

DD INCOME FUND

Monthly report December 2024

Profile

The DD Income Fund (DDIF) is an actively managed global 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 traded daily.

Return participation A*

DD Income Fund achieved a return of 0.11% in the month of December 2024, as a result of which the net asset value per unit A rose to €25.91.

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	€ 101 mln
# shares A	2,541,147
# shares B	419,156
# shares C	916,505
NAV A*	€ 25.91
NAV B*	€ 26.11
NAV C*	€ 26.38
# positions	170

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 is a publicity notice. This information does not provide sufficient basis for an investment decision. Therefore, please read the DD Income Fund's Key Information Document and prospectus for more information on, investment policy, risks and the impact of costs on the amount of your investment and expected return before making an investment decision. These are available on DoubleDividend Management B.V.'s website (www.doubledividend.nl). DoubleDividend Management B.V. is manager of DD Income Fund and is licensed as manager and 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	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	-0.49	-0.61	3.45	3.38	8.30
2024	1.34	-0.47	1.71	-0.74	0.95	0.48	1.59	0.56	1.32	0.15	1.70	0.11	9.02

* The value of your investment may fluctuate. Results achieved in the past do not provide any guarantees for the future. As a result, you may lose all or part of your investment. You can read more about the risks in the Fund's Key Information Document and prospectus.

Market

The DD Income fund ended the month with a result of 0.11%, bringing the annual result to 9.02%. This marks the end of an eventful year in the bond markets. The most important event was without a doubt the turnaround in central bank policy. A large number of central banks, including the US FED and the European ECB, have proceeded to a series of interest rate cuts. Central banks have become more confident that inflation is under control and is moving towards the target of around 2%. According to the central banks, these developments are in line with a lower policy rate, which has allowed the policy rate to be lowered. The FED has cut interest rates by a total of 1% to 4.25-4.5% in three steps during 2024. The ECB has also cut interest rates by 1% in 4 steps in 2024 to 3%.

However, the decline in policy rates has not led to a broad decline in market rates in 2024. Interest rates with a short maturity have fallen, but those with a longer maturity have even risen in 2024. In Europe, for example, the German 10-year yield rose from 2.0% to 2.4% during the year. In the US, interest rates with the same maturity rose from 3.9% to 4.6% in 2024. The rise in longer-term market interest rates is due to the fact that inflation is falling, but is also proving to be persistent. Investors therefore expect a more gradual decline in interest rates. In addition, there is discussion among economists and investors about where interest rates are heading. What the new "normal" is still part of the debate. Trump's victory has affected expectations in this regard. Many economists foresee higher economic growth, more inflation and less strict fiscal discipline under a Trump presidency, which has caused interest rates in the US and others to rise in the last months of the year.

We are moderately positive about the outlook for bonds. With European yields around 2-2.5% and US yields around 4-5%, yield expectations for government bonds are now in line with long-term averages. Corporate bonds offer a premium over government bonds, but this premium is relatively low at around 1%. This is definitely a risk for bond markets in case the economic outlook worsens. However, the biggest risk factor for bonds remains inflation. A rebound in inflation could cause interest rates to rise and bond prices to fall. On the other hand, potential disappointing economic developments will depress interest rate expectations and thus boost bond prices. Here too, market dynamics seem to have normalised a bit, which means that bonds may offer more protection in uncertain conditions than we have seen in recent years.

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

# of positions	170
# of issuers	121
Overall credit rating	BBB+
Euro exposure	74%
Cash	0.4%
Investment grade (incl cash)	79%
Expected return (yield-to-convention*)	4.6%
Duration (Option Adjusted Duration* in years)	5.1

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

As a result of the political turmoil in South Korea, we have sold all government bonds from that country. The low return expectations no longer outweighed the risks after the president declared martial law at the beginning of the month. Positions in Spanish and US government bonds have been expanded. We have also added a new French government bond to the portfolio. In our opinion, the turmoil caused by the fall of the Barnier cabinet offered an attractive entry point.

Corporate bonds in US dollars from United Health and Autodesk have been purchased. US high-quality corporate bonds offer attractive yields of more than 5%. Finally, a euro bond from the Danish renewable energy company Orsted was bought at a yield of more than 4%.

Table: portfolio per building block

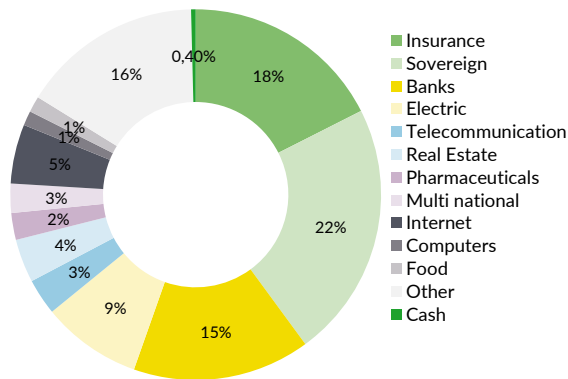
Building blocks	Range	Weight	Yield-to-worst	Duration
Government bonds developed markets	0-50%	18.4%	3.5%	3.7
Government bonds emerging markets	0-25%	7.5%	4.8%	9.7
Corporate bonds investment grade	0-50%	42.3%	4.5%	5.8
Corporate bonds high yield	0-25%	16.9%	5.4%	3.1
Microfinance & supranational bank	0-25%	2.9%	4,8%	2.8
Other	0-25%	11.6%	6.0%	5.0
Cash	0-25%	0.4%	0.3%	0.0
Total		100%	4.6%	5.1

Source: DoubleDividend

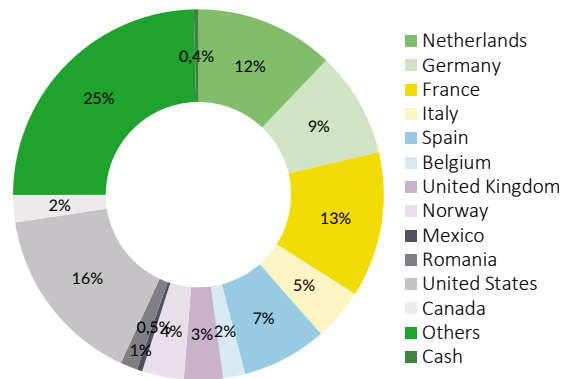
Team DoubleDividend

Appendix: portfolio characteristics

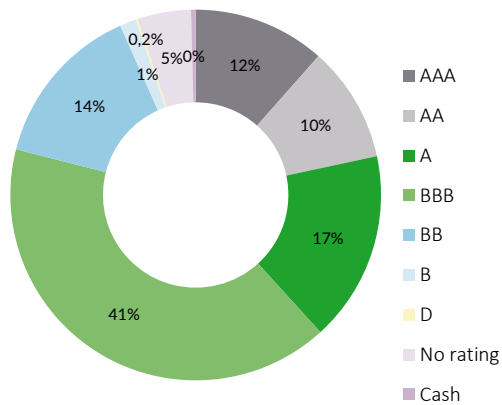
Distribution per sector (GICS)



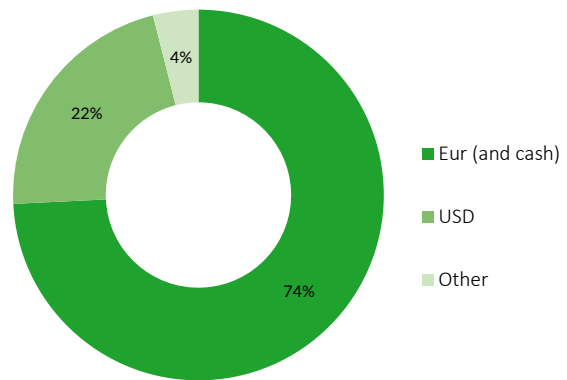
Distribution per country of origin



Distribution per rating



Distribution per currency



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