DD EQUITY FUND

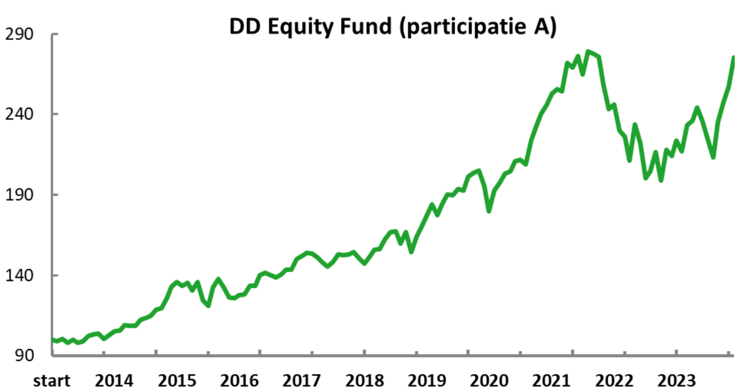
Monthly report February 2024

Profile

DD Equity Fund (DDEF) is an actively managed 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 can be traded on a daily basis.

Return participation A*

DD Equity Fund achieved a return of 7% in February 2024, as a result of which the net asset value per unit A rose to € 275,26.



* 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	€215.1mln
# shares outstanding A	528,978
# shares outstanding B	155,034
# shares outstanding C	93,541
Net Asset Value A*	€ 275.26
Net Asset Value B*	€ 278,57
Net Asset Value C*	€ 280,77
# of positions	68
Beta	1.3

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
ISIN (A)	NL0010511002
ISIN (B)	NL0014095127
ISIN (C)	NL0015614603
Benchmark	None
Currency	Euro

Risk monitor

* per participation
** expect

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	-2.99	7.46	1.33	3.50	-3.66	-4.91	-4.85	10.40	5.11	**24.30**
2024	4.04	6.98											**11.29**

* The value of your investment may fluctuate. Results achieved in the past do not provide any guarantees for the future. As a result, you may lose all or part of your investment. You can read more about the risks in the Fund's Key Information Document and prospectus.

Periodic long term return in % (figures are after costs)*

	1 year	3 year	5 year	10 year	Since start**
Total Return	28.4%	11.9%	62.3%	167.3%	175.3%
Annualized Total Return	28.4%	3.8%	10.2%	10.3%	9.7%

Source: Bloomberg/DoubleDividend

** April 2013

Market developments

The market was particularly looking forward to NVIDIA's numbers this month. NVIDIA's results were an important test for the market as to whether recent price increases are sufficiently supported by revenue and profit growth. Considering the NVIDIA share price jumped 16% after the results, the answer is yes! NVIDIA once again came up with very strong numbers and outlook. Sales tripled in the past quarter, while the profit margin rose from 21% to 62%, increasing profits tenfold from a year earlier. These are staggering numbers for a company with an expected turnover of more than USD 100 billion. In addition to NVIDIA, a number of companies from the technology sector and beyond published their annual figures.

The main takeaways from the earnings season are;

- The price increases in the technology sector are supported by strong sales and profit growth and not by pure fantasy. But there are also parts of the technology sector, such as consumer electronics, where the uncertain economy has more impact.
- Developments around AI and AC (accelerated computing) still have a long way to go. Adoption of the new generation of technology is still in its infancy in many industries, but it is rapidly gaining traction and the expected future size of the addressable market of AI-related technology is increasing. The demand for advanced chips, among other things, is still greater than the supply and is growing rapidly.
- AI and AC are expected to deliver real societal and economic benefits in terms of innovation, labour productivity, energy efficiency, healthcare and commercial success, which seems to justify the current high level of investment.
- Recent developments are making the technology sector more capital-intensive. The big tech companies are building a new AI infrastructure. The question is how large these investments will ultimately be (the estimated amount increases each quarter) and what will happen after this build-up phase (will there be a phase of a drop in demand?). From this perspective, revenue growth at software companies may ultimately be more sustainable than at chip companies, but figures from software companies show that AI's contribution to growth is still modest at the moment.
- The technological developments are a key opportunity for many portfolio companies, but they can also disrupt established business models and even entire sectors. For example, OpenAI's search engine may compete with Google, and Adobe's creative software, for example, may also face competition from AI

models. In the short term, this risk seems limited, because the products of Google and Adobe and many other technology companies are deeply rooted in the digital ecosystem, but the long-term impact is more uncertain.

- The ethics of AI is a rapidly growing theme. Google's AI model Gemini, for example, produced images of people in an inaccurate cultural or historical context, which led to controversy. It is likely that AI will give rise to more controversies. For example, the use of AI (images, texts, sound clips) around the US presidential elections later this year is being watched carefully. Companies with their own data seem to be better positioned to build secure models than companies that need to use public data. With a proprietary dataset, there is more control over the outcome. A recent development related to the ethics of AI is the emergence of sovereign AI models initiated by governments in countries such as France, Germany and Japan, with the aim of protecting one's own cultural identity.

New positions in the theme of healthcare

Recently, we have expanded our positions in the theme of healthcare. The outlook is improving after a difficult period in which corona-related demand disappeared. Staff shortages and economic uncertainty also played a role. The emergence of GLP-1 drugs has also had an impact on certain segments of the market. The weight-loss drugs would potentially lead to less demand for other health services (e.g. in the field of cardiovascular disease).

Recently, we have expanded our position in the sector and shifted our focus to (even) more innovative companies. We have a preference for companies that make innovations rather than exploit them, as some big pharmaceutical companies do. In addition to innovation, many portfolio companies contribute to accessible and affordable healthcare. Last month we added 2 new positions to the portfolio. Boston Scientific and Dexcom.

Main Positions in the Healthcare Sector of the DDEF	
Agilent (US)	Analytical instruments for laboratories of R&D centers of companies, hospitals, educational institutions and the public sector.
Boston Scientific (US)	Specialist in the field of cardiology, endoscopy, neuromodulation and urology. Develops and manufactures innovative medical solutions.
Crispr (Switserland)	Pioneer in the field of gene-editing. First drug recently authorized in the US and Europe. Milestone in healthcare. Technology offers many opportunities.
Danaher (US)	Portfolio of innovative companies active in the field of biotechnology, diagnostics and life sciences
Dexcom (US)	Specialist op gebied van CGM (continue glucose monitoring) systemen voor diabetes patiënten.
Essilor (Frace)	World market leader in glasses and spectacle lenses. Inventor of progressive lenses.
Edwards Lifesciences (VS)	Innovative company in the field of cardiology, including replacing heart valves with a catheter, eliminating the need for open heart surgery.
Genmab (Denemarken)	Developer of new drugs in the field of oncology. Long development pipeline of new drugs.
Illumina (VS)	Market leader in the field of genetic analysis equipment, important in diagnostics and innovations.
Stryker (VS)	Develops and produces specialized innovative medical products in the field of surgery (trauma, robots) and orthopedics (hips, knees)
Sonova (Zwitserland)	Specialist op gebied van gehoorondersteuning.
Thermo Fisher (VS)	Medical technical active in the field of diagnostics, instruments, lab products and life sciences

New Position: Dexcom

Dexcom is the developer of a CGM (continuous glucose monitoring) system for diabetic patients. Dexcom CGM allows patients to continuously monitor glucose levels using a sensor that can be connected to the smartphone or Dexcom device and an insulin pump. The use of a CGM has important health benefits for diabetes patients: for example, there is no need for injections and there is less risk of abnormal glucose levels due to better control and more precise dosing of insuline. As a result, there are fewer health risks. In addition, a CGM offers the patient and healthcare professionals a better overall picture and the effects of, for example, diet and exercise.

The extent of the diabetes problem can hardly be overstated. In the U.S. alone, according to figures from American Diabetes Association, 38 million people have diabetes (12% of the adult population) and another 98 million people (38% of the population) suffer from prediabetes. But the disease is also on the rise in the rest of the world, especially in emerging countries such as China, Egypt, Mexico and Pakistan. In Pakistan, an estimated 26% of the population is diabetic. Worldwide, it is estimated that more than 500 million people, or more than 10% of adults, are affected. In the U.S., an estimated 25% of the health budget is spent on diabetes patients. The patient group is huge, growing fast and so are the social costs. In addition to lifestyle changes, innovations such as GLP1 drugs and CGM systems can contribute to solving this problem.

Dexcom is a market leader in CGM along with Abbott. Dexcom now has 2.3 million patients using its CGM products. These are mainly patients who inject insulin. In the U.S., 25-30% of patients who inject insulin use a CGM, outside the U.S. that percentage is much lower. So there are still plenty of opportunities for growth both in the US and abroad. For Dexcom, there is also a great opportunity in reaching the diabetes patients who are not yet injecting insulin. This group is much larger (in the US, for example, an estimated 8 million of the 38 million patients inject insulin) and there is still a lot of health benefits to be gained in this group. By properly controlling the disease, it can be prevented that the diabetes develops further, that more health damage occurs and insulin injections are necessary. For the group of type 2 diabetes patients who are not yet taking insulin, Dexcom has developed a specific CGM called Stelo that is expected to be introduced in 2024.

We see Dexcom as a great addition to the portfolio. The company brings together healthcare, technology and social value and also has a good business model with 15-20% year-on-year revenue growth over a longer period of time, stable revenues (a large part of the revenue comes from the sensors that need to be replaced every 10-15 days) and attractive profit margins (target of 31% EBITDA margin by 2025). In addition, Dexcom is a (net) debt-free company. The main risks are possible new competitors, the still high price-earnings ratio and developments in the reimbursement of CGM by governments and insurers.

Largest positive and negative contribution

The biggest positive contribution last month came again from chip company NVIDIA, which reported strong results. Other companies related to the chip sector, including Applied Materials, Tokyo Elektron and AMD, also made a significant contribution to the result. Adobe was under pressure last month because of possible competition from new AI models. Palo Alto, Air Products, Nestlé and IAS reported disappointing results.

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

Top 5 Positive			Top 5 Negative		
	Return	Contri.		Return	Contri.
NVIDIA(US)	29.0%	0.9%	Adobe (US)	-9.0%	-0.2%
Applied Material(US)	23.4%	0.7%	Palo Alto(US)	-7.9%	-0.2%
Amazon(US)	14.3%	0.6%	Air Product (US)	-8.1%	-0.1%
Tokyo Electron (Japan)	29.7%	0.6%	Nestle (Switserland)	-9.0%	-0.1%
AMD(US)	15.2%	0.5%	Integral Ad Science (US)	-28.5%	-0.1%

Source: DoubleDividend/Bloomberg

Portfolio changes

In the past month, the positions in Roche, Medtronic, Legrand, Rockwool and Kingspan have been sold. Dexcom and Boston Scientific have been newly added to the portfolio.

Positions in Amazon, Adobe, Nike, Visa, Keyence, Synopsys, Edwards LifeScience, Alphabet and Air Products have expanded. In chip companies Taiwan Semiconductors, Applied Materials, Tokyo Electron, LAM Research and Advantest we took some profit. The same goes for cybersecurity company Crowdstrike.

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

Companies & weight in portfolio			
Amazon (US)	4.6%	ServiceNow (US)	2.8%
Salesforce (US)	4.4%	Thermo Fisher (US)	2.8%
Microsoft (US)	3.9%	Adobe (US)	2.7%
ASML (NL)	3.7%	LVMH (France))	2.6%
Alphabet (US)	3.6%	Visa (US)	2.5%
Nvidia (US)	3.6%	Workday (US)	2.1%
AMD (US)	3.3%	Danaher (US)	2.0%
Applied Materials (US)	3.2%	Tokyo Electron (Japan)	1,9%
TSMC (Taiwan)	3.0%	Palo Alto Networks (US)	1,9%
Crowdstrike (US)	2.9%	Edward Lifescience (US)	1.8%

Source: DoubleDividend

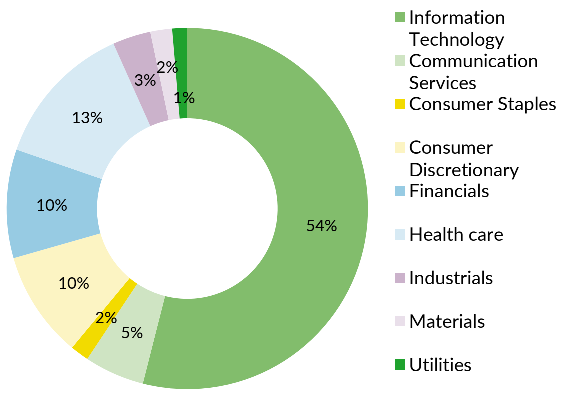
Appendix: portfolio characteristics

Table: Characteristics portfolio DDEF per month end

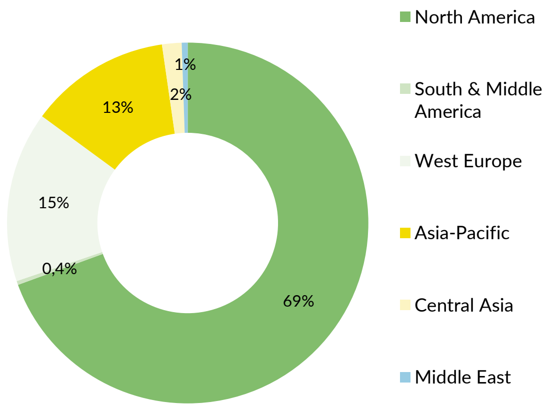
Valuation		growth	
P/E ratio	35.3	Revenue growth	-1.6%
P/E ratio expected	26.3	EBITDA growth	40.5%
EV/EBITDA expected	17.4	Gross profit margin	48.5%
Dividend yield	1.2%	Operational profit margin	16.4%
Price/cashflow	19.7	VAR (value at risk)	30.8%
Beta	1.3	Standard deviation	19.3%

Source: DoubleDividend/Bloomberg

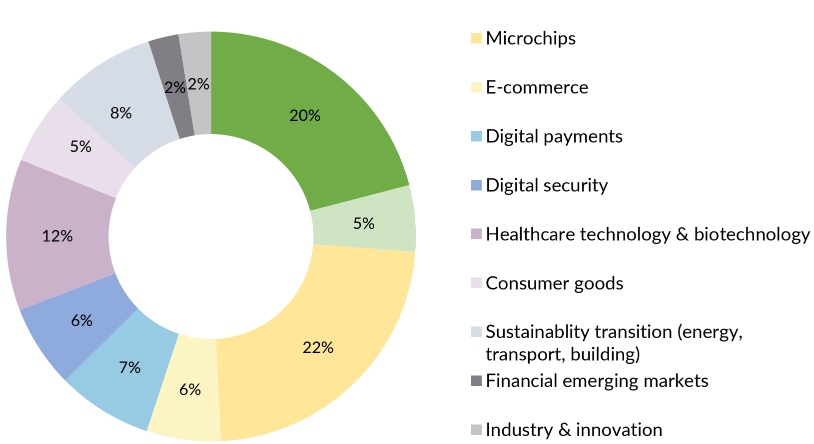
Distribution per sector (GICS)



Distribution per region



Distribution per theme



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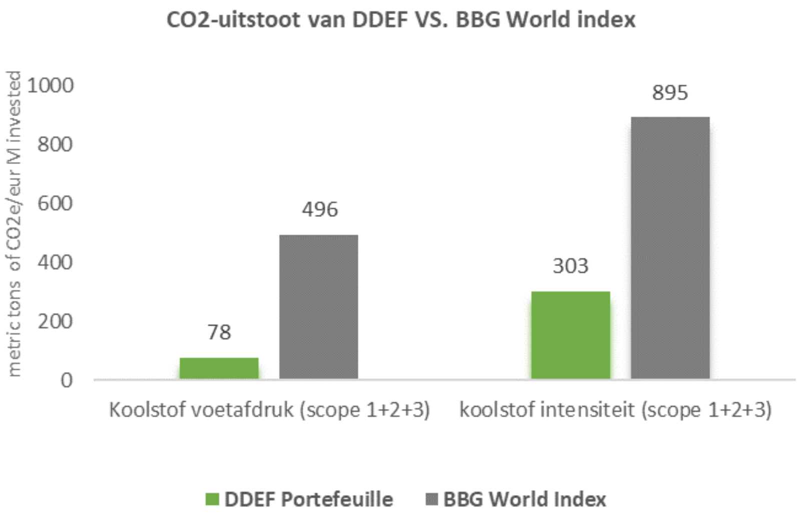
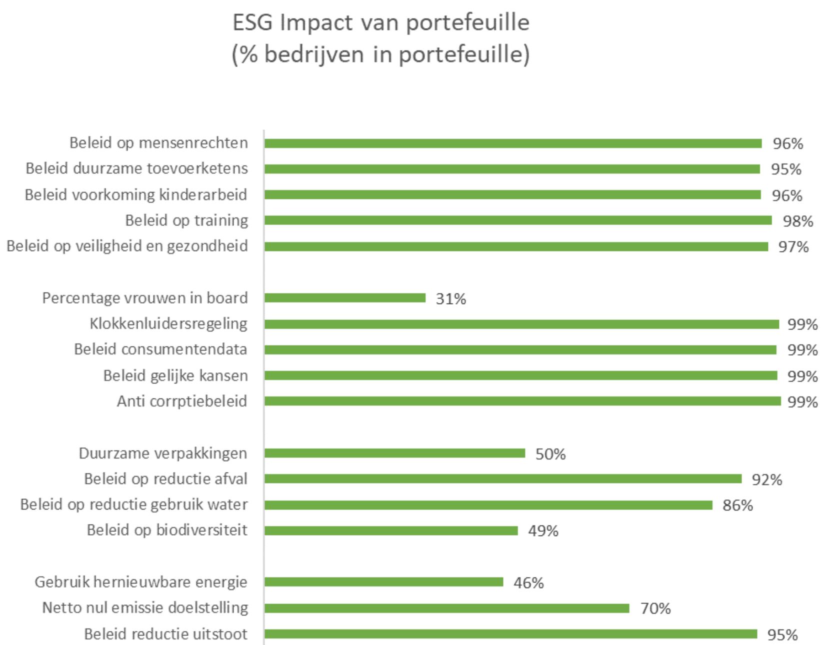
DDEF ESG-Overview





Source: DoubleDividend/Bloomberg

More information on the fund's sustainability features can be found on our website and in the DD Equity Fund prospectus. It is important to consider all the features of the fund, as described in the prospectus, before making an investment decision.

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