

DD EQUITY FUND

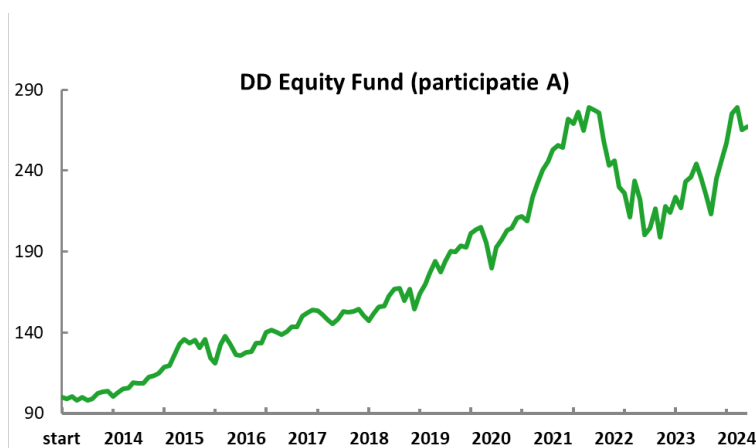
Monthly report May 2024

Profile

DD Equity Fund (DDEF) is an actively managed fund. DDEF invests in a globally diversified portfolio of high-quality companies that are at the forefront of sustainability. At DDEF, the analysis on sustainability and financial aspects is fully integrated. The fund aims for a net return of 8%* per year in the long term and has no benchmark. DDEF is managed by an independent partnership with the conviction that sustainability makes a positive contribution to the return and risk profile of an investment portfolio. The partners of DoubleDividend also invest in the fund themselves. The fund can be traded on a daily basis.

Return participation A*

DD Equity Fund achieved a return of 0.9% in May 2024, as a result of which the net asset value per unit A rose to € 267.2.



* The value of your investment may fluctuate. Results achieved in the past do not provide any guarantees for the future.

Fund information

Key facts

| | |
|------------------------|-----------|
| Fund size | €204.2mln |
| # shares outstanding A | 520,088 |
| # shares outstanding B | 152,340 |
| # shares outstanding C | 93,541 |
| Net Asset Value A* | € 267.17 |
| Net Asset Value B* | € 270.59 |
| Net Asset Value C* | € 272.91 |
| # of positions | 62 |
| Beta | 1.3 |

Costs

| | |
|----------------------|-------|
| Management fee A | 0.80% |
| Management fee B | 0.50% |
| Management fee C | 0.25% |
| Other costs** | 0.20% |
| Up/down Swing factor | 0.25% |

Other

| | |
|------------|---|
| Start date | Part. A: April 2013 Part. B: January 2020 Part. C: January 2021 |
| Manager | DoubleDividend Management B.V. |
| Status | Open-end, daily |
| ISIN (A) | NL0010511002 |
| ISIN (B) | NL0014095127 |
| ISIN (C) | NL0015614603 |
| Benchmark | None |
| Currency | Euro |

Risk monitor

* per participation
** expect



This is a publicity notice. This information does not provide sufficient basis for an investment decision. Therefore, please read the DD Equity 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 Equity Fund 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 returns in %, participation A (net of costs and fees) *

* 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.

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|
| 2013 | | | | -0.84 | 1.37 | -2.53 | 1.95 | -2.01 | 1.31 | 3.02 | 1.26 | 0.35 | 3.79 |
| 2014 | -3.29 | 2.58 | 2.17 | 0.43 | 3.26 | -0.58 | 0.09 | 3.37 | 1.00 | 1.09 | 3.60 | 0.70 | 15.17 |
| 2015 | 5.01 | 5.81 | 2.05 | -1.59 | 1.47 | -3.44 | 3.71 | -8.30 | -2.70 | 9.50 | 4.12 | -4.06 | 10.66 |
| 2016 | -4.52 | -0.31 | 1.46 | 0.44 | 4.09 | -0.07 | 4.79 | 1.18 | -0.95 | -1.25 | 1.58 | 2.03 | 8.44 |
| 2017 | -0.06 | 4.86 | 1.16 | 1.13 | -0.17 | -1.75 | -2.16 | -1.42 | 1.83 | 3.12 | -0.13 | 0.10 | 6.49 |
| 2018 | 1.10 | -2.62 | -2.16 | 2.92 | 2.79 | 0.41 | 3.97 | 2.78 | 0.10 | -4.42 | 4.50 | -7.59 | 1.01 |
| 2019 | 6.37 | 3.36 | 4.19 | 4.25 | -3.62 | 3.53 | 3.45 | -0.28 | 2.10 | -0.56 | 4.63 | 1.16 | 32.08 |
| 2020 | 0.73 | -4.77 | -8.16 | 7.40 | 2.32 | 3.02 | 0.56 | 3.19 | 0.39 | -1.40 | 7.20 | 3.56 | 13.73 |
| 2021 | 3.83 | 2.21 | 2.87 | 1.10 | -0.64 | 6.97 | -1.07 | 2.71 | -4.20 | 5.57 | -0.56 | -0.76 | 18.94 |
| 2022 | -6.20 | -5.97 | 1.35 | -6.62 | -1.81 | -6.55 | 10.69 | -4.92 | -9.89 | 2.23 | 5.86 | -8.19 | -27.82 |
| 2023 | 9.60 | -1.68 | 4.32 | -2.99 | 7.46 | 1.33 | 3.50 | -3.66 | -4.91 | -4.85 | 10.40 | 5.11 | 24.30 |
| 2024 | 4.04 | 6.98 | 1.35 | -4.92 | 0.89 | | | | | | | | 8.21 |

Periodic long term return in % (figures are after costs)*

| | 1 year | 3 year | 5 year | 10 year | Since start** |
|-------------------------|--------|--------|--------|---------|---------------|
| Total Return | 14.6% | 5.1% | 50.9% | 144.9% | 167.6% |
| Annualized Total Return | 14.6% | 1.7% | 8.6% | 9.4% | 9.2% |

Source: Bloomberg/DoubleDividend

** April 2013

DDEF pays dividend

The DD Equity Fund paid out a dividend for the first time in its existence last month. The payment of €0.45 per share is the result of the tax status of the fund. The fund has the status of a Fiscal Investment Institution (FBI) as referred to in Article 28 of the Corporate Tax Act 1969. An FBI is subject to a rate of 0% for corporate tax purposes if certain conditions are met. One of these conditions is that the fund distributes the profit available for distribution to its participants within eight months after the end of a financial year. Tax reserves were used in previous years, but for the 2023 financial year a dividend was paid out for the first time.

Market developments

The most important event last month were the quarterly results of chip company NVIDIA. Expectations were high, but NVIDIA did not disappoint. Nvidia's results gave an important boost to the stock market and the technology sector in particular. Software companies, on the other hand, were under pressure due to an uncertain outlook. The macroeconomic reports remain mixed. Positive and negative inflation and growth figures alternate, resulting in corresponding movements on the financial markets. DDEF rose sharply during the month, but lost some of its gains towards the end of the month.

Results of technology companies show a mixed picture

NVIDIA was once again in the spotlight last month thanks to very strong results. Turnover for the first quarter of 2024 rose to more than USD 26 billion, a factor of 3.6 more than a year earlier. Profits increased during the year and even increased by almost a factor of 6. The share price increase of 122% this year and even 650% since the beginning of 2023 is therefore fully supported by turnover and profit growth. NVIDIA remains the main winner of the AI boom at the moment, mainly thanks to the spending wave of large technology companies such as Microsoft, Amazon, Meta and Alphabet. The big four are estimated to invest \$200 billion by 2024, much of which will go toward NVIDIA's AI chips. With the introduction of new generations of chips and additional AI products such as the Cuda software and network infrastructure, NVIDIA is increasingly positioning itself as an AI platform company instead of a chip company. After the Hopper series of graphics chips (GPUs), Nvidia introduced the Blackwell platform. The Blackwell chip is a 4nm GPU with 208 billion connections. The price tag is estimated at \$30,000-40,000 per chip. How NVIDIA achieves a hundred billion turnover? Open AI has purchased an estimated 720,000 units of the predecessor H100. Meta says it will buy 350,000 of these chips in 2024.

However, figures from software companies Workday, Palo Alto Networks and Salesforce showed that not all companies within the technology sector are currently benefiting from the AI boom. Small adjustments in revenue expectations led to significant price drops at a number of software companies last month. Workday, for example, which makes software for HR management, had to slightly lower its revenue growth forecast for 2024 to (a still respectable) 16% from 17-18% previously, but the share price fell by as much as 15% last month. The figures from Salesforce, market leader in the field of CRM software, had a similar message. Salesforce expects revenue growth of 8-9% in the current year, lower than growth in recent years. Reason: macro-economic uncertainty and a wait-and-see attitude of customers as a result of AI developments. Result: price minus 14%.

It is certainly not the case that the software sector is one of the losers from AI. On the contrary! It is expected that companies such as Adobe, Intuit, Salesforce and Workday will be able to deliver more valuable services as a result of AI that will be recouped by the user through quality and productivity improvements. An example is Intuit's TurboTax, which helps individuals and companies in the US with their tax returns. Thanks to AI, the tax form has already been largely completed and customers make less use of external advisors, which means TurboTax provides more value to customers and Intuit gains market share from tax advisors.

In a recent Bloomberg technology podcast, Mai-Lan Tomsen of Amazon Web Services says that within the software sector, companies with a strong market position and high quality data will especially benefit from AI. The quality of the data is more important than the quantity with AI models. And companies such as Adobe, Salesforce and Intuit have valuable data thanks to a strong market position and long-term relationships with customers.

However, not everyone within the technology sector is benefiting from the AI boom at the same time. Nowadays, investments are mainly made in AI infrastructure and the training of AI models. The major cloud companies such as Amazon Web Services, Microsoft Azure and Google Cloud are therefore investing hundreds of billions, from which the chip sector in particular is currently benefiting greatly. The cloud service providers will in turn benefit from increased demand for storage and computing capacity, allowing these investments to be recouped. However, the storage and computing power is built to ultimately serve software applications. Software is therefore the next sector that will benefit from AI developments. And manufacturers of PCs, network equipment and smartphones will also ultimately benefit from the demand for more advanced equipment for end users. Each link in the chain will claim its share of the added value that AI will deliver, but the timing and extent are still uncertain at the moment.

At the moment, the hardware market in particular is benefiting from AI developments and software is still lagging behind. In our view, the long-term prospects for the software sector remain as good as ever and AI offers enormous opportunities for companies. The sector is currently suffering from macroeconomic uncertainties, the depletion of IT budgets by AI infrastructure investments and uncertainty among large companies as to what AI developments mean for their own organizations, causing major IT projects to be delayed. It is expected that in 2025 and 2026, AI developments will translate into accelerated growth in the software sector. At the same time, AI hardware investments will approach a peak at some point and may even decline. Both the chip and the software sectors, the two most important sectors in the DDEF portfolio, benefit from (very) good long-term prospects with corresponding returns, but sometimes also suffer from high volatility. The good news is that the cycles of both sectors are not parallel at the moment.

Table: top 5 positive and negative contribution to the monthly result (in €)

| Top 5 Positive | | | Top 5 Negative | | |
|-----------------------|--------|---------|-----------------|--------|---------|
| | Return | Contri. | | Return | Contri. |
| Nvidia (US) | 24.9% | 0.9% | Salesforce (US) | -14.2% | -0.6% |
| TSMC (US) | 8.3% | 0.3% | Workday (US) | -14.9% | -0.3% |
| Teradyne US) | 19.4% | 0.3% | ServiceNow (US) | -6.7% | -0.2% |
| Applied Material (US) | 6.8% | 0.2% | Daifuku (Japan) | -17.0% | -0.2% |
| Microsoft (US) | 5.2% | 0.2% | PayPal (US) | -8.7% | -0.2% |

Source: DoubleDividend/Bloomberg

Portfolio changes

The position in Novonosis (formerly Novozymes) has been sold. Due to the increased price, the share has become relatively expensive in relation to the expected growth and we see better opportunities elsewhere. Lululemon Athletica has been newly added to the portfolio. Lululemon is best known for its (sustainably produced) yoga clothing and has a strong position in the US. However, the company is expanding into other product categories and regions, resulting in above-average growth. Thanks to the high quality of its products and corresponding prices, Lululemon benefits from above-average profit margins. As a result of disappointing quarterly figures, the share has fallen by around 40% this year, which has created an attractive point of entry for a sustainable company with good long-term growth prospects.

Table: top 20 holdings in portfolio by the month end.

| Companies & weight in portfolio | | | |
|---------------------------------|------|---------------------------|------|
| Alphabet (US) | 4.9% | Crowdstrike (US) | 2.9% |
| Amazon (US) | 4.9% | Thermo Fisher (US) | 2.8% |
| Nvidia (US) | 4.5% | Adobe (US) | 2.7% |
| Microsoft (US) | 4.3% | Visa (US) | 2.5% |
| TSMC (Taiwan) | 3.7% | LVMH (France) | 2.3% |
| Applied Materials (US) | 3.6% | Danaher (US) | 2.1% |
| Salesforce (US) | 3.5% | PayPal (US) | 1.9% |
| ASML (NL) | 3.4% | Edwards Lifesciences (US) | 1.9% |
| AMD (US) | 3.2% | Palo Alto (US) | 1.9% |
| ServiceNow (US) | 3.0% | Workday (US) | 1.8% |

Source: DoubleDividend

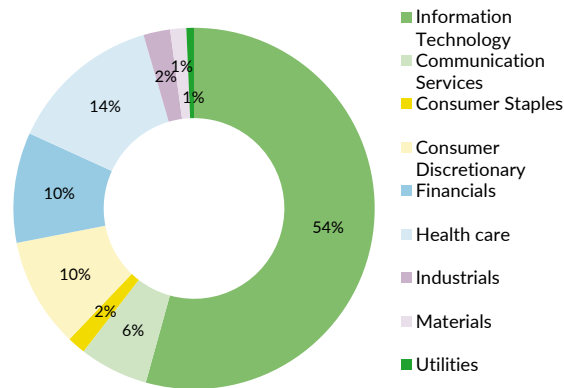
Appendix: portfolio characteristics

Table: Characteristics portfolio DDEF per month end

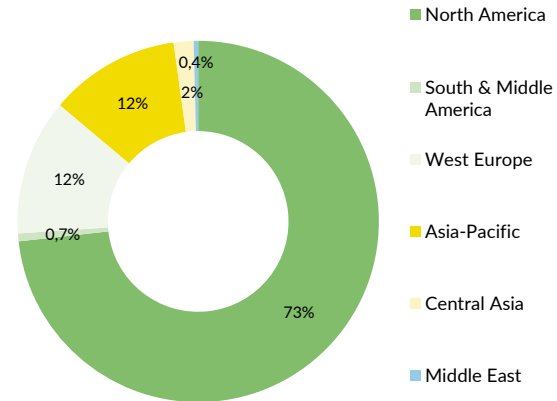
| Valuation | | growth | |
|--------------------|------|---------------------------|-------|
| P/E ratio | 36.4 | Revenue growth | 0.2% |
| P/E ratio expected | 26.0 | EBITDA growth | 57.0% |
| EV/EBITDA expected | 18.0 | Gross profit margin | 51.7% |
| Dividend yield | 0.9% | Operational profit margin | 17.0% |
| Price/cashflow | 23.1 | VAR (value at risk) | 20.4% |
| Beta | 1.3 | Standard deviation | 18.6% |

Source: DoubleDividend/Bloomberg

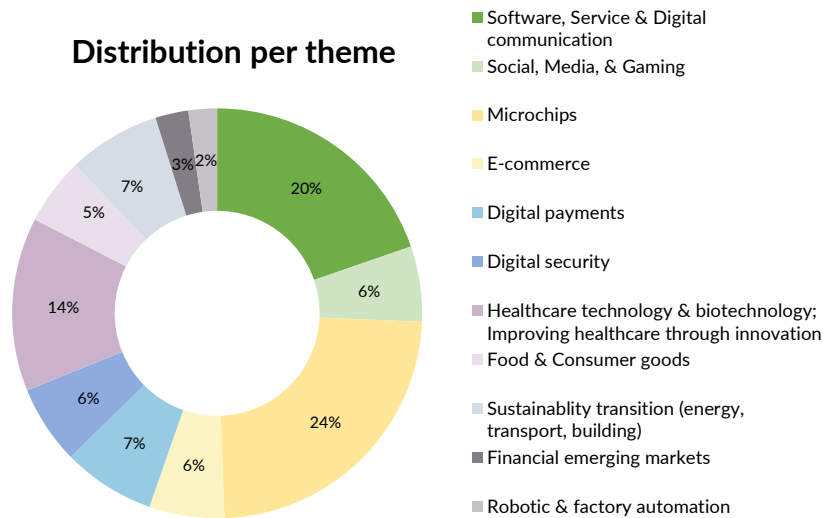
Distribution per sector (GICS)



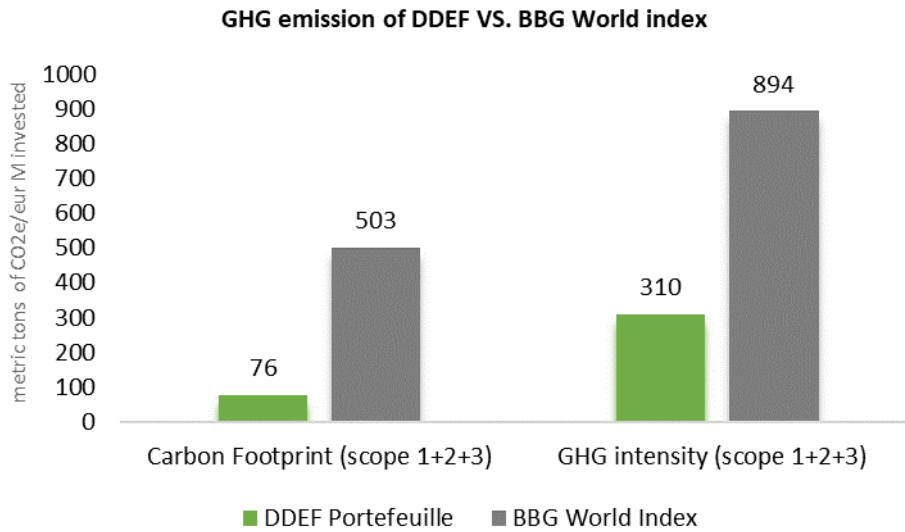
Distribution per region



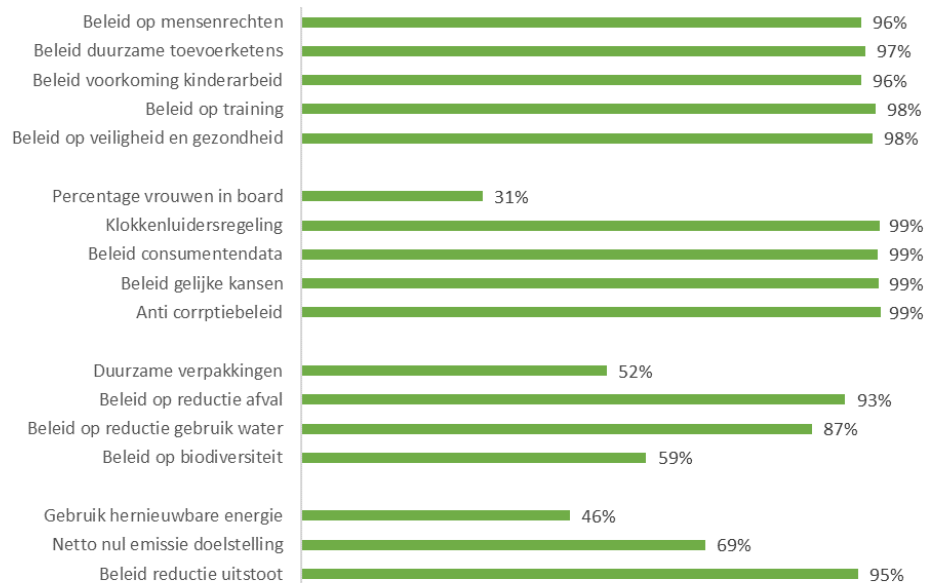
Distribution per theme



DDEF ESG-Overview



**ESG Impact van portefeuille
(% bedrijven in portefeuille)**



Source: DoubleDividend/Bloomberg

More information on the fund's sustainability features can be found on our [website](#) and in the DD Equity Fund prospectus. It is important to consider all the features of the fund, as described in the prospectus, before making an investment decision.

This document has been prepared by DoubleDividend Management B.V. All information in this document has been compiled with the utmost care. Nevertheless, the possibility cannot be excluded that information is incorrect, incomplete and/or not

up-to-date. DoubleDividend Management B.V. is not liable for this. No rights whatsoever can be derived from the information offered in this document.