DD INCOME FUND

Monthly report August 2023

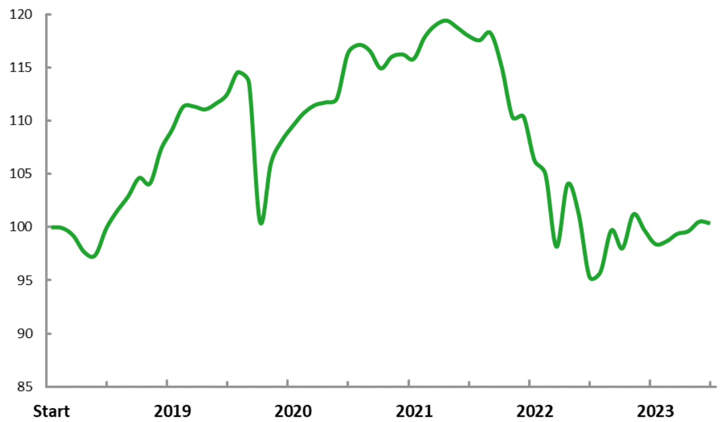
Profile

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 -0.16% in the month of August 2023, as a result of which the net asset value per unit A rose to € 23.19.

Return DD Income Fund, class A



** 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	€ 82.39 mln
# shares A	2,310,640
# shares B	354,175
# shares C	876,100
NAV A*	€ 23.19
NAV B*	€ 23.31
NAV C*	€ 23.47
# positions	150

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

doubledividend
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	-6.47	5.96	-2.56	-5.93	0.46	4.09	-1.7	**-17.08**
2023	3.25	-1.45	-1.32	0.24	0.72	0.25	0.90	-0.16					**2.39**

* The value of your investment may fluctuate. Results achieved in the past do not provide any guarantees for the future.

Market developments

The bond markets had to deal with a rise in long-term interest rates in the US in particular last month, which put some pressure on prices. The DDIF also had to record a small negative result for the month. Investors are starting to realize that interest rates are unlikely to fall any time soon. The new narrative is “higher for longer”: the cycle of interest rate hikes has (almost) reached its peak, but interest rates will have to remain high for a longer period of time to push inflation further down to the level desired by central banks.

This picture was confirmed at the annual congress of central bankers in Jackson Hole last month. The FED, the ECB and other central bankers emphasized that the battle against inflation is not yet won and that interest rates must remain high for some time to come. Extra interest rate hikes are not even ruled out, but at the same time the bankers emphasized that they should operate cautiously so that the economic damage is limited.

The latest economic developments show that the interest rate policy is starting to do its job. Economic growth is clearly weakening. In the US, growth came in at 2.1% last month, below expectations of 2.4%. Growth is also stagnating in the various European countries. Wage growth remains a major problem. According to automation company ADP (from the pay slips), wages in the US were 5.9% higher than a year earlier. Wages are also growing fast in Europe due to inflation and a tight labor market. However, developments are also moving in the right direction in this area. Last month it became clear that fewer new vacancies are being created and that employees are less willing to change jobs. This usually heralds more subdued wage growth, which is supportive of core inflation

On balance, our view on the bond markets remains unchanged. The (approaching) end of the interest rate cycle is making room for a further recovery in bond prices. The risk of a sharp drop in bond prices is much smaller, while at the same time interest income is much more attractive. Bonds are back and are an attractive addition to a mixed investment portfolio, due to both the return perspective and the diversification potential. The DDIF portfolio is attractively valued with an expected return (yield-to-convention) of over 7% with an average term of over five years and an average rating of BBB+.

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

# of positions	150
# of issuers	108
Overall credit rating	BBB+
Euro exposure	76%
Cash	0.8%
Investment grade (incl cash)	73%
Expected return (yield-to-convention*)	7.1%
Duration (Option Adjusted Duration* in years)	5.4

Source: DoubleDividend/Bloomberg

* Yield-to-Convention 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

No major portfolio changes last month.

Table: portfolio per building block

Building blocks	Range	Weight	Yield-to-worst	Duration
Government bonds developed markets	0-50%	18.2%	4.3%	3.7
Government bonds emerging markets	0-25%	7.4%	5.5%	10.5
Corporate bonds investment grade	0-50%	38.3%	6.4%	6.5
Corporate bonds high yield	0-25%	20.2%	10.4%	3.9
Microfinance & supranational bank	0-25%	3.1%	6.0%	4.0
Other	0-25%	12.0%	10.2%	4.5
Cash	0-25%	0.8%	0.3%	0.0
Total		100%	7.1%	5.4

Source: DoubleDividend

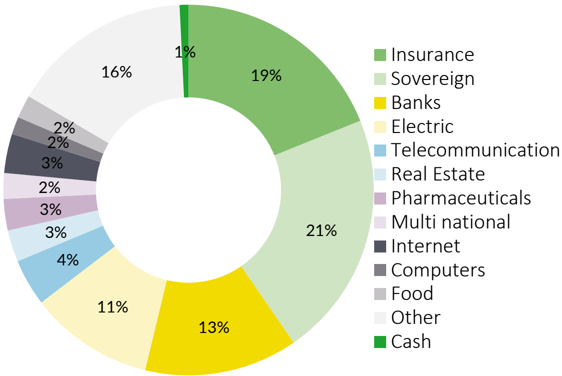
Team DoubleDividend

DoubleDividend Management B.V.
Herengracht 320
1016 CE Amsterdam

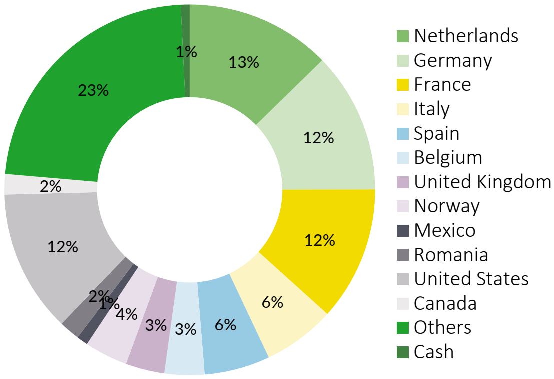
Tel. +31 (0)20 520 76 60
contact@doubledividend.nl
www.doubledividend.nl

Appendix: portfolio characteristics

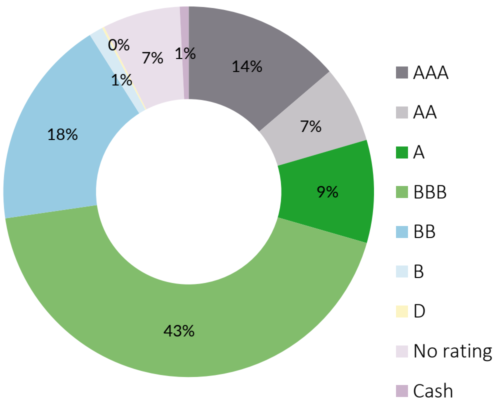
Distribution per sector (GICS)



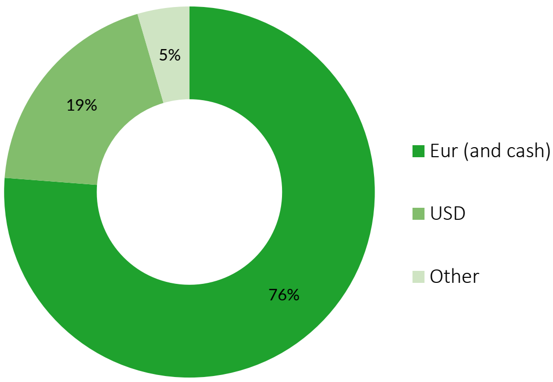
Distribution per country of origin



Distribution per rating



Distribution per currency



DoubleDividend Management B.V.
Herengracht 320
1016 CE Amsterdam

Tel. +31 (0)20 520 76 60
contact@doubledividend.nl
www.doubledividend.nl