DD INCOME FUND

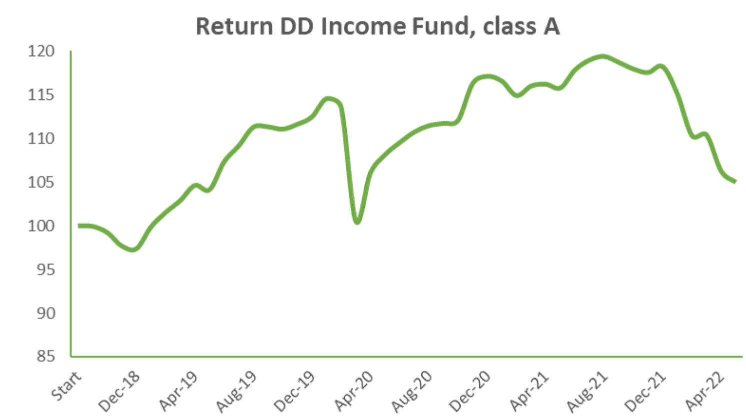
Monthly report May 2022

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 -1.21% in the month of May 2022, as a result of which the net asset value per unit A declined to € 24.93.



** 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	€ 84.77 mln
# shares A	1,979,915
# shares B	524,895
# shares C	893,600
NAV A*	€ 24.93
NAV B*	€ 25.02
NAV C*	€ 25.10
# 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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FINANCIAL & SOCIAL RETURNS

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	-1.21								**-11.21**

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Market developments

Interest rates rose further in Europe last month. The key German 10-year interest rate rose from 0.94% to 1.12%. Europe is on the eve of the ECB's first rate hike. In all likelihood, the ECB will implement its first rate hike in July. An increase of 0.25% is most likely, but an increase of 0.50% is also possible. The ECB can no longer wait to act now that inflation rose sharply again in May. Inflation was 8.1% in May, higher than expected. Core inflation, an inflation rate of goods and services whose prices are less volatile, was 3.8%. This figure means that inflation is slowly becoming more structural and inflation expectations are also rising.

Longer-term interest rates in the US fell slightly last month. Last month we talked about a potentially more positive scenario for bonds if it turns out that inflation has indeed peaked and the central banks may raise interest rates less to avoid a recession. Although this scenario is very possible, and perhaps the most likely scenario, it is also surrounded by a lot of uncertainty. The crucial factor remains inflation. Some economists claim that inflation has peaked in the US, but this is far from certain.

Yet this is a scenario that is increasingly being taken into account. This scenario also has important consequences for the currency markets. Last month we saw that the dollar weakened against the Euro. If interest rates stabilize in the US and continue to rise in Europe, dollars will become relatively less attractive.

Rising interest rates in Europe did put further pressure on European bonds last month. The broad-based Bloomberg Pan Euro Aggregate Index lost 1.9%. High yield bonds are generally less interest-rate sensitive, but again suffer from weaker economic conditions, causing risk spreads to widen. We expect interest rates in Europe to rise further, but are more positive about US (government) bonds.

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

# of positions	137
# of issuers	106
Overall credit rating	BBB+
Euro exposure	75%
Cash	2.1%
Investment grade (incl cash)	71%
Expected return (yield-to-worst*)	4.7%
Duration (Option Adjusted Duration* in years)	6.4

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

Due to the strong movements in the bond markets, we have made relatively many changes to the DDIF portfolio. We sold a number of short dated dollar loans. These loans had a relatively low interest rate because of the short duration, but they do suffer from a fall in the dollar against the euro. On balance, the dollar position in the portfolio has declined somewhat. We also cut back somewhat in the risky high yield segment due to the weaker economic outlook.

Due to rising interest rates, government bonds and safe corporate bonds once again offer a reasonable alternative. New additions include a bond from the city of Tokyo (USD, 2.8% yield, duration 3 years), a government bond from Croatia (EUR, 3% yield, duration 8 years), a corporate bond from insurer AXA (EUR, 2 .8% interest, duration 2 years), a loan from the ING Group (EUR, 3.8% yield, duration 5 years) and a bond from the Italian electricity network operator Terna (EUR, yield 4.6%, duration 5 years).

The expected return on the portfolio (yield to maturity) is 4.7% with an average maturity of 6.4 years.

Table: portfolio per building block

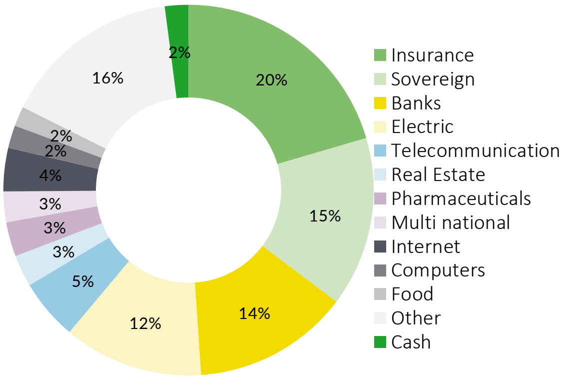
Building blocks	Range	Weight	Yield-to-worst	Duration
Government bonds developed markets	0-50%	11.1%	3.2%	7.3
Government bonds emerging markets	0-25%	7.7%	5.2%	12.8
Corporate bonds investment grade	0-50%	38.9%	4.6%	7.7
Corporate bonds high yield	0-25%	22.5%	6.0%	4.6
Microfinance & supranational bank	0-25%	4.0%	3.5%	4.2
Other	0-25%	13.8%	6.4%	5.9
Cash	0-25%	2.1%	-0.7%	0.0
Total		100%	4.7%	6.4

Source: DoubleDividend

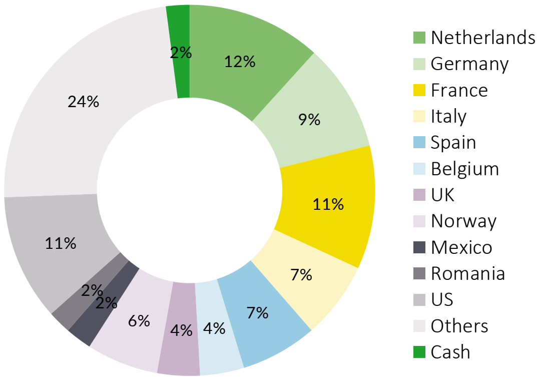
Team DoubleDividend

Appendix: portfolio characteristics

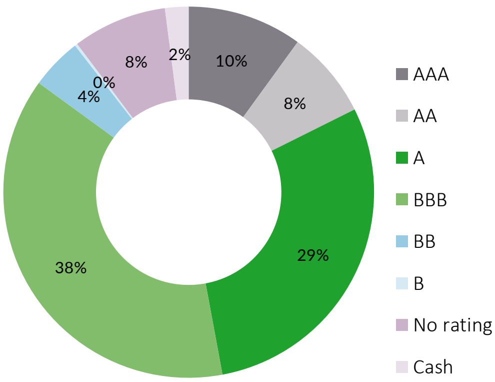
Distribution per sector (GICS)



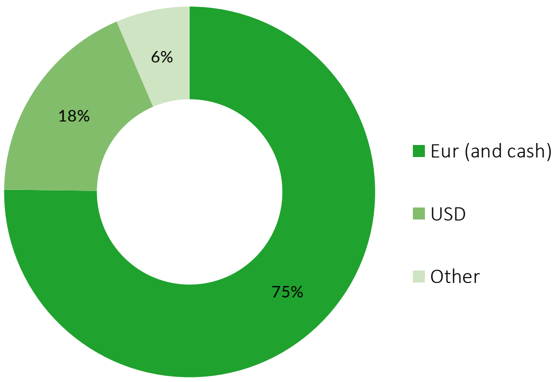
Distribution per country of origin



Distribution per rating



Distribution per currency



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