

# DD INCOME FUND

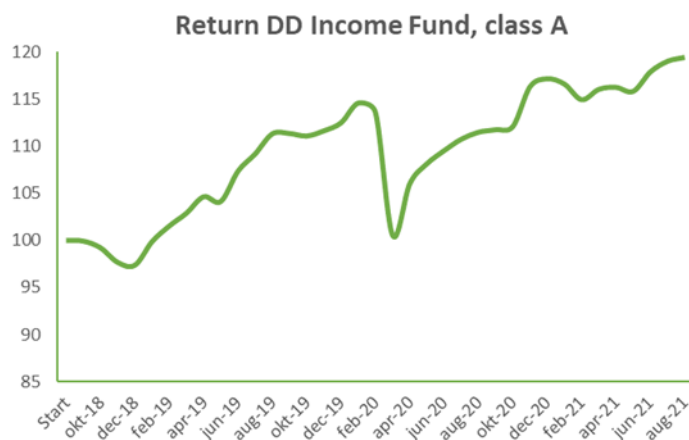
## Monthly report August 2021

### 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 0.35% over the month of August 2021, as a result of which the net asset value per unit A rose to € 28.57 (adjusted for the dividend of 0.20 per participation). The result for 2021 is 1.94%.



\* 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	€ 93.3 mln
# shares A	1,808,096
# shares B	557,045
# shares C	893,600
NAV A*	€ 28.57
NAV B*	€ 28.64
NAV C*	€ 28.68
# 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 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
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	0.35					1.94

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## Market developments

Bond markets experienced a relatively quiet month. Both in Europe and the US, longer-term interest rates rose slightly. As a result, the global bond index, the Bloomberg Barclays Global Aggregate Index, showed a slight decline of 0.3%. Returns in August once again had to come from the riskier bonds. The Global High Yield Index rose 0.7% in value. DDIF achieved a total return of 0.35%, thanks in particular to the good performance of subordinated loans from banks and insurers. At the same time, more secure bonds in the portfolio such as government bonds and investment grade corporate bonds lost some ground.

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

# of positions	130
# of issuers	101
Overall credit rating	BBB+
Euro exposure	75%
Cash	1%
Investment grade (incl cash)	69%
Expected return (yield-to-worst)	2.4%
Duration (Option Adjusted Duration in years)	7.8

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

Over the past month, we have made quite some changes to the portfolio, particularly in the high yield segment. A number of positions with limited remaining maturity were sold, including Akelius Residential, Levi Straus & Co and European Energy. Because of the short remaining maturity, the expected return was low or even negative in some cases. Two government bonds from France and South Korea were also sold due to very low interest rates.

The proceeds were reinvested in a number of positions with better return prospects. In addition, two new bonds were added to the portfolio: a bond of the Swedish real estate company Castellum and a bond of Øyfjellet Wind Investments from Norway.

Øyfjellet Wind Investments is a company that is in the process of building the largest wind farm in Norway. The cost of building the park, with 72 wind turbines and a total capacity of 1,320 GW, is € 525 million. The electricity that the park will generate has been sold via a PPA (Purchasing Power Agreement) for the next 15 years to the steel company Alcoa, which will use the electricity to produce steel in a sustainable way. The agreement between Alcoa and Øyfjellet Wind is guaranteed by the Norwegian government, which limits the risks of the bond. The wind farm should be operational by the end of the year. The loan is quoted in euros and has a term of five years and an interest rate of 2.75%.

Swedish real estate company Castellum has issued a hybrid bond to finance its acquisition of sector peer Kungsliden. The euro bond has an expected maturity of five years and an interest rate of 3.25%.

**Table: portfolio per building block**

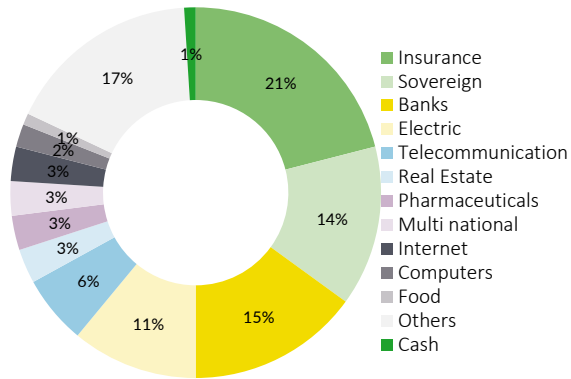
Building blocks	Range	Weight	Yield-to-worst	Duration
Government bonds developed markets	10-50%	12.1%	1.2%	8.0
Government bonds emerging markets	0-25%	8.6%	3.1%	14.8
Corporate bonds investment grade	10-50%	37.7%	2.0%	8.8
Corporate bonds high yield	0-25%	24.4%	3.0%	5.1
Microfinance	0-25%	1.6%	2.7%	2.3
Other	0-25%	14.9%	2.9%	7.2
<b>Cash</b>	0-25%	1.4%	-0.7%	0.0
<b>Total</b>		<b>100%</b>	<b>2.4%</b>	<b>7.8</b>

Source: DoubleDividend

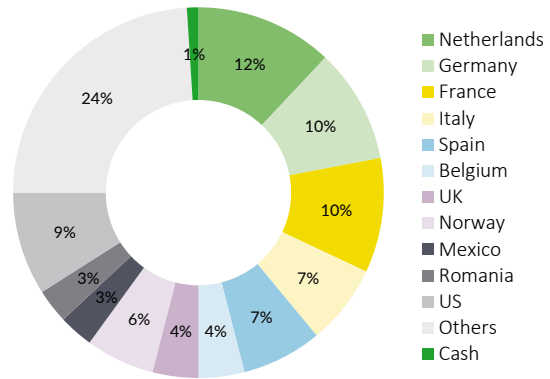
## Team DoubleDividend

Appendix: portfolio characteristics

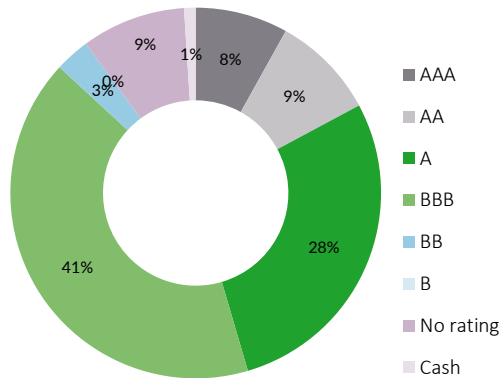
Distribution per sector (GICS)



Distribution per country of origin



Distribution per rating



Distribution per currency

