

# DD INCOME FUND

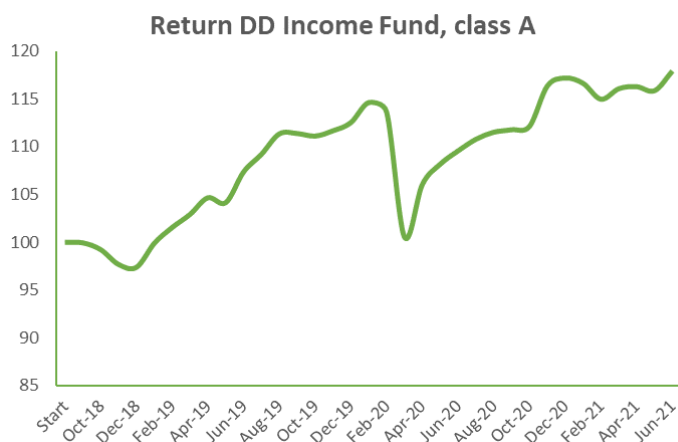
## Monthly report June 2021

### Profile

The DD Income Fund (DDIF) is an actively managed global sustainable bond fund. The fund invests globally in government bonds of developed and emerging countries, corporate bonds, high yield, microfinance and other financial instruments with stable income. DDIF pursues an active investment policy and does not use a benchmark. The fund is managed by an independent partnership with the conviction that sustainability makes a positive contribution to the return and risk profile of the portfolio. The fund is listed on Euronext Amsterdam and can be traded on a daily basis.

### Return participation A\*

DD Income Fund achieved a return of 1.77% over the month of June 2021, as a result of which the net asset value per unit A rose to € 28.39. The result for 2021 is 0.62%.



\* 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	€ 89.04 mln
# shares A	1,680,547
# shares B	557,045
# shares C	893,600
NAV A*	€ 28.39
NAV B*	€ 28.46
NAV C*	€ 28.49
# positions	127

#### Costs

Management fee A	0.65%
Management fee B	0.50%
Management fee C	0.25%
Other costs**	0.20%
Up/down swingfactor	0.25%

#### Other

Start date	Part. A: September 2018 Part. B: January 2020 Part. C: January 2021
Manager	DoubleDividend Management B.V.
Status	Open-end, daily
Exchange	Euronext Amsterdam
ISIN (A)	NL0013025539
ISIN (B)	NL0014095101
ISIN (C)	NL0015614595
Benchmark	None
Currency	Euro

### Risk monitor



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](http://www.doubledividend.nl)). DoubleDividend Management B.V. is manager of DD Income 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
<b>2018</b>									-0.06	-0.71	-1.56	-0.31	<b>-2.62</b>
<b>2019</b>	2.57	1.66	1.34	1.69	-0.48	3.08	1.71	1.95	0.03	-0.24	0.50	0.76	<b>15.50</b>
<b>2020</b>	1.86	-0.85	-11.48	5.43	2.00	1.29	1.11	0.66	0.23	0.31	3.76	0.71	<b>4.14</b>
<b>2021</b>	-0.47	-1.42	0.95	0.18	-0.36	1.77							<b>0.62</b>

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## Market developments

The month of June was dominated by the meeting of the FED for the bond markets. In line with expectations, the FED left interest rates unchanged at 0.25%, but has adjusted expectations for future interest rate policy. The FED now expects 2 rate hikes in 2023, while the first rate hike was previously not expected until 2024. As a result of the FED's new policy direction, the 10-year yield initially rose and then fell. Short-term interest rates, on the other hand, showed an increase. The 2-year rate is particularly sensitive to central bank policy changes. As a result, the yield curve has flattened again.

Long-term interest rates eventually fell, despite the fact that the FED pushed the rate hike forward, as the FED also sent a clear signal on inflation. The FED has implicitly said that while inflation may rise temporarily, it has no intention of letting inflation spiral out of control. Rising inflation has been a source of concern for both bond and equity investors in recent months. The lower 10-year yield means investors are more confident that the FED will contain inflation in the future.

In Europe, interest rates moved significantly less than in the US. In Europe, however, there is a lot of movement in the risk premium. The risk premium in the high yield segment, for example, fell from around 3.5% in December to 2.8% at the end of June. For investment grade bonds, the risk premium is only 0.8%.

For the DD Income Fund June was a strong month. The fund has many European corporate bonds (investment grade and high yield) and relatively many long-term dollar loans. As a result, the fund benefited from the decline in US yields and the decline in risk spreads for more risky bonds. In addition, the appreciation of the dollar against the euro made a positive contribution to the result. On balance, the return was 1.77% in June, which means that the result for the year is 0.62% positive. The positive result is modest, but global bond markets are under pressure this year. The Bloomberg Barclays Global Aggregate Index is down 1.9% for the year.

**Table: Characteristics of the DDIF portfolio at the end of the month**

# of positions	127
# of issuers	101
Overall credit rating	BBB+
Euro exposure	74.6%
Cash	1.4%
Investment grade (incl cash)	69.6%
Expected return (yield-to-worst)	2.4%
Duration (Option Adjusted Duration in years)	7.9

Source: DoubleDividend/Bloomberg

\* Yield-to-Worst is the return on the portfolio, including cash, if the ability to repay the loan earlier is taken into account. The actual return may differ because an issuer cannot meet its obligations and due to currency fluctuations. The duration indicates the approximate percentage value change of the portfolio if the interest rate changes by 1%.

## Portfolio changes

In the past month we sold a number of bonds related to German residential market. There are rumors in the market that there has been fraud at a major German residential investor. Although it is unclear whether fraud has been committed at all and if so by whom, we have erred on the side of caution and sold all positions linked to the German housing market at good prices.

The money has been reinvested in a number of existing loans from ABN AMRO, Mexico, EDF, Enel and Rakuten, among others.

**Table: portfolio per building block**

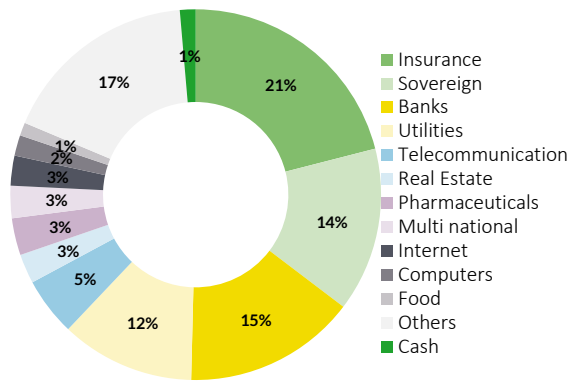
Building blocks	Range	Weight	Yield-to-worst	Duration
Government bonds developed markets	10-50%	12.8%	1.3%	8.5
Government bonds emerging markets	0-25%	8.5%	3.1%	14.8
Corporate bonds investment grade	10-50%	37.7%	2.2%	8.9
Corporate bonds high yield	0-25%	23.5%	2.9%	5.1
Microfinance	0-25%	1.7%	2.6%	2.4
Other	0-25%	14.5%	3.1%	7.4
<b>Cash</b>	0-25%	1.4%	-0.7%	0.0
<b>Total</b>		<b>100%</b>	<b>2.4%</b>	<b>7,9</b>

Source: DoubleDividend

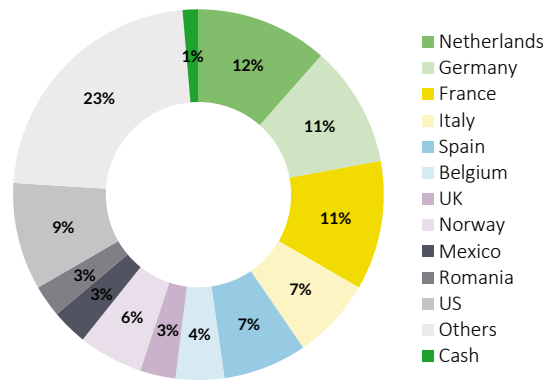
## Team DoubleDividend

Appendix: portfolio characteristics

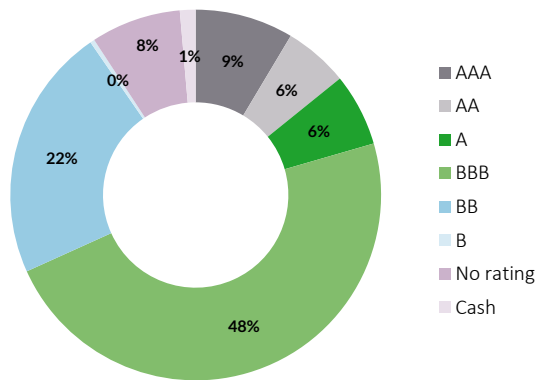
Distribution per sector (GICS)



Distribution per country of origin



Distribution per rating



Distribution per currency

