

# ASSET MANAGEMENT

## Monthly report June 2021

### Profile

DoubleDividend Management B.V. (DoubleDividend) is an independent responsible investment specialist. Where asset management is concerned we put together a portfolio tailored to your needs, whilst taking into account the desired risk profile, the investment horizon and the desired sustainability profile of the portfolio. Primary use is made of funds managed by DoubleDividend. Clients include wealthy individuals, associations and foundations. DoubleDividend operates under the full supervision of the AFM and DNB.

Investment philosophy:

- Sustainability makes a positive contribution to the risk-return profile of an investment portfolio.
- Investment is a long-term practice.
- We invest with conviction and only in quality in order to achieve a resilient portfolio.
- We aim to achieve a realistic return, taking risks into account
- Risk refers to the permanent loss of capital in the long term and not short-term volatility.
- We engage with the client and also invest in the funds managed by DoubleDividend.

### Performance

All asset classes experienced a very good month due to upwardly revised economic growth in a low interest rate environment. The DD funds also posted good returns, especially the DD Equity Fund which gained almost 7% in June.

Returns for the various risk profiles ranged from 2.9% for the defensive risk profile to 6.2% for the most offensive profile in June. The neutral risk profile gained 4.3% in June and stands at 9.7% for the year.

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Market data*	Jun	2021
<strong>Equities</strong>		
MSCI World	4.6%	16.6%
S&P 500	5.4%	18.9%
Euro Stoxx 600	1.5%	15.8%
<strong>Bonds</strong>		
World*	0.4%	-2.3%
<strong>Real Estate</strong>		
EPRA Global	3.1%	18.0%
<strong>Infrastructure</strong>		
Eagle Global Infra	0.3%	-4.5%
<strong>Interest rates</strong>		
10-yr Germany	-0.21%	
10-yr US	1.47%	
<strong>Currencies</strong>		
EUR/USD	-3.0%	2.9%
<strong>Other (in USD)</strong>		
Gold	-7.2%	-6.8%
Oil (Brent)	8.4%	45.0%

\* Total returns in euros, the price changes of gold and oil are calculated in US dollars.

\*\* Barclays Global Aggregate Index

This information does not provide sufficient basis for an investment decision. On the website of DoubleDividend Management B.V. ([doubledividend.nl](http://doubledividend.nl)) you can find relevant information, including the consumer letter and the Key Investor Information and the prospectus of a fund managed by DoubleDividend. DoubleDividend Management B.V. is supervised by the Netherlands Authority for the Financial Markets. The returns given have not been audited by an accountant.

**Table: net returns for the various risk profiles\***

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 till June	Average per year*	Total
<b>Defensive</b>	8.8%	1.3%	7.4%	-1.3%	4.7%	2.8%	-4.4%	17.7%	3.9%	4.5%	<b>4.6%</b>	<b>53.7%</b>
<b>Moderately defensive</b>	10.1%	3.2%	10.0%	1.5%	5.4%	3.6%	-3.7%	20.6%	4.2%	6.9%	<b>6.3%</b>	<b>79.2%</b>
<b>Neutral</b>	12.2%	5.7%	11.1%	4.9%	6.4%	4.6%	-2.7%	22.7%	4.5%	9.7%	<b>8.2%</b>	<b>110.7%</b>
<b>Offensive</b>	13.9%	8.3%	14.8%	7.9%	7.3%	5.8%	-1.7%	26.1%	6.4%	12.8%	<b>10.5%</b>	<b>158.1%</b>
<b>Very offensive</b>	15.4%	9.6%	16.7%	10.1%	8.5%	6.4%	-1.1%	29.3%	7.6%	16.2%	<b>12.3%</b>	<b>200.0%</b>

\* The returns are based on the tactical asset allocation, after all costs, and with invested capital up to EUR 1 million. The value of your investments can fluctuate. Past performance is no guarantee for the future.

## Tactical asset allocation

Each investment profile has a strategic allocation with bandwidths to equities, bonds and alternatives. The table below gives an overview of the five different standard investment profiles (without bandwidths). The classifications of risk profiles are motivated by the AFM (the Dutch Authority for the Financial Markets) and mainly based on historical risks and returns.

**Table: profiles and strategic asset allocation**

	Defensive	Moderate defensive	Neutral	Offensive	Very offensive
<b>Equities</b>	22%	33%	47%	65%	80%
<b>Bonds</b>	73%	61%	45%	25%	10%
<b>Alternatives</b>	5%	6%	8%	10%	10%
<b>Cash</b>	0%	0%	0%	0%	0%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

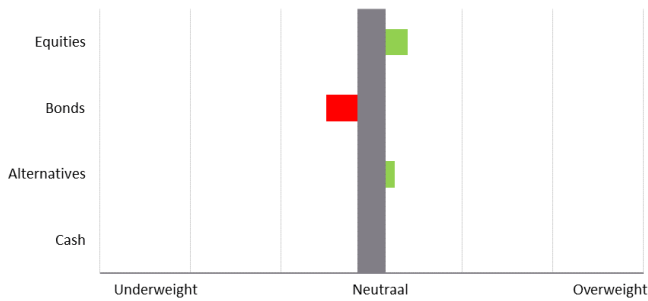
Traditionally, bonds are seen as the safest investment, but due to the persistently low interest rates, bonds no longer offer the protection they offered in the past. Due to the low or even negative interest rates, there is no longer a "certain" return that protects capital. In addition, the likelihood that interest rates will rise in the longer term increases, which means that bond prices will fall. On balance, bonds have thus become more risky than in the past. Particularly in the more defensive risk profiles, which traditionally consist for the most part of bonds, we therefore increased the weight of equities. DoubleDividend expects that this will give the portfolios a better risk-return ratio, especially if interest rates rise somewhat.

In addition, the increased volatility in the financial markets also means that the allocation to alternatives (real estate securities and infrastructure) is adjusted somewhat. Our recent analysis shows that, more than in the past, real estate shares offer a net return on balance comparable to that of equities over the longer term, but that this return is accompanied by higher volatility. To reduce the risks, we have already expanded the real estate equities portfolio with sustainable infrastructure in 2020. Nevertheless, the strategic allocation to alternatives is also being adjusted somewhat. It is expected that this will reduce the volatility of the total investment portfolio slightly without affecting long-term returns.

Although the adjustment of the standard weight is expected to lead to a more favourable risk-return ratio, this cannot prevent the total volatility in the markets and thus in the investment portfolios from increasing in the near future. Especially an investor with a shorter investment horizon should take this into account.

Within the bandwidths, it is possible to respond to current market conditions. We call this the tactical asset allocation. At the moment, we have opted for a very slight overweighting of equities and to a lesser extent alternatives at the expense of bonds. The more offensive the profile, the lower the weight of bonds. In the most offensive profile, we even chose not to invest in bonds at all at the moment.

### Tactical asset allocation



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**doubledividend**  
FINANCIAL & SOCIAL RETURNS