ASSET MANAGEMENT

Monthly report April 2025

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

The month of April was dominated by the chaos caused by Trump's trade tariffs. After an initial panic reaction on the stock markets, stocks rebounded, but the dollar took another hit. High quality bonds and alternatives such as European real estate shares and sustainable infrastructure offered some protection.

The returns for the various risk profiles in April ranged from -1.2% for the most defensive risk profile to -2.5% for the most offensive risk profile. The neutral risk profile achieved a return of -1.8% in April, which brought the return for the year down to -8.2%.

Market data*	**Apr**	**2025**
Equities		
MSCI World	-4.1%	-9.7%
S&P 500	-5.4%	-13.4%
Euro Stoxx 600	-0.5%	5.4%
Bonds		
World**	1.7%	0.8%
Real Estate		
EPRA Global	-3.8%	-6.2%
Infrastructure		
Renewable Energy	1.9%	-7.7%
Interest rates		
10-yr Germany	2.44%	
10-yr US	4.16%	
Currencies		
EUR/USD	4.7%	9.4%
Other (in USD)		
Gold	5.3%	25.3%
Oil (Brent)	-15.5%	-15.4%

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

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FINANCIAL & SOCIAL RETURNS

Market developments

The month of April was dominated by the chaos caused by Trump's trade tariffs. Earlier we highlighted the unexpectedly high tariffs and their impact on the economy and financial markets. Companies, consumers and governments alike are facing increasing uncertainty, which increases the risk of a recession. This translates into falling stock prices and a weaker dollar. High-quality bonds and alternatives have offered some protection so far.

Since our last report on April 7, the trade war has de-escalated somewhat. Many tariffs have been postponed for 90 days and exceptions have been made for specific sectors, including electronics, semiconductors, pharmaceuticals and auto parts. Importantly, market discipline has remained to some extent. When tensions on the bond markets increased, the Trump camp quickly adopted a more moderate tone. After all, access to capital markets is crucial – also for this administration.

Treasury Secretary Scott Bessent, who enjoys the highest respect in the financial markets, is regularly called upon to restore fragile confidence. Furthermore, corporate lobbying has resulted in a wider range of exceptions to the rates. It is encouraging that the government is listening after all. Unfortunately, lobby groups are less successful in other areas (the rule of law, academia, etc.).

Soft economic indicators – such as consumer and producer confidence – are weak. Hard data such as unemployment and growth figures show little deterioration, but many indicators are not moving in the right direction. It is mainly the uncertainty about the final outcome of trade policy that is currently causing the most economic damage.

In terms of currencies, the decoupling between the dollar and the US interest rate is striking. In contrast to previous periods of uncertainty, in which the dollar generally rose in value, it has fallen sharply in the past month. Despite the relatively high interest rate in the US, the dollar is losing ground. Analysts debate the causes: in the short term, sentiment and reallocation of financial positions play a role, but opinions differ about the long-term position of the dollar. Although there are few alternatives to the dollar as a world reserve currency, this does not mean that its value cannot fall further. A weak dollar also fits in with Trump's aim for an improved trade balance.

The results of the companies in the portfolio were surprisingly good, given the circumstances. Of course, the tariffs were only introduced in April, so the effects still have to be reflected in the results, but we had expected that companies would often adjust their turnover and profit expectations downwards or abandon them. That has not happened on a large scale. Many companies are maintaining their turnover and profit forecasts, some have even increased them slightly - albeit subject to increasing uncertainty. At the same time, many companies are showing the ability to adapt. Production is being relocated, chains are being restructured and in some cases price increases are being implemented. The situation with China is an exception: the tariffs there are so high that there are in fact mutual trade blocks. Internationally operating companies with strong balance sheets have a clear advantage in adapting their supply chains to the new reality.

Uncertainty is the word that best sums up the current state of the financial market. And it is expected that this will continue for some time. Both on a macro-economic, geopolitical and business economic level. Investors must take into account continuing sharp fluctuations on financial markets, both upwards and downwards. As usual, this volatility is magnified on the stock market, which is visible in the price development of the DD Equity Fund. The DD Income Fund and the DD Alternative Fund have so far weathered the unrest reasonably well, but here too the risks have clearly increased. Broad diversification in combination with a long investment horizon are crucial. Timing is also an often underestimated risk. When filling the portfolios, we will therefore continue to focus on high-quality investments and a long-term vision. Where opportunities arise, we will seize them. Although we expect the volatility to continue for a while, we are confident in the resilience of our portfolios in the long term.

Table: net returns for the various risk profiles*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 till Mar	Average per year*	Total
Defensive	-1,3%	4,7%	2,8%	-4,4%	17,7%	3,9%	5,4%	-19,6%	11,3%	10,7%	-4,3%	2,9%	47,0%
Moderately defensive	1,5%	5,4%	3,6%	-3,7%	20,6%	4,2%	8,0%	-21,0%	13,4%	12,0%	-6,1%	4,1%	70,6%
Neutral	4,9%	6,4%	4,6%	-2,7%	22,7%	4,5%	11,2%	-22,5%	15,6%	13,3%	-8,2%	5,3%	99,0%
Offensive	7,9%	7,3%	5,8%	-1,7%	26,1%	6,4%	14,7%	-24,5%	18,3%	15,0%	-10,7%	6,8%	140,7%
Very offensive	10,1%	8,5%	6,4%	-1,1%	29,3%	7,6%	18,6%	-26,2%	20,0%	16,3%	-12,6%	7,9%	175,2%

* The returns are based on the tactical asset allocation, after all costs, and with invested capital up to EUR 1 million. Geometric Average 2012 - April 2025 for the asset management profiles and DD Property Fund, April 2013 - March 2025 for DD Equity Fund and September 2018 - April 2025 for DD Income Fund respectively. 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

RISK PROFILES	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%

Source: DoubleDividend Management B.V.

Within the bandwidths, it is possible to respond to current market conditions. We call this the tactical asset allocation. At the moment, shares are still slightly overweight compared to bonds. Shares offer the best opportunities for the long term. The weighting for alternatives is equal to the standard weighting. Although the valuation is very low, the risks have also increased due to the higher interest charges of this capital-intensive category.

Tactical asset allocation