

DD INCOME FUND

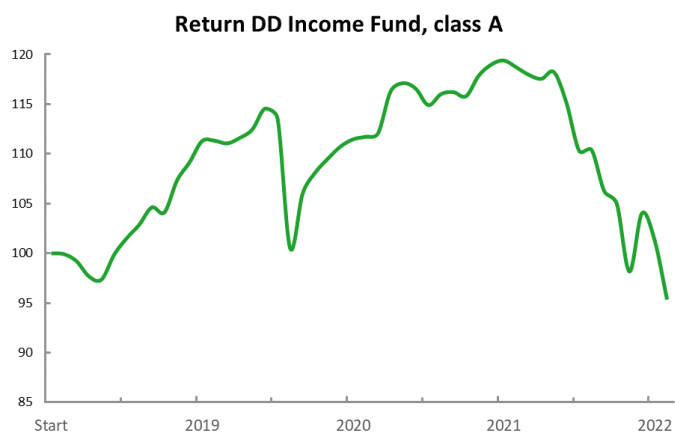
Monthly report September 2022

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 -5.93% in the month of September 2022, as a result of which the net asset value per unit A declined to € 22.46.



* 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 | € 76.83 mln |
| # shares A | 1,991,112 |
| # shares B | 526,870 |
| # shares C | 893,600 |
| NAV A* | € 22.46 |
| NAV B* | € 22.55 |
| NAV C* | € 24.65 |
| # positions | 138 |

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

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). 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 | -0.57 | -0.64 | -0.34 | 0.57 | 0.94 |
| 2022 | -2.65 | -4.14 | 0.05 | -3.74 | -1.21 | -6.47 | 5.96 | -2.56 | -5.93 | | | | -19.34 |

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Market developments

Global bond markets remain captivated by high inflation, rising interest rates, macroeconomic uncertainties and geopolitical turmoil. Over the past period, bonds therefore offered little or no protection for investors within a mixed portfolio.

Last month, both the FED and the ECB raised interest rates by 0.75% amid continued high inflation rates. The official interest rate in the US has now risen to 3.25% and in Europe it is now 0.75%. Also next month an increase of 0.75% is expected by both the FED and the ECB. It is expected that there will be a few more steps after that, until inflation slows down, but these will probably be smaller follow-up steps. Everything depends on the official inflation numbers, and there is no positive news to report in that regard. Inflation rose to record levels in both Europe (10%) and the US (8.3%) last month.

While government bonds are mainly affected by rising interest rates, corporate bonds are suffering from rising interest rates and rising risk premiums as a result of the increased risk of a recession. The average risk premium on relatively safe (investment grade) euro corporate bonds has risen to 2.25%. In the riskier high yield segment, investors even get an extra return of 6.2% on top of the return on government bonds. Partly because of this, the expected return on the DDIF (yield-to-worst) portfolio has risen to 7.9%, making bonds from a necessity in a mixed portfolio to an attractive alternative again. The risk that this return will not be achieved in the long term is mainly caused by the fact that companies and governments may not be able to (fully) meet their payment obligations. Fluctuations in the foreign exchange market can also affect the expected return.

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

| | |
|---|------|
| # of positions | 138 |
| # of issuers | 106 |
| Overall credit rating | BBB+ |
| Euro exposure | 74% |
| Cash | 1,7% |
| Investment grade (incl cash) | 71% |
| Expected return (yield-to-worst*) | 7.9% |
| Duration (Option Adjusted Duration* in years) | 6.2 |

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%.

For the somewhat shorter term, the risk is mainly in the inflation figures. If the current high inflation rate does not fall, central banks will raise interest rates beyond what the financial markets have anticipated so far. This risk is measured by the “duration” of the portfolio. The duration of the portfolio is now 6.2. This means that for each additional 1% interest rate increase, the portfolio value decreases by 6.2%. However, because the current portfolio offers an attractive (cash) return, any decline is fully or partially compensated. A second important risk for the somewhat shorter term is a further rising risk premium. Although risk premiums have risen sharply in recent months and are at an attractive level, they have not yet risen to the level of, for example, the financial crisis of 2008/2009 or the euro crisis of 2011.

On balance, the risk-return perspective for bonds has improved significantly in recent months. High inflation and the risk of a recession are an ongoing risk for bonds, potentially resulting in further price declines, but this is offset by an attractive return that can partially or completely offset any price declines. The correlation between equities and bonds will remain high in the near term as both markets are currently mainly driven by inflation and interest rate expectations

Portfolio changes

No changes in portfolio

Table: portfolio per building block

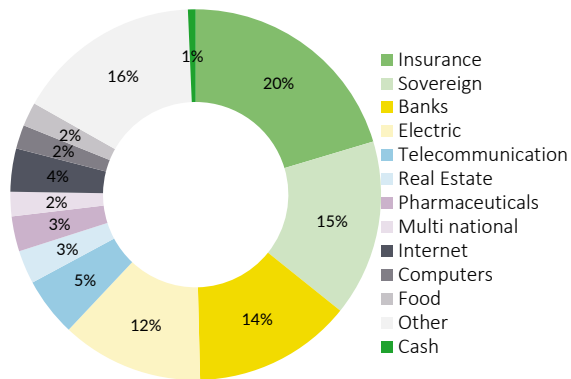
| Building blocks | Range | Weight | Yield-to-worst | Duration |
|------------------------------------|-------|-------------|----------------|------------|
| Government bonds developed markets | 0-50% | 11.5% | 4.2% | 6.8 |
| Government bonds emerging markets | 0-25% | 8.0% | 6.6% | 11.1 |
| Corporate bonds investment grade | 0-50% | 39.7% | 7.2% | 7.1 |
| Corporate bonds high yield | 0-25% | 22.4% | 9.4% | 4.1 |
| Microfinance & supranational bank | 0-25% | 3.7% | 6.3% | 4.5 |
| Other | 0-25% | 13.0% | 12.9% | 5.1 |
| Cash | 0-25% | 1.7% | -0.7% | 0.0 |
| Total | | 100% | 7.9% | 6.2 |

Source: DoubleDividend

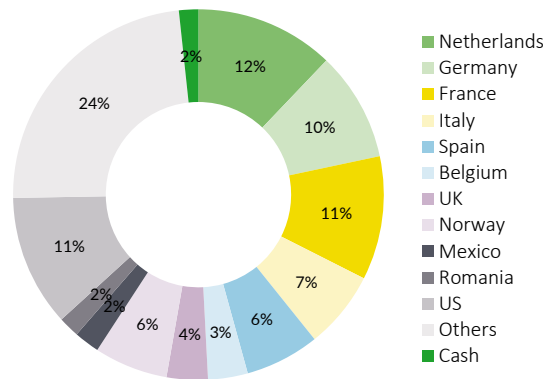
Team DoubleDividend

Appendix: portfolio characteristics

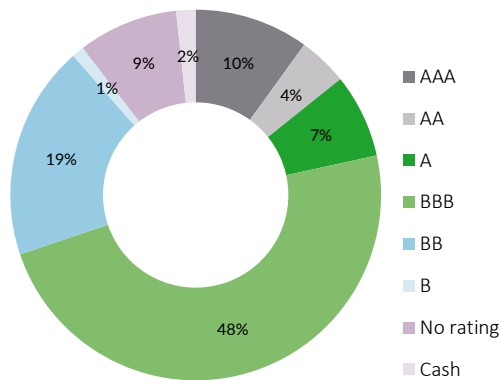
Distribution per sector (GICS)



Distribution per country of origin



Distribution per rating



Distribution per currency

