THIS IS A PUBLICITY NOTICE

DD ALTERNATIVE FUND

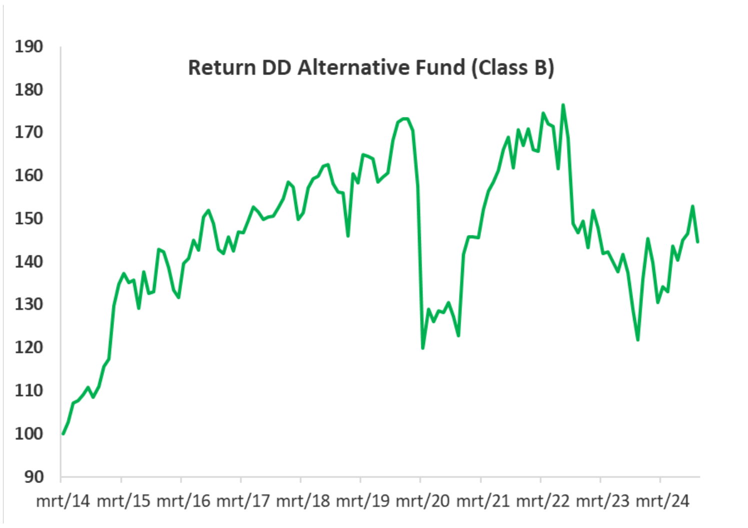
Monthly report October 2024

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 -5.5% (Class B) for the month of October 2024. As a result, the net asset value per share decreased to € 27.48. This brings the return for 2024 to -0.6%.



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

Fund information

Key facts

Fund size	€ 29.0 mln
# shares A	214,114
# shares B	602,180
# shares C	248,689
Net asset value A*	€ 26.03
Net asset value B*	€ 27.48
Net asset value C*	€ 27.76
# positions	49

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	1.12	4.35	-5.51			**-0.62**

* 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

After a very strong September, sentiment around capital-intensive sectors has turned around again. The EPRA Index closed 8.2% lower in October and the Renewable Energy Producers Index lost 6.0% (measured in euros). The DD Alternative Fund lost 5.5% last month. The two main reasons for the sharp declines are the rise in interest rates in the US (and to a lesser extent Europe) and Trump's possible election victory on 5 November.

Interest rates have recently shown a sharp rise again, especially in the US. Although the FED lowered the federal funds rate by 0.5% in September and the market expects two more interest rate cuts of 0.25% each this year, capital market interest rates have nevertheless risen further. The US 10-year interest rate rose from 3.6% in mid-September to 4.3% at the end of October. Interest rates with shorter maturities also rose sharply. The main reason for this is that the economy is performing much better than expected while inflation is still on the high side. The pace and extent of the interest rate cuts has therefore become more uncertain. A strong economy is of course positive, but only as long as inflation remains somewhat under control. Although inflation has fallen considerably in both the US and Europe over the past year, central bankers do not yet dare to declare that the battle has been won. Nevertheless, both the FED and the ECB still assume that inflation will approach the desired 2% next year, which leaves room to further reduce interest rates.

In addition, the capital markets are anticipating a Trump victory. Trump is mainly pro-fossil fuel industry and wants to lower prices at the pump, among other things. He is certainly not in favour of a sustainable economy as initiated under Biden. In addition, the expected increases in import and trade tariffs under Trump will very likely have serious negative consequences for economic stability, inflation and long-term global growth prospects. This, combined with immigration restrictions and the risk that government debt will increase further in the coming years, might lead to higher inflation figures and higher interest rates. This is priced in now. However, we are convinced that both real estate and sustainable infrastructure will continue to recover despite these possible negative developments under a second Trump term. The valuation of most companies is (very) low and the operational results are good. In addition, we assume that both the FED and the ECB will continue to cut interest rates.

Corporate news

Although the rise in interest rates and the upcoming US presidential election took up almost all the attention last month, there were many corporate figures. These were generally reasonably in line with expectations. The strong figures from data center companies Digital Realty and Equinix were striking. The rapid rise of artificial intelligence has caused the demand for data capacity to increase explosively this year. And the data hunger of large tech companies does not seem to be satisfied for the time being.

The demand is currently so high that rents for data centers are rising sharply. Digital Realty even managed to realize the largest rent increase ever, with the rents of expiring contracts often being increased by tens of percent. This is in sharp contrast to recent years, where rents often fell due to overcapacity. A fundamental problem with data centers is the rapid technological obsolescence, resulting in significant depreciation. Some caution is therefore required. Many parties are therefore focusing on the lucrative development of new data centers where the highest returns can be achieved. For example, Equinix, the world's largest data center company and part of our portfolio, announced last month a joint venture with GIC and Canada Pension Plan Investment Board to develop 1.5 GW of new hyperscale data center capacity in the US. A total of $15 billion is expected to be invested, of which Equinix will account for 25%.

Digital Realty also entered into a joint venture earlier this year for the development of hyperscale data centers. Together with Blackstone, an 80% shareholder, $7 billion will be invested in data centers in Europe and the US. Some analysts consider it a missed opportunity that both companies are only minority shareholders. On the other hand, this reduces the development risk. We further reduced our position in Digital Realty last month. The share is less attractively valued after the recent rally.

Klépierre reported good quarterly figures and continues to surprise positively. The French shopping centre investor managed to increase the rents of existing properties by 6.3%, of which 2.8% through automatic indexations. Vacancy rates also continued to decline. In addition, the company was named the most sustainable listed real estate company in the world by GRESB. With 95 out of 100 points, Klépierre is a textbook example for the sector.

The quarterly turnover of recently acquired Assa Abloy was slightly disappointing, but the margins were higher than expected. Due to the weaker demand, especially in Europe, it is difficult to grow turnover autonomously, which is why Assa Abloy has been focusing on acquisitions and further improving margins for some time now. The sale of Citizen ID to the Japanese printing company Toppan Holdings fits within this strategy. Citizen ID produces, designs and implements physical and mobile identity solutions for government-to-citizen programs. However, profitability is low, which means that the sale has a positive impact on the operating margin.

Prysmian, the largest cable manufacturer in the world, may be looking at acquiring a division of competitor Nexans. Nexans recently hired JPMorgan to sell its industrial cable division to focus on power transmission cables. This would be Prysmian's second major acquisition in a short period of time, following its $3.9 billion purchase of U.S.-based Encore Wire earlier this year. Encore Wire is a manufacturer of copper and aluminium wires and cables. Prysmian also reported quarterly results that were fully in line with expectations.

Largest positive and negative contribution

The largest positive contribution in October came from Douglas Emmett. The stock has been on the rise recently as the California office market picks up. Digital Realty and Equinix also did well as a result of strong demand for data centers. However, the positions are modest given the valuation of both stocks. The biggest blows were to sustainable energy stocks such as EDPR, Grenergy, Innergex and ERG. The sector is suffering from the increased interest rates and the negative sentiment towards sustainable energy.

Table: top 5 contribution to result (in €)

Top 5 highest contribution			Top 5 lowest contribution		
Douglas Emmett (US)	4.1%	0.1%	EDPR (Por)	-21.2%	-0.4%
China Tower (Chi)	4.7%	0.1%	Grenergy (Spa)	-14.4%	-0.4%
Digital Realty (US)	13.2%	0.1%	Innergex (Can)	-13.2%	-0.4%
China Longyuan (Chi)	0.7%	0.1%	Cellnex (Spa)	-7.5%	-0.3%
Equinix (US)	5.2%	0.1%	ERG (Ita)	-16.2%	-0.3%

Source: DoubleDividend/Bloomberg

DoubleDividend Management B.V.
Herengracht 320
1016 CE Amsterdam

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

Portfolio changes

The weighting of EDP Renovavais has been increased somewhat. The positions in Boralex, Brookfield Renewables, China Longyuan, China Tower, Digital Realty, Douglas Emmett and LEG have been reduced somewhat. No new positions have been added to the portfolio.

Table: top 10 positions in portfolio per end month

Company and weights			
Cellnex (Spa)	4,1%	Vonovia (Ger)	2,8%
Greencoat Renewables (Ire)	3,7%	I-RES (Ire)	2,7%
Eurocommercial Prop (Neth)	3,4%	Boralex (Can)	2,6%
Inwit (Ita)	3,1%	Xior (Bel)	2,6%
Shurgard (Bel)	3,0%	Target Healthcare (UK)	2,6%

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	8.0%	VAR (Monte Carlo, 95%, 1-year)	22.2%
Dividend yield, current	4.4%	Standard deviation	13.5%

Source: DoubleDividend/Bloomberg