ASSET MANAGEMENT

Monthly report September 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

Financial markets gave up considerable ground in September as a result of unrest in China, rising interest rates and rising energy and commodity prices. The DD funds also achieved negative returns in the past month. For a detailed explanation, we refer to the monthly report of the DD Equity Fund.

Returns for the various risk profiles ranged from -1.6% for the most defensive profile to -4.2% for the most offensive profile in September. The neutral risk profile closed 2.8% lower in September and stands at a plus of 8.6% this year.

Market data*	**Sep**	**2021**
Equities		
MSCI World	-2.4%	19.3%
S&P 500	-2.7%	22.5%
Euro Stoxx 600	-3.3%	16.9%
Bonds		
World**	-1.1%	-2.3%
Real Estate		
EPRA Global	-3.8%	19.0%
Infrastructure		
Eagle Global Infra	-6.2%	-4.9%
Interest rates		
10-yr Germany	-0.20%	
10-yr US	1.49%	
Currencies		
EUR/USD	-1.9%	-5.2%
Other (in USD)		
Gold	-3.1%	-7.4%
Oil (Brent)	7.6%	51.6%

* Total returns in euros, the price changes of gold and oil are calculated in US dollars.
** Barclays Global Aggregate Index

doubledividend
FINANCIAL & SOCIAL RETURNS

doubledividend
FINANCIAL & SOCIAL RETURNS

Table: net returns for the various risk profiles*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 till Sep	Average per year*	Total
Defensive	8,8%	1,3%	7,4%	-1,3%	4,7%	2,8%	-4,4%	17,7%	3,9%	4,5%	4,5%	53,6%
Moderately defensive	10,1%	3,2%	10,0%	1,5%	5,4%	3,6%	-3,7%	20,6%	4,2%	6,3%	6,1%	78,3%
Neutral	12,2%	5,7%	11,1%	4,9%	6,4%	4,6%	-2,7%	22,7%	4,5%	8,6%	7,8%	108,6%
Offensive	13,9%	8,3%	14,8%	7,9%	7,3%	5,8%	-1,7%	26,1%	6,4%	11,0%	10,0%	153,8%
Very offensive	15,4%	9,6%	16,7%	10,1%	8,5%	6,4%	-1,1%	29,3%	7,6%	13,6%	11,7%	193,3%

* 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
Equities	22%	33%	47%	65%	80%
Bonds	73%	61%	45%	25%	10%
Alternatives	5%	6%	8%	10%	10%
Cash	0%	0%	0%	0%	0%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**

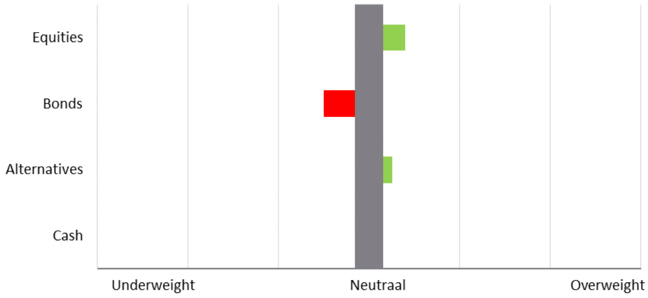
Traditionally, bonds are seen as the safest investment, but due to the persistently low interest rates, bonds no longer offer the protection they offered in the past. Due to the low or even negative interest rates, there is no longer a "certain" return that protects capital. In addition, the likelihood 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



Herengracht 320
1016 CE Amsterdam

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

DoubleDividend Management B.V.
AFM reg. nr. 15000358
KVK 30.19.98.43

doubledividend
FINANCIAL & SOCIAL RETURNS