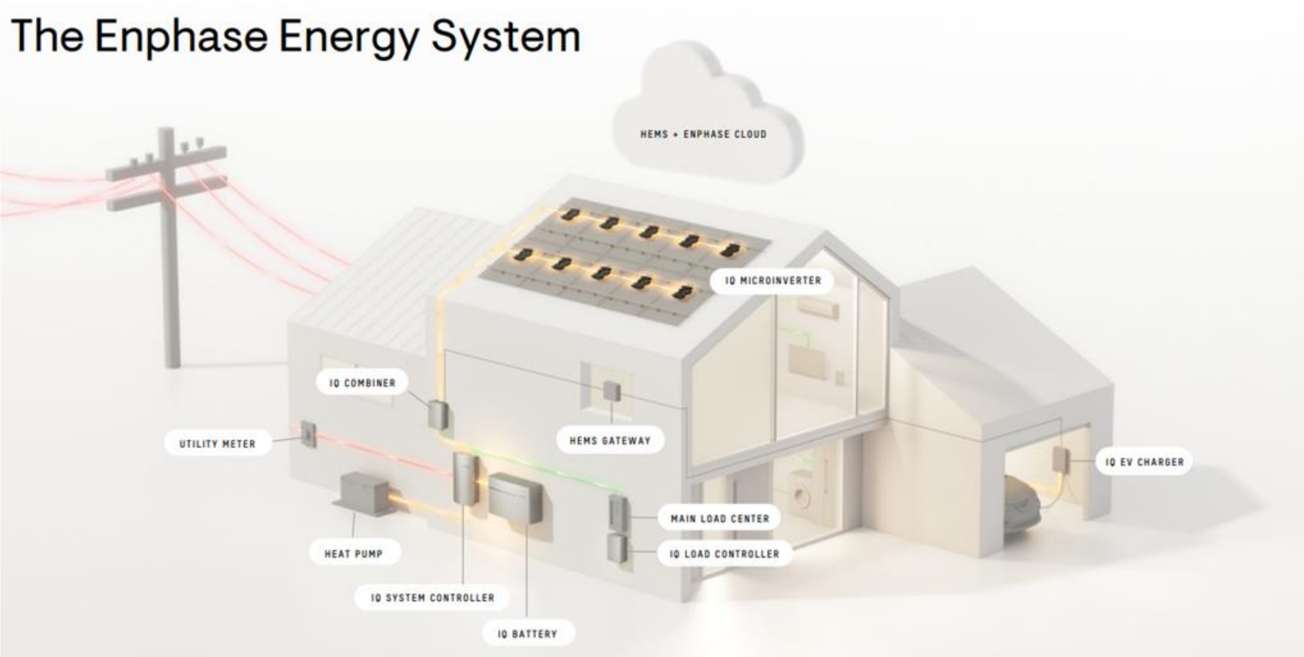
Source: DoubleDividend/Bloomberg

Equities from the chip sector also continue to perform well. Nvidia and AMD benefit, among other things, from the expected growth in demand for advanced chips due to the widespread adoption of artificial intelligence (AI). But Infineon, which makes many chips for electric cars, also delivered very strong results and raised the outlook for the coming year.

Fintech company FIS was under considerable pressure last month. The company sells software for payment systems, among other things, making it an important service supplier for regional banks in the US and was therefore affected by the turmoil in the banking sector.

Portfolio changes

The US company Enphase Energy has been added to the portfolio. Enphase makes solar power equipment for buildings. The main product of the company is the microinverter. Inverters are necessary to be able to use the generated energy from solar at home (transform from DC to AC). A problem is that part of the energy is lost. The efficiency of an inverter is normally around 90%. Enphase's microinverters increase the efficiency of solar panels from 90% to approximately 97%. The improvement is due to the fact that the Enphase system uses micro inverters. Instead of a central inverter for the entire system, each solar panel gets its own micro inverter. The advantage is that when a solar panel produces less energy (for example due to shade, dirt or a defect), this does not affect the efficiency of the other solar panels. Enphase is working on broadening its product portfolio. The company currently also offers battery packs for the home and charging stations for electric cars.



Enphase has already grown rapidly in recent years, but thanks to sustainability, electrification and the desire to be less dependent on the grid, the company can still benefit from many years of growth. The sharp fall in the price of growth stocks has created an attractive entry point. Enphase's share price is down more than 40% from last year's peak. The focus on sustainability, the good growth prospects, the high profit margins and the net cash position mean that the company fits perfectly within the portfolio of the DDEF.

Table: top 20 holdings in portfolio of the month end.

Companies & weight in portfolio			
Microsoft (US)	3.6%	TaiwanSemi (Taiwan)	2.0%
Salesforce (US)	3.1%	HDFC (India)	2.0%
Alphabet (US)	3.1%	AMD (US)	1.9%
Applied Materials (US)	2.6%	Enel (Italy)	1.7%
Thermo Fisher (US)	2.5%	Danahar (US)	1.7%
PayPal (US)	2.4%	Samsung SDI (S.Korea)	1.7%
Apple (US)	2.3%	Johnson & Johnson (US)	1.6%
Amazon (US)	2.3%	AIA (Hong Kong)	1.6%
ASML (NL)	2.3%	Nvidia (US)	1.6%
Adobe (US)	2.2%	Medtronic (US)	1.6%

Source: DoubleDividend

The position in Baidu, China, has been completely sold. The position in chip manufacturer NVIDIA has been significantly reduced due to the strong price increase.

Team DoubleDividend

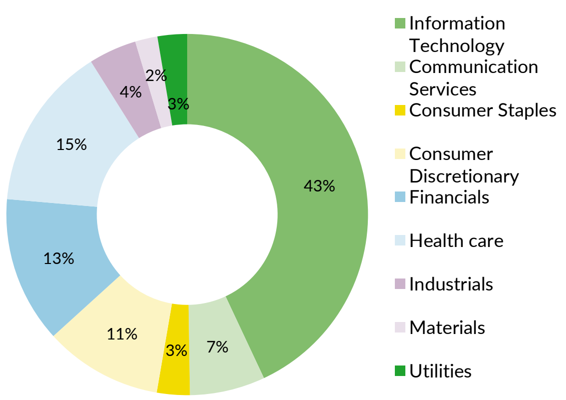
Appendix: portfolio characteristics

Table: Characteristics portfolio DDEF per month end

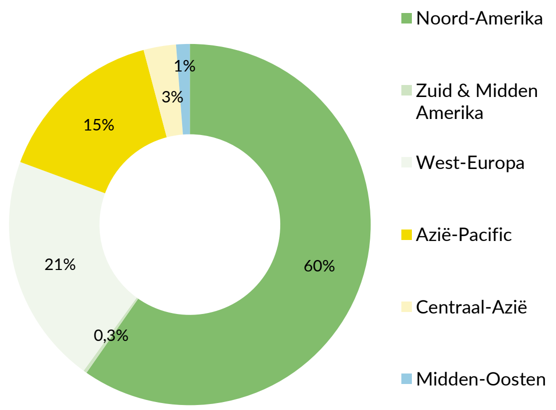
Valuation		Risk	
P/E ratio	36.3	Bèta (raw)	1.2
P/E ratio expected	21.7	Debt/EBITDA	2.8
EV/EBITDA expected	15.5	VAR (Monte Carlo, 95%, 1 yr)	31.9%
Dividend yield	1.7%	Standard deviation	19.6%
Price/cashflow expected	15.4	Tracking error (vs BBG World)	7.1%

Source: DoubleDividend/Bloomberg

Distribution per sector (GICS)



Distribution per region



Distribution per theme