

DD EQUITY FUND

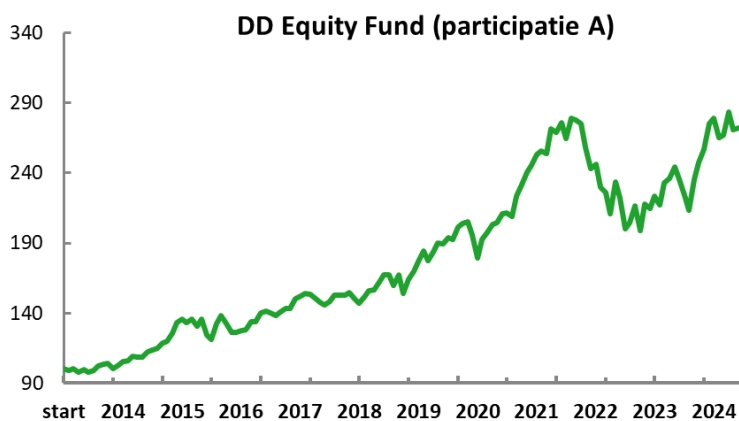
Monthly report September 2024

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 0.4% in September 2024, as a result of which the net asset value per unit A rose to € 273.1.



* 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	€211 mln
# shares outstanding A	522,735
# shares outstanding B	151,739
# shares outstanding C	93,541
Net Asset Value A*	€ 273.11
Net Asset Value B*	€ 276.88
Net Asset Value C*	€ 279.49
# of positions	70
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	6.14	-4.41	0.37	0.38				10.61

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

	1 year	3 year	5 year	10 year	Since start**
Total Return	22.0%	3.4%	44.2%	141.3%	173.1%
Annualized Total Return	22.0%	1.1%	7.5%	9.2%	9.1%

Source: Bloomberg/DoubleDividend

** April 2013

Market developments

The US Fed cut interest rates by 0.5% last month. That interest rates would be cut was no surprise, but the size of the move (0.25% or 0.50%) was part of debate among economists and analysts. The question is: has the Fed cut interest rates by a bigger step because of the progress made in fighting inflation, or are there mainly concerns about labor market developments? Fed Chair Powell particularly emphasized falling inflation, adding that the U.S. economy is still strong. Inflation is moving towards the 2% target, the economy is growing and unemployment is still low. The main risk to the stock market is shifting from inflation to economic growth, but as long as this growth remains at a decent level and unemployment is low, the outlook for equities remains good. There is also hope that the American consumer will spend more again when interest rates fall and inflation is under control. The upcoming election as well as geopolitical tensions remain the biggest risk for the U.S. market.

In Europe, the ECB also cut interest rates, but by 0.25%. In Europe, however, the outlook is less rosy. Inflation here is also developing sustainably towards 2%, but the economic growth outlook is a lot less favourable than in the US. The ECB has revised its economic growth forecasts for 2024, 2025 and 2026 downwards. The weak economic outlook was underlined last month by problems in the automotive sector, which is important to Europe. Volkswagen, Mercedes, BMW and Stellantis (ao Fiat, Jeep and Citroën) came up with poor figures and profit warnings. Europe's hopes for electric car batteries Northvolt also came with bad news and is going to lay off 20% of its staff. Europe's problems are not only cyclical in nature, but also lack of innovation, over-regulation and wavering policies. The recent developments at Intel are exemplary of the situation in Europe. Intel is going through a problematic period and has to roll back planned investments in new chip factories. The company is therefore putting the plans for the construction of two factories in Europe on hold for the time being (despite billions in subsidies), but is continuing its investment plans in the US and Asia. The Intel factory in Magdeburg, Germany, was supposed to be Europe's answer to more self-sufficiency in the chip sector.

Recent developments in China may offer some hope for Europe. Recognizing that the 5% economic growth target is unlikely to be met, the Chinese government has announced a series of stimulus measures to stimulate the economy. A rebound in Chinese growth is important for Europe because of its close trade relations. The new measures led to a sharp rise in the price of Chinese equities and China-related sectors. In DDEF's portfolio,

insurers AIA Group and Ping AN rose sharply, but the share prices of companies such as LVMH, Estee Lauder and Lululemon also rebounded.

Largest positive and negative contribution

Salesforce was the largest positive contributor to the result. The company gave a presentation on the implementation of AI in its services. Salesforce's so-called "agents" are tasked with helping customers with CRM applications. Salesforce is also introducing a new pricing model. The AI agents of Salesforce are not priced according to a traditional subscription model per seat, but pricing will be consumption based. Salesforce customers will pay \$2 per AI chat or AI search instead of a fixed amount per user. With the new pricing model, Salesforce is preparing for the potential effects of AI on the job market. If AI turns out to be very successful and leads to more productivity, fewer people will be needed at for example a service desk. If the software is then paid per user or seat, the turnover of software companies will come under pressure. If pricing is instead consumption based, revenues could grow significantly for companies such as Salesforce.

Other software companies including Adobe, ZScaler and Workday made a negative contribution to the result last month. The software sector has shown mixed results this year. Some investors are wondering when AI applications will lead to accelerated revenue growth in the software sector. We think investors need to be a little more patient on this front. The applications of AI in the software sector are still in an early phase. Software users will want to see the added value before paying extra. Software companies are also suffering from competitive spending in the IT market. Due to substantial investments in AI infrastructure, there is less budget left for other investments.

Ping AN benefited from the recovery of the Chinese stock market. ASML and other chip equipment companies suffered from the malaise at chip manufacturer Intel. Because the company is postponing some investment projects, there will also be less demand for equipment to produce chips. However, it is expected that this space in the market will be filled by other chip manufacturers such as TSMC and Samsung. The demand for chips for AI applications remains high, while the cyclical markets (PCs, phones, automotive) are likely to recover next year.

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

Top 5 Positive			Top 5 Negative		
	Return	Contri.		Return	Contri.
Salesforce (US)	7.5%	0.3%	Adobe (US)	-10.6%	-0.3%
Ping An (China)	37.5%	0.3%	Zscaler (US)	-15.2%	-0.3%
AMD (US)	9.6%	0.3%	ASML (NL)	-8.2%	-0.3%
Amazon (US)	3.5%	0.2%	Workday (US)	-7.9%	-0.2%
ServiceNow (US)	3.8%	0.2%	PaloAlto (US)	-6.5%	-0.1%

Source: DoubleDividend/Bloomberg

Portfolio changes

Last month, we added Broadcom and Atlas Copco to the portfolio. Broadcom is an US technology company active in the field of software and chips. The company is particularly active in the field of network software and chips, benefiting from the investments in digital infrastructure needed to implement AI applications. Atlas Copco is a Swedish industrial group that is mainly involved in compressor and vacuum technology that has wide applications, especially in industry. Atlas Copco makes innovative products that contribute to making the manufacturing sector more sustainable and the company has a long track record of growing sales and increasing market share. Thanks to innovative products and a strong market position, the company is able to achieve above-average profit margins.

France's L'Oréal has been bought back after its stock fell this year. Existing positions in Marvell technologies, United Health, Oracle, Nestle, NVIDIA and Synopsys have been expanded. Positions in Servicenow, Infosys, Air Products, Adobe and Workday have been reduced somewhat.

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

Companies & weight in portfolio			
Amazon (US)	5.2%	ASML (NL)	2.7%
Microsoft (US)	5.0%	Visa (US)	2.5%
Alphabet (US)	4.6%	Thermo Fisher (US)	2.4%
Salesforce (US)	3.7%	PayPal (US)	2.3%
TSMC (Taiwan)	3.5%	LVMH (Frankrijk)	2.2%
Applied Materials (US)	3.0%	Palo Alto (US)	2.0%
Nvidia (US)	3.0%	Workday (US)	2.0%
ServiceNow (US)	2.9%	Mastercard (US)	1.9%
AMD (US)	2.8%	Danaher (US)	1.8%
Adobe (US)	2.8%	UnitedHealth (US)	1.7%

Source: DoubleDividend

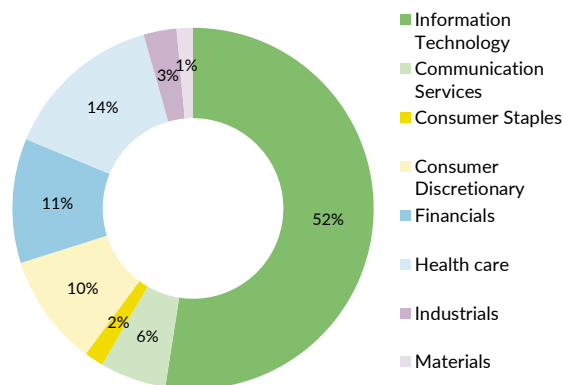
Appendix: portfolio characteristics

Table: Characteristics portfolio DDEF per month end

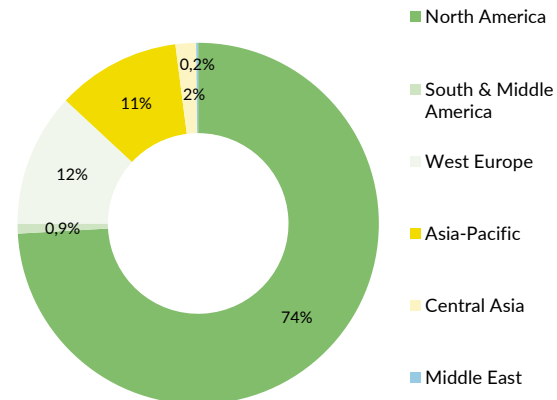
Valuation		growth	
P/E ratio	36.0	Revenue growth	0.3%
P/E ratio expected	25.6	EBITDA growth	42.5%
EV/EBITDA expected	18.1	Gross profit margin	50.6%
Dividend yield	1.0%	Operational profit margin	16.2%
Price/cashflow	21.1	VAR (value at risk)	29.7%
Beta	1.3	Standard deviation	18.1%

Source: DoubleDividend/Bloomberg

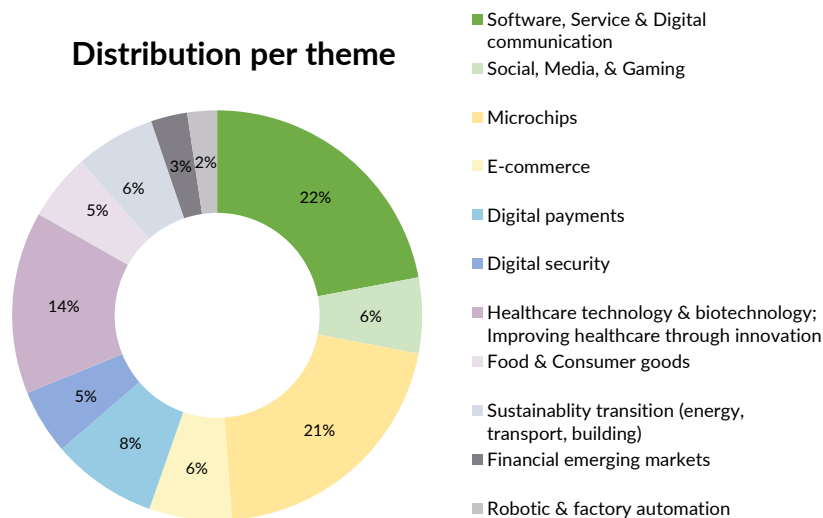
Distribution per sector (GICS)



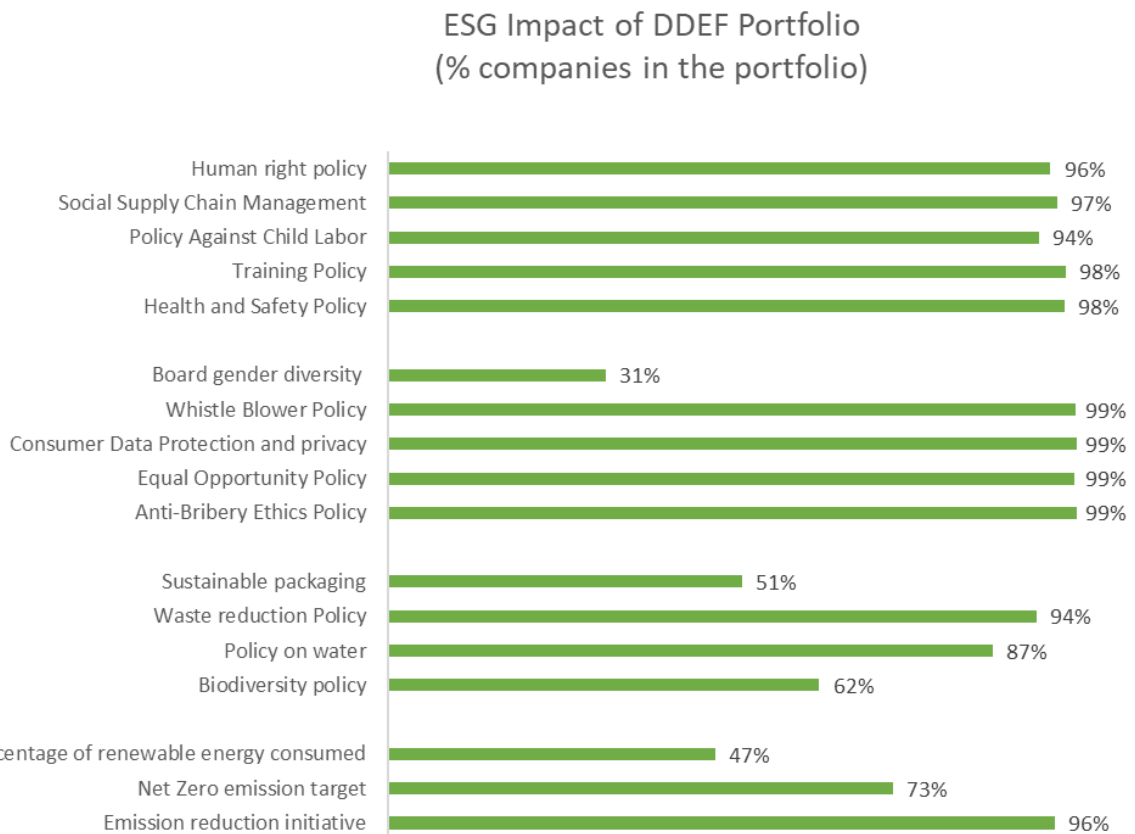
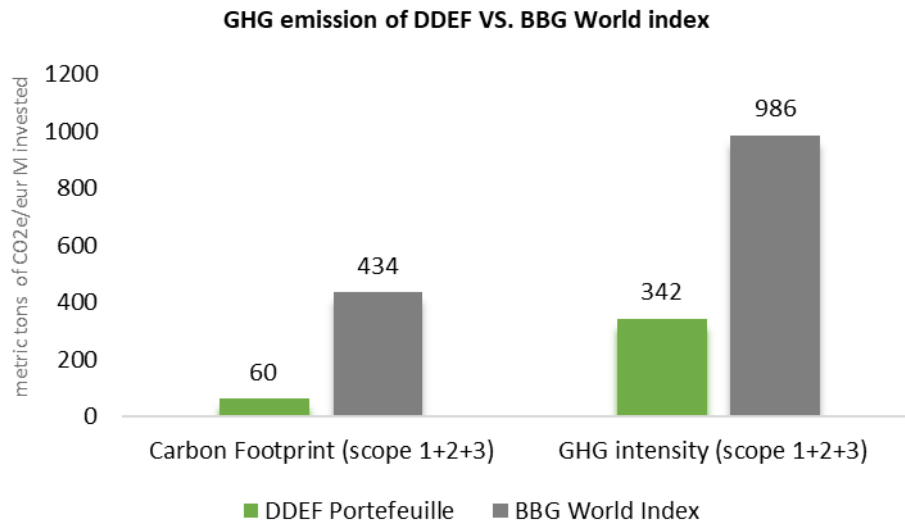
Distribution per region



Distribution per theme



DDEF ESG-Overview



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.

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