DD INCOME FUND

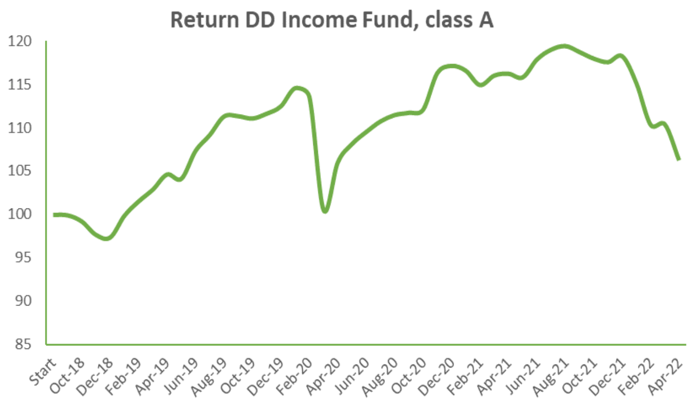
Monthly report April 2022

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 -3.74% in the month of April 2022, as a result of which the net asset value per unit A declined to € 25.23.



** 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	€ 88.69 mln
# shares A	1,970,010
# shares B	524,895
# shares C	893,600
NAV A*	€ 25.23
NAV B*	€ 25.32
NAV C*	€ 25.40
# positions	137

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

* per participation
** expect

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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	-0.57	-0.64	-0.34	0.57	**0.94**
2022	-2.65	-4.14	0.05	-3.74									**-10.12**

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Market developments

The global financial markets were under considerable pressure last month. The markets are dealing with a lot of uncertainties, including rising interest rates, high inflation, declining economic growth, a war in Ukraine and corona outbreaks in China. The war in Ukraine and the “lockdowns” in China are adding to further supply chain issues, putting more pressure on inflation. Central banks are forced to raise interest rates to curb inflation, but at the same time economic growth is slowing down considerably. A stagflation scenario is therefore no longer inconceivable. In the Eurozone, economic growth fell to 0.2% in the first quarter of 2022, while inflation rose to 7.5%. The US economy even shrank by 0.4% compared to a quarter earlier. As a result of this combination of uncertainties, financial markets are under pressure.

We expect the uncertainties to continue for a while. There is no solution in sight for the conflict in Ukraine. Inflation may have peaked, but will remain high for the rest of the year. However, the biggest uncertainty at the moment is the economy. The big question is whether the list uncertainties combined with rising interest rates will ultimately push the economy into recession. The chance of that is increasing. In previous crises, central banks could help the economy with support measures, but now they have to raise interest rates to curb inflation.

Rising interest rates are negative for the value of bonds. In addition, the increasing economic uncertainty means that the risk premium that investors demand on corporate bonds is also rising. This is putting pressure on bond values across the market.

A more positive scenario for bonds is possible if inflation has indeed peaked and central banks raise interest rates less than the financial markets currently expect. Central banks may want to prevent a recession this way. Much will depend on inflation, however. This must first be brought under control. The market therefore expects a significant number of interest rate hikes in the US in the coming year, but there is more uncertainty for the period after that. In Europe, too, a rise in interest rates is increasingly likely in the second half of the year. European interest rates continued to rise last month. The German 10-year interest rate approached 1%.

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

# of positions	137
# of issuers	106
Overall credit rating	BBB+
Euro exposure	74%
Cash	2.1%
Investment grade (incl cash)	70%
Expected return (yield-to-worst*)	4.7%
Duration (Option Adjusted Duration* in years)	6.6

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

Thanks to the rise in interest rates, it is possible to achieve an acceptable return on safe government bonds. Especially outside Europe, yields on safe government bonds have risen to attractive levels. This month we therefore added a US government bond with a maturity of 3 years to the portfolio. The bond yields a yield of 2.9%. A bond from New Zealand has also been added to the portfolio. The bond has an expected yield of 3.5% and a maturity of 3 years.

Table: portfolio per building block

Building blocks	Range	Weight	Yield-to-worst	Duration
Government bonds developed markets	0-50%	13.0%	2.9%	6.9
Government bonds emerging markets	0-25%	8.3%	5.2%	12.3
Corporate bonds investment grade	0-50%	37.3%	4.4%	7.9
Corporate bonds high yield	0-25%	23.6%	5.8%	4.5
Microfinance	0-25%	1.9%	4.8%	1.6
Other	0-25%	13.7%	6.1%	5.9
Cash	0-25%	2.1%	-0.7%	0.0
Total		100%	4.7%	6.6

Source: DoubleDividend

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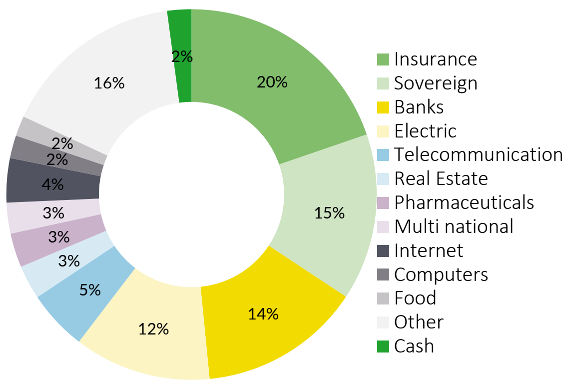
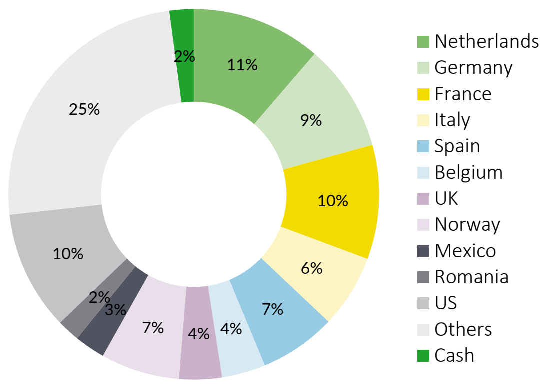
Appendix: portfolio characteristics

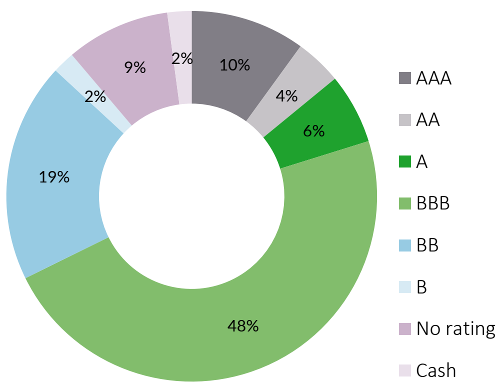
Distribution per sector (GICS)



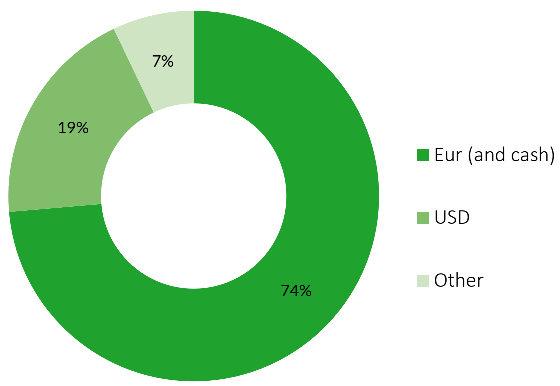
Distribution per country of origin



Distribution per rating



Distribution per currency



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