

DD ALTERNATIVE FUND

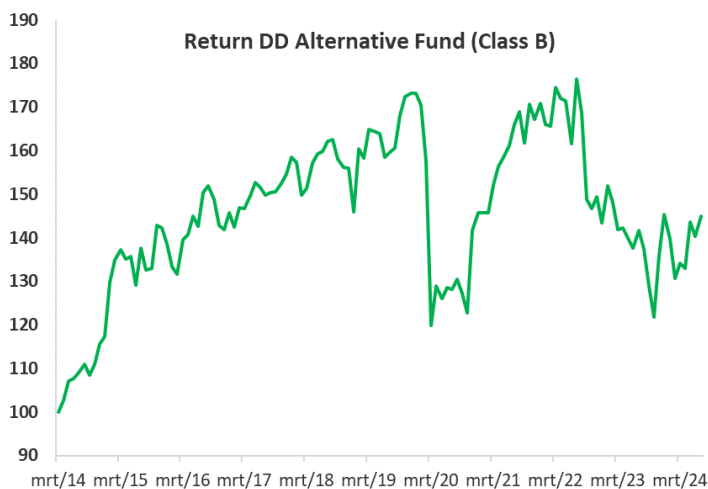
Monthly report July 2024

Profile

DD Alternative Fund N.V. (DDAF or DD Alternative Fund) is an actively managed global equity fund that invests in alternative investment categories, including in particular companies that invest in real estate and infrastructure. DDAF invests in at least twenty companies that meet our quality investment criteria. At DDAF, the analysis on sustainability and financial aspects is fully integrated. The fund aims for a net return of 7%* per year in the long term and has no benchmark. The fund is traded daily.

Return class B*

DD Alternative Fund achieved a return of 3.25% (Class B) for the month of July 2024. As a result, the net asset value per share increased to € 27.56. This brings the return for 2024 to -0.33%.



* The value of your investment may fluctuate. Past performance is no guarantee for future results

Fund information**Key facts**

Fund size	€ 29.3 mln
# shares A	224,265
# shares B	593,179
# shares C	255,888
Net asset value A*	€ 26.14
Net asset value B*	€ 27.56
Net asset value C*	€ 27.82
# positions	47

Costs

Management fee A	1.20%
Management fee B	0.70%
Management fee C	0.50%
Overige kosten**	0.45%
Op- en afslag	0.25%

Other

Start date	Class A: May 2005 Class B: January 2015 Class C: January 2020
Manager	DoubleDividend Management B.V.
Status	Open-end, dagelijks
ISIN (A)	NL0009445915
ISIN (B)	NL0010949350
ISIN (C)	NL0014095119
Benchmark	None
Currency	Euro

Risk monitor

* per share

** estimated



This is a publicity notice. This information does not provide sufficient basis for an investment decision. Therefore, please read the DD Alternative Fund N.V. 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 Alternative Fund N.V. 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 total return in % (after costs, dividend included) *

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2012	1.53	2.02	4.59	-3.24	-2.34	1.51	3.09	-0.18	1.49	2.56	0.48	-0.02	11.81
2013	0.83	0.72	-1.41	4.38	1.39	-7.59	2.56	-1.31	3.14	2.61	-0.81	-0.67	3.35
2014	-0.47	5.76	-1.86	2.69	4.37	0.54	1.24	1.66	-2.20	2.36	4.13	1.48	21.18
2015	10.58	3.96	1.72	-1.51	0.52	-4.86	6.54	-3.70	0.32	7.37	-0.40	-2.56	18.13
2016	-3.76	-1.28	6.08	0.71	3.13	-1.62	5.37	1.01	-1.97	-4.02	-0.70	2.66	5.13
2017	-2.14	3.02	-0.13	2.01	2.08	-0.83	-1.11	0.45	0.11	1.32	1.34	2.44	8.74
2018	-0.74	-4.78	1.03	3.91	1.37	0.32	1.40	0.29	-2.75	-1.15	-0.21	-6.35	-7.82
2019	9.85	-1.37	4.20	-0.25	-0.27	-3.32	0.67	0.65	4.62	2.61	0.42	0.02	18.63
2020	-1.55	-7.63	-23.87	7.51	-2.27	2.09	-0.42	1.90	-2.56	-3.42	15.36	2.84	-15.88
2021	0.03	-0.08	4.41	2.80	1.41	1.66	2.96	1.82	-4.23	5.47	-2.10	2.28	17.27
2022	-2.82	-0.22	5.37	-1.50	-0.32	-5.77	9.24	-4.36	-11.79	-1.43	1.80	-4.04	-16.12
2023	6.02	-2.63	-4.17	0.34	-1.64	-1.61	2.95	-2.99	-6.18	-5.63	11.63	7.02	1.47
2024	-3.85	-6.62	2.67	-0.74	7.86	-2.19	3.25						-0.33

* The fund was repositioned in 2020 and has since invested in both real estate and (sustainable) infrastructure. From 2015 Class B shares returns are used. 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.

Developments in the market and portfolio

Despite the holiday season, it was certainly not a quiet month: Trump narrowly survived an assassination attempt, Biden withdrew as a presidential candidate and there was a lot of business news.

Biden's withdrawal as a presidential candidate was not a big surprise given his dramatic debate with Trump and his shaky health, but it does put the upcoming election in a different light. It looks like we will have a two-way battle between Donald Trump and Kamala Harris, at least if Harris is officially chosen as the presidential candidate at the Democratic Party convention in August.

For investors in sustainable infrastructure, the presidential election is extra exciting. According to the Washington Post, Trump promised some 20 oil magnates at a meeting in May this year to end Biden's strict climate policies if they would donate at least USD 1 billion to his election campaign. Trump and his running mate J.D. Vance deny climate change and are outspoken proponents of fossil fuels, while Biden is a strong proponent of a green economy. For example, Biden rejoined the US to the Paris Climate Agreement (after the US withdrew from it under Trump) and signed the Inflation Reduction Act, the largest investment in cutting emissions and boosting clean energy in US history.

The question is how Harris fits into the climate race. Both as Attorney General of California and Senator, she has always fought fiercely against pollution from the oil and gas sector. However, it is expected that Harris will not speak out extremely hard against the oil and gas sector, since the extraction of gas and oil in crucial 'swing states' is important. So it remains to be seen, but if Harris wins, it will probably not have a negative impact on the sustainable infrastructure sector. However, a possible victory for Trump does not necessarily have to have a dramatic impact on sustainability. Companies such as Microsoft and Amazon are the largest investors in sustainable energy in the world and have no plans to change this. The fact that Elon Musk (CEO of Tesla) is a major sponsor of Trump will also ensure that the interests of manufacturers of electric cars are safeguarded.

Bottom for the real estate market?

According to both JLL and Savills, two very large and influential real estate agencies, the bottom of the German housing market has been reached. Since 2022, the prices of rented apartments have fallen by around 20% as a result of the sharp rise in interest rates. This has caused problems for a number of housing players such as Vonovia and LEG, forcing the focus to shift from growth to shrinkage. Portfolios were sold, new developments put on hold and the dividend was reduced or even stopped altogether to keep lenders happy.

Vonovia also sees that the real estate market is stabilizing. CEO Buch indicated that he expects that the €13 billion sales program will very likely be terminated prematurely. In fact, he does not rule out that Vonovia will start buying again when the market picks up. The transaction volume is also increasing. In the second quarter, €2.6 billion worth of residential portfolios were traded, more than three times as much compared to the first quarter. The speed and extent of the recovery of the real estate market will depend mainly on the development of the economy and capital market interest rates, but it is clear that there is light at the end of the tunnel.

The quarterly figures of real estate companies indicate that not only in the German housing market, but also other real estate sectors are benefiting from the fact that the interest rate has fallen in the past three months while rent growth continues. In almost all sectors we see real estate values bottoming out and even rising again in some places. For example, Klépierre came up with very good half-year figures. The rents of existing shopping centres rose by 6% on an annual basis and for the first time in years the value of the portfolio was adjusted upwards. Aedifica, the largest investor in healthcare centres in Europe, also came up with slightly better than expected half-year figures. Rent growth was 3.2% and the value of the portfolio also rose slightly again. The figures of US real estate companies such as American Tower, Digital Realty, Equity Residential and Prologis were also slightly better than expected on balance. The global EPRA index rose by 4.7% in July, a sign that investors are also more positive about real estate securities.

Sustainable infrastructure

The Renewable Energy Producers Index ended the month with a gain of 1.1% (measured in euros), but is still at a loss of 7.3% for the year. Nevertheless, developments here are also positive, although this does not apply to all companies in the sector.

EDP Renovavais (EDPR), one of the largest players in the sector, reported excellent half-year results. The company is on track to meet its 2024 targets. Although electricity prices fell somewhat, the company benefited from the fact that many contracts had fixed prices. In addition, energy production increased and margins were maintained due to cost savings. EDPR aims to add at least 3GW of new projects to its portfolio this year, which will increase energy production by 15% compared to 2023. EDPR also announced that it has signed an agreement to build a 200 megawatt battery energy storage system in Arizona, which will be completed in 2025. The share closed almost 10% higher in July.

Acciona Energias reported slightly better-than-expected half-year results and also announced that it is selling a portfolio of hydropower plants to Orix for €287 million. This concerns 23 smaller hydropower plants with a total installed capacity of 175 MW. Acciona booked a profit of €170 million on this. The proceeds will be used to finance new development projects.

Legrand, which was acquired in June, also reported strong half-year figures. The French manufacturer of electrical and digital infrastructure for buildings benefited mainly from the demand for data centres, which resulted in both turnover and profit slightly exceeding analysts' expectations. Nevertheless, management stuck to the previously issued turnover and profit forecast, which fits in with Legrand's conservative corporate culture.

Largest positive and negative contribution

The largest positive contribution in July came from American Tower. The world's largest investor in telecom towers came up with strong figures and raised its expectations for the whole of 2024. Revenue in the second quarter rose by 4.6% to \$2.9 billion. Profit growth for 2024 is expected to be 8%. Greencoat UK Wind also had a strong month after excellent quarterly figures.

Canadian Innergex made the largest negative contribution to the result after two analyst downgrades. 7C Solarparken was also a negative outlier last month. The German company focused on solar parks in Germany and Belgium had to write off two development projects and is also dealing with lower production due to the cloudy weather in recent months. Profit for 2024 is expected to be 10% to 15% lower.

Table: top 5 contribution to result (in €)

Top 5 highest contribution			Top 5 lowest contribution		
American Tower (US)	12.3%	0.3%	Innergex (Can)	-9.0%	-0.3%
Greencoat UK Wind (UK)	11.1%	0.3%	7C Solarparken (Ger)	-12.3%	-0.3%
Prologis (US)	11.2%	0.3%	Northland Power (Can)	-3.2%	-0.1%
Douglas Emmett (US)	19.8%	0.3%	Hysan Development (HK)	-5.6%	-0.1%
TRIG (UK)	9.9%	0.2%	China Tower (Chi)	-5.9%	-0.1%

Source: DoubleDividend/Bloomberg

Portfolio changes

The weightings of Brookfield Renewables, CTP, Legrand, Klépierre en Prysmian have been increased somewhat. We have reduced the positions in American Tower, Equity Residential, Prologis en Voltalia somewhat.

Table: top 10 positions in portfolio per end month

Company and weights			
Cellnex (Spa)	3.7%	Grenergy (Spa)	2.9%
Greencoat Renewables (Ire)	3.6%	Vonovia (Ger)	2.8%
Eurocommercial Prop (NL)	3.3%	Northland Power (Can)	2.8%
Inwit (Ita)	3.1%	LEG (Ger)	2.8%
Boralex (Can)	3.0%	Xior (Bel)	2.8%

Source: DoubleDividend

Team DoubleDividend

Annex: portfolio characteristics

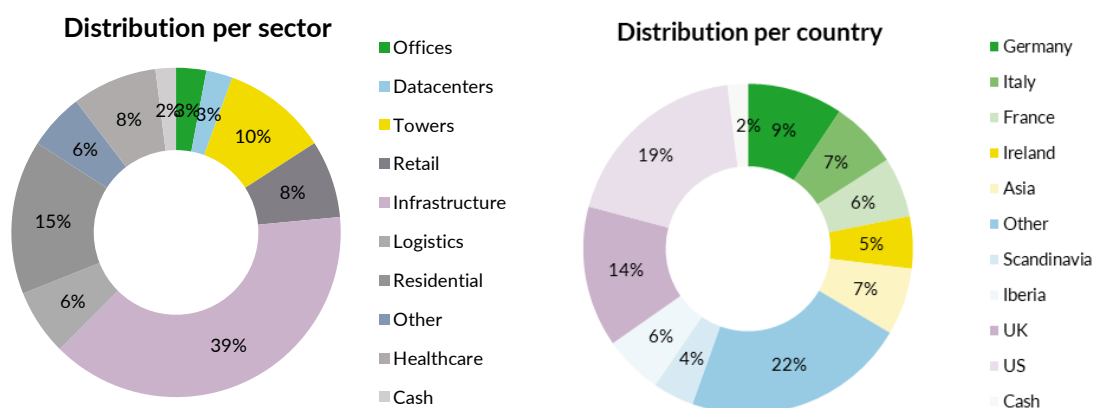
The table below shows the main characteristics of the portfolio. The cash flow yield indicates how much cash a company generates per share, expressed as a percentage. The dividend yield is the dividend yield of the current year divided by the current price (closing price of the month).

The VAR (Value At Risk) shows the maximum loss of the portfolio on an annual basis with 95% certainty based on Monte Carlo simulation. The standard deviation is a statistical measure for the distribution of the returns around the mean.

Table: Characteristics DDAF per month end

Valuation		Risk	
Cashflow yield, current	9.2%	VAR (Monte Carlo, 95%, 1-year)	26.5%
Dividend yield, current	4.7%	Standard deviation	16.1%

Source: DoubleDividend/Bloomberg



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