

# DD INCOME FUND

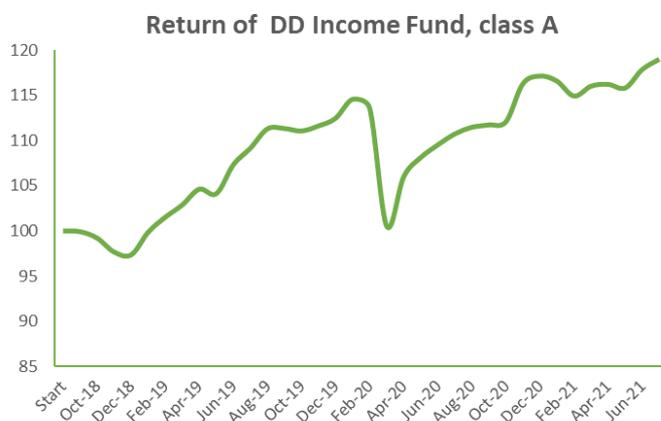
## Monthly report July 2021

### 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 0.97% over the month of July 2021, as a result of which the net asset value per unit A rose to € 28.67. The result for 2021 is 1.59%.



\* 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   | € 90.79 mln |
| # shares A  | 1,711,776   |
| # shares B  | 557,045     |
| # shares C  | 893,600     |
| NAV A*      | € 28.67     |
| NAV B*      | € 28.73     |
| NAV C*      | € 28.77     |
| # positions | 130         |

#### 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<br>Part. B: January 2020<br>Part. C: January 2021 |
| Manager    | DoubleDividend<br>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 |
|------|-------|-------|--------|------|-------|------|------|------|-------|-------|-------|-------|-------|
| 2018 |       |       |        |      |       |      |      |      | -0.06 | -0.71 | -1.56 | -0.31 | -2.62 |
| 2019 | 2.57  | 1.66  | 1.34   | 1.69 | -0.48 | 3.08 | 1.71 | 1.95 | 0.03  | -0.24 | 0.50  | 0.76  | 15.50 |
| 2020 | 1.86  | -0.85 | -11.48 | 5.43 | 2.00  | 1.29 | 1.11 | 0.66 | 0.23  | 0.31  | 3.76  | 0.71  | 4.14  |
| 2021 | -0.47 | -1.42 | 0.95   | 0.18 | -0.36 | 1.77 | 0.96 |      |       |       |       |       | 1.59  |

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## Market developments

Interest rates in Europe and the US continued to fall last month. Interest rates with a maturity of more than 2 years were particularly under pressure. Risk premiums remained stable at a low level. Partly as a result of this, the DDIF was able to achieve a good result again last month with a plus of 0.96%.

The ECB reiterated this month that interest rates will remain low for the time being and that it will also be "tolerant" to higher inflation. The combination of low interest rates and possible higher inflation is not good for bond investors and a rather risky strategy for the ECB. The body is sticking to an aggressive strategy in the belief that inflation will remain low over the medium term, but not everyone is convinced. Within the ECB, the classic battle between North and South has flared up again. The main question is can the ECB keep the situation under control if it unexpectedly does not prove right with its inflation forecasts.

The US FED is also more divisive. This does not help the communication of the FED. At the beginning of the month, the FED said it has not yet reached its economic targets and that tapering is not yet on the agenda. Later in the month, new communications from the FED caused some confusion, stating that while the targets have not yet been met, significant progress has been made. This ambiguous communication appears to be the result of divisions within the FED's policy committee.

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

|  |       |
|--|-------|
| # of positions                               | 130   |
| # of issuers                                 | 103   |
| Overall credit rating                        | BBB+  |
| Euro exposure                                | 74.6% |
| Cash   | 1.4%  |
| Investment grade (incl cash)                 | 69.8% |
| Expected return (yield-to-worst)             | 2.3%  |
| 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

Last month, 2 new loans were added to the portfolio, bringing the total number of positions to 130. A bond from Norwegian software consultant Crayon has been added to the high yield portfolio. The loan, denominated in Norwegian kroner, matures in 2025 and bears an interest rate of 3.8%. A loan from Prosus, which is listed in the Netherlands, has been added to the corporate portfolio with a yield of 2% and a duration of 10 years. The company has interests in a number of technology companies, including Tencent.

**Table: portfolio per building block**

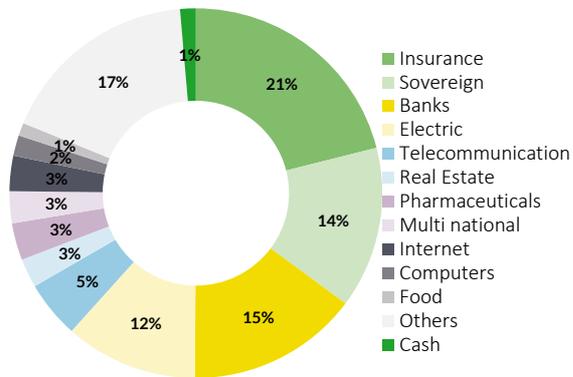
| Building blocks                    | Range  | Weight      | Yield-to-worst | Duration   |
|------------------------------------|--------|-------------|----------------|------------|
| Government bonds developed markets | 10-50% | 12.6%       | 1.4%           | 8.6        |
| Government bonds emerging markets  | 0-25%  | 8.3%        | 3.1%           | 14.8       |
| Corporate bonds investment grade   | 10-50% | 38.4%       | 2%             | 8.9        |
| Corporate bonds high yield         | 0-25%  | 23.4%       | 2.8%           | 5.1        |
| Microfinance                       | 0-25%  | 1.6%        | 2.7%           | 2.4        |
| Other                              | 0-25%  | 14.4%       | 3%             | 7.4        |
| <b>Cash</b>                        | 0-25%  | 1.4%        | -0.7%          | 0.0        |
| <b>Total</b>                       |        | <b>100%</b> | <b>2.3%</b>    | <b>7,9</b> |

Source: DoubleDividend

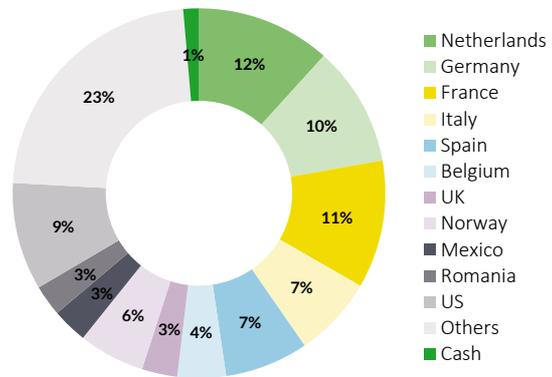
## Team DoubleDividend

Appendix: portfolio characteristics

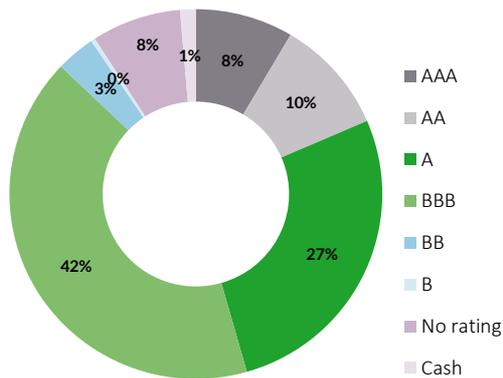
Distribution per sector (GICS)



Distribution per country of origin



Distribution per rating



Distribution per currency

