

BRANDARIS CAPITAL

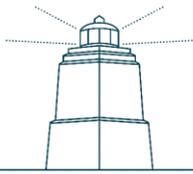
Absolute Return Fund

Fund Information

January 2018

**Attention! This investment falls outside AFM supervision.
No license and no prospectus required for this activity.**

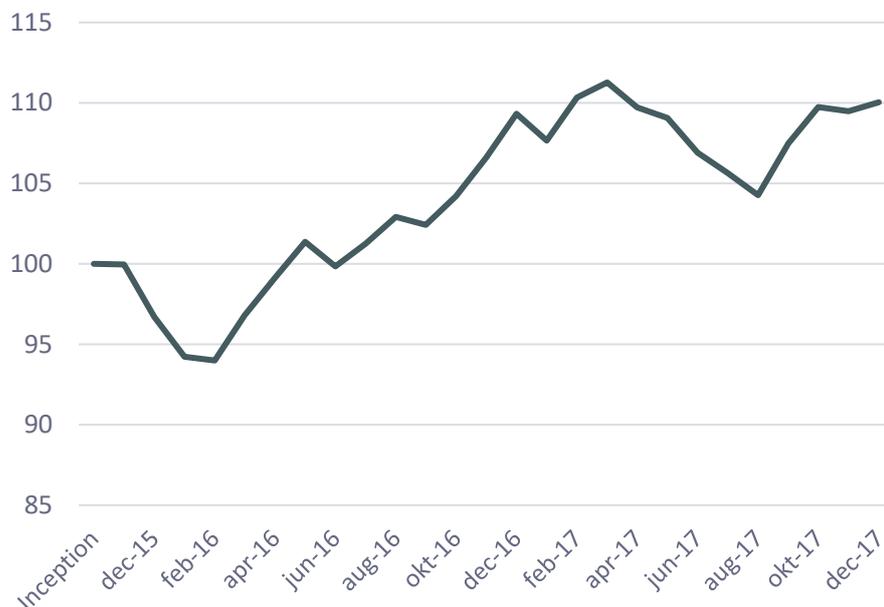




The Brandaris Capital Absolute Return Fund (BCARF, or the Fund) aims to achieve a consistently superior, risk adjusted long-term absolute return at below market volatility. The BCARF strategy targets long-term, moderate-risk, diversified investments in various asset classes, such as high dividend stocks and bonds combined with a tailored derivatives strategy.

BCARF focuses on (experienced) private and institutional investors with sufficiently freely available capital to be able to invest at least € 100.000 for a longer period. The BCARF is regulated as an AIFMD-light regime by the Dutch AFM.

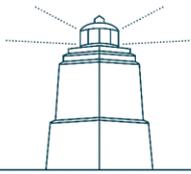
PERFORMANCE BCARF



1) Return Brandaris Capital Absolute Return Fund is calculated after all costs

2017 RESULTS

The year 2017 was a challenging year for our Absolute Return Fund. Good returns on equities and fixed income were largely offset by the strengthening of the Euro versus the US dollar, Pound Sterling and CH franc, leading to short term currency losses on all our non-Euro investments. Our value focus on stocks with healthy dividends and substantial share buybacks continued to perform. In fixed income good returns were achieved through high yield bonds, albeit that it becomes more and more difficult to find attractive fixed income securities. With rates increasing in the USA and the first signs of diminishing quantitative easing in Euro, making good returns in fixed income securities challenging but not impossible.



FUND MANAGER'S VIEW

The main driver for a positive return is a well-diversified portfolio of highly liquid large cap stocks, often with a global franchise. As Fund Manager, we believe that well run global companies, with strong franchises, are drivers of long-term value creation and should form the core of the portfolio. The companies the Fund invests in typically have a value tilt and generate healthy dividends, and these stocks are selected using a sophisticated screening model. The Fund also pays attention to technology stocks with strong a strong track record of share buybacks or with healthy dividends. Furthermore, it tends to invest in special situation stocks. i.e. merger of takeover candidates with substantial undervaluation. Some 20% of the equity exposure is typically invested in these stocks.

As Fund Manager, we believe that most developed world government bonds will not be a source of positive returns for the foreseeable future. With 10-year government bond yields in Euro or US Dollars between minus 50 and 300 basis points, and inflation expectations of at least 100 to 200 basis points, we consider these government bonds a highly risky asset class. In short duration German, Dutch, French and Swiss government bonds achieve substantial negative yields (up to 7-9 years), even before inflation. The same applies to holding cash. As regulators in western economies tend to define these government bonds as risk free assets, banks, insurance companies and pension funds have been forced to invest in these assets despite substantial negative return expectations, especially if corrected for inflation. Even wealthy private and preferred banking clients have been forced to invest at least part of their portfolio in these currently unattractive assets.

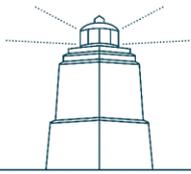
With the European central banks and the US Federal Reserve buying substantial amounts of their own government bonds, normal positive yield expectations have been artificially reduced to extremely low levels. These policies are not sustainable and, once own-buying by central banks is reduced or terminated, this will lead to large losses in these bonds.

The intellectually flawed concept of risk as volatility provides investors who are only interested in achieving positive returns, a unique opportunity to create value despite today's extreme low-yield environment.

Wealthy investors or well capitalized financial institutions should, in our opinion not invest in assets with negative return expectations (i.e. government bonds and cash). To the contrary, it is probably much more attractive, given the current environment, to apply some limited leverage.

Hence, to obtain an absolute positive return, the Fund focuses on investing in high yielding equities, high yielding bonds of financials and in high yielding corporate credits. Through tactical asset allocation, holdings in equities (60- 80%) and high yield bonds (20-40%) vary.

Although these assets are currently considered by regulators to be riskier in their definition of risk as volatility, the Fund believes that high yield equities and high yield bonds will, over time, generate substantial positive absolute returns, despite



occasional volatility, and offer much better positive return expectations. A compound positive return expectation is the best way to counter the traditional definition of risk as volatility.

Not surprisingly, the Fund avoids investing in government bonds of the developed world, and prefers not to hold cash (although occasionally it might hold some). Some limited leverage (maximum 30%) is applied.

By combining a high dividend yield equities portfolio with a high yield bond portfolio, further diversification and risk reduction are obtained. Risk in this definition is not so much volatility, but the chance of generating negative returns.

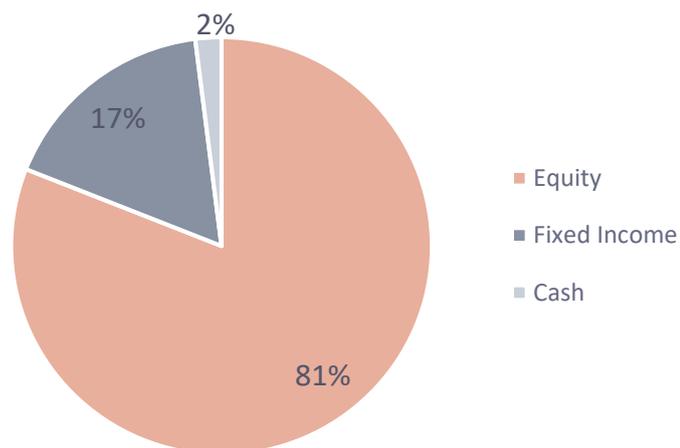
By regularly writing a call option overlay on underlying stocks in our portfolio, the underlying return of the portfolio is enhanced and the downside risk is reduced. Part of the premiums received are invested in limiting the downside risks, so reducing the downside risks in the Fund.

Finally, the Fund aims for a liquid portfolio as the Fund's investors should be able to withdraw their investments at relatively short notice (if they so wish).

The focus of the Brandaris Capital Absolute Return Fund is to grow the value of your investments

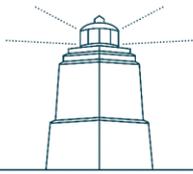
PORTFOLIO OVERVIEW

CURRENT ALLOCATION

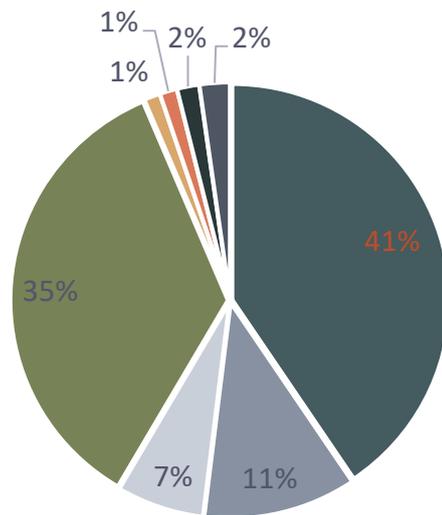


- Allocation per 31 December 2017

Brandaris Capital Absolute Return Fund is currently invested in 81% Equities, 17% Fixed Income and 2% cash.

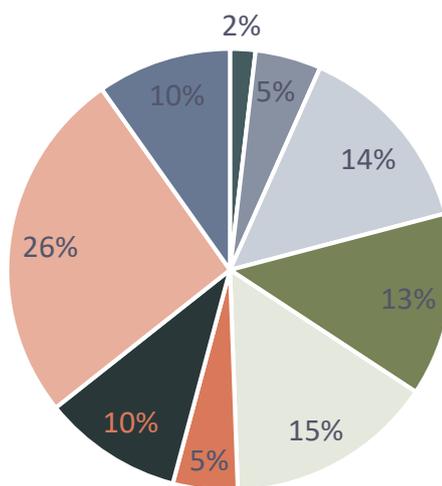


EXPOSURE PER COUNTRY

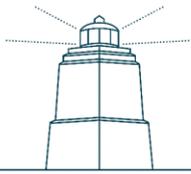


- Netherlands
- Great Britain
- Switzerland
- United States
- Japan
- Australia
- Singapore
- Canada

EXPOSURE PER SECTOR



- Customer Discretionary
- Consumer Staples
- Energy
- Financials
- Healthcare
- Industrials
- Materials
- Information Technology
- Telecommunication Technology

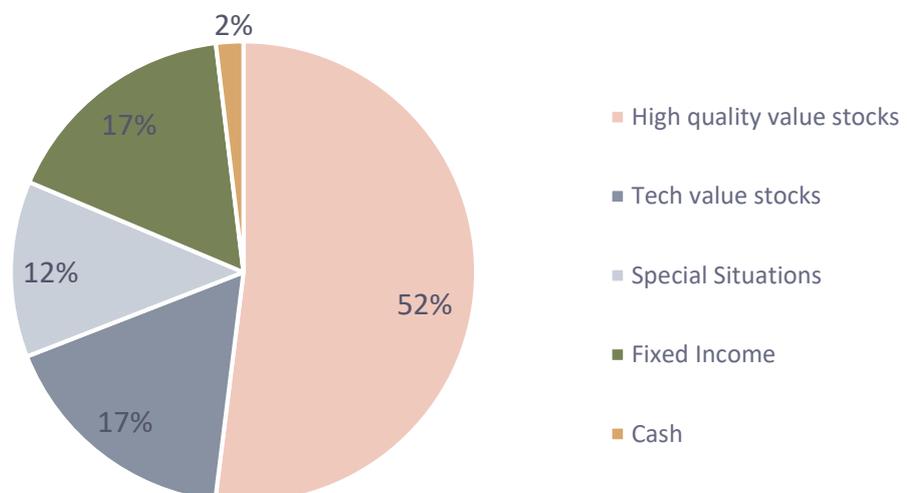


INVESTMENT STRATEGY

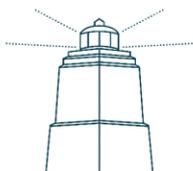
The Fund's investment objective is to provide investors with consistently superior, risk adjusted, long-term absolute returns, targeting an annual return of 6%-8% consistent with prudent investment management.

Brandaris Capital Absolute Return has an absolute return approach with a clear investment strategy on selecting our securities, we have five investment categories:

- 1) **High quality value stocks:** Large cap stocks in developed countries with a global franchise picked through our screening model. Important criteria are the dividend yield and Enterprise Value / EBITDA multiple.
- 2) **Tech value stocks:** These technology stocks need to have a unique product, high free cash flow, a strong market position and a share buyback program and/or good dividend yield.
- 3) **Special situation stocks:** These stocks are in our portfolio for short term return opportunity. These companies are in a take-over situation or are under pressure by shareholders to merge, sell-off or return more to their shareholders.
- 4) **Fixed Income:** As fund manager we also invest in fixed income security as important long-term income security and as a good diversifier for our portfolio. We typically invest in investment grade fixed income with a good yield to next call date and an issuer with a good risk/return profile.
- 5) **Option strategy:** We use an option strategy to enhance return and protect the downside risk. We typically use options when a single security has performed well.



- Allocation per 31 december 2017



LARGEST HOLDINGS 2017

Name Company	% of Equity Portfolio	Dividend Yield 12 months forward
1. Royal Dutch Shell	6.9%	6.5%
2. Akzo Nobel	6.5%	7.8%
3. Alibaba	4.7%	1.3% due to share buybacks
4. ING	3.7%	4.2%
5. Verizon	3.5%	4.4%

Why especially these five companies:

Royal Dutch Shell has been in our portfolio as from the start. At the moment, it has the highest dividend yield of our screening model. Besides the high dividend we think that Shell has positioned itself well with the acquisition of BG last year. This means we believe that Shell has a good future free cash flow to maintain their high dividend and to maintain their position as one of the biggest companies in the world. Shell had a good year because of the rising oil prices and has shown that the integration of BG worked out well.

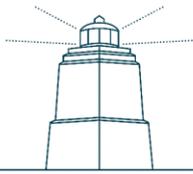
Akzo Nobel is a special situation stock in the BCARF portfolio. Current trading price gives Akzo Nobel good upside potential. Three reasons:

- 1) We still think at the current price it is an interesting company for strategic investors.
- 2) Separation of Specialty Chemicals in the first half of 2018; the vast majority of net proceeds will be returned to the shareholders.
- 3) After its special cash dividend of 4 Euro a share Akzo Nobel has a 12-months dividend yield of 7.8%.

Alibaba is new in our portfolio. It is added as a tech value stock. BCARF invested in Alibaba because of their strong market position and their share buyback program of 6 billion in the coming 2 years. Next to that we think Alibaba is well positioned in China, Europe and the US. Which gives, in our view, Alibaba an advantage compared to its peers. Alibaba had a modest return of 1.5% since introduction in the portfolio.

ING has been in our portfolio from the start. ING shows growth in several businesses. We believe in the strategic plans of its management. These strategic plans position ING well for the future. ING is one of the system banks in the Netherlands compared to its peers that is positioning itself for the transformation to online and digital banking.

Verizon, has been in our portfolio from the start. Verizon is a dividend aristocrat with a dividend yield of 4.4%. Verizon is a high value stock in our portfolio. They've been in our portfolio because of its strong market position, high free cash flow and the cash it returns to shareholders. Verizon's stock declined in the first half of 2017. Investors saw competitors as Sprint and T-Mobile switch to unlimited data and adding more wireless clients. Which gave a higher churn rate for Verizon. Investors doubted if Verizon could turn this around and maintain and add clients in the wireless business.

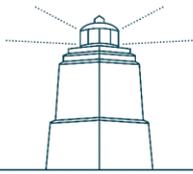


After good second- and third quarter earnings Verizon showed its investors that they could grow their wireless business while scaling its media business.

Rabobank Certificates is in our opinion an attractive fixed income security with a healthy risk/return ratio. It made a good return since introduction to the fund. Its return in the fourth quarter was good as well.

Generally, the Fund may invest in equities and debt securities of any maturity or duration. The Fund will focus on a balanced portfolio of equities and high yielding debt securities.

- **Equity:** Approx. 70% of the total portfolio will be in listed equities (60% - 80% min/max), typically in some 25 long names (20 - 30 min/max), with a maximum of 5 names as opportunistic trading. Selection is based on weekly screens with indicators such as Dividend Yield, Enterprise Value/EBITDA, Price Earnings ratios, and relative to market developments.
- **Debt Securities:** Approx. 30% of the total portfolio is invested in high yielding Fixed Income (20% - 40% min/max).
- **Derivatives:** These are used to optimize risk and returns. The Fund can write out money calls with different durations to enhance returns. These durations range between 3, 6, 9 and 12 months on underlying positions. Revenues from calls can be used to buy put options. Put options are preferably bought on specific names, but can also be bought on an index to reduce downside risk. Put options can also be written to efficiently obtain required long positions, or, if not successful, enhance return.



Investment restrictions

The Fund has built in the following quantitative restrictions to manage the risks inherent to the Fund's investment portfolio:

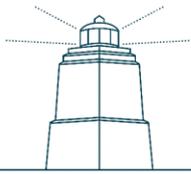
- A maximum of 25% of the total investment will be made in a single security on entry, with the exception of ETFs and other exchange listed investment funds;
- A maximum of 25% of the total investment will be held in a single security, with the exception of ETFs and other exchange listed investment funds; if the threshold is breached, and the security position does not have trading restrictions imposed, the Fund Manager will initiate steps to reduce the weighting of the security as soon as reasonably possible;
- The Fund Manager does not intend to invest in private (non-listed) securities;
- The Fund Manager can use a maximum of 30% of the Fund's Net Asset Value for leverage; and
- The Fund Manager is allowed to enter short positions in companies encountered during the screening process up to a maximum of 50% of the Fund's Net Asset Value.

Changes to the investment policy or the investment restrictions

Any (proposed) changes to the investment policy or the investment restrictions will be made known to the Unit Holders in the manner set out in section 16 of the Prospectus.

Leverage

The Fund Manager expects to use a certain degree of leverage in its trading and investment activities in order to seek enhanced returns. The Fund Manager is authorized to undertake short-term and long-term borrowings (including reverse repurchase agreements), which may be secured by all or part of the assets of the Fund and recourse by counter parties may be made solely against the assets of the Fund. Borrowing money to purchase an instrument may provide the opportunity for greater capital appreciation but at the same time will increase the risk of loss with respect to the instrument. Although the use of leverage increases returns to the Fund if it earns a greater return on the incremental positions purchased with the borrowed funds than it pays for such funds, the use of leverage decreases returns to the Fund if it fails to earn as much on such incremental positions as it pays for such funds. The amount of borrowings that may be outstanding at any time by the Fund has been maximized to 30% of the Net Asset Value.



Risks

The prices of, and the income generated by, the securities held by the Fund may decline in response to certain events taking place around the world, including those directly involving the issuers whose securities are owned by the Fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate and commodity price fluctuations.

The Fund Manager attempts to reduce these risks through diversification of the portfolio and ongoing credit analysis, as well as by monitoring economic and legislative developments, but there can be no assurance that it will be successful at doing so. The Fund intends to limit the amount it invests in any single issuer and/or equity. An overview of potential risks is listed in the Fund Prospectus.

RETURN STATISTICS

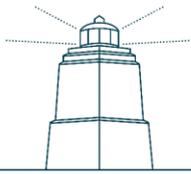
OVERVIEW

Last Month (2017)	0.5%	Dividend yield 2017	4.2%
Performance (2017)	0.7%	% of positive Months	54%
Inception to Date	10,0%	Best Month	3.2%
Performance 2016 (* before performance fees)	14.9%	Worst Month	-3.3%

MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2015											0.0%	-3.3%	-3.3%
2016	-2.6%	-0.3%	3.0%	2.4%	2.5%	-1.7%	1.6%	2.1%	-0.6%	1.7%	2.9%	3.2%	14.9%
2017	-1.5%	2.7%	1.1%	-1.4%	-0.6%	-2.0%	-1.2%	-1.3%	3.1%	2.1%	-0.2%	0.5%	0.7%

*All Returns are calculated before performance fees but after all costs



FUND MANAGER'S VIEW OF 2018

The outlook for 2018 for the Brandaris Capital Absolute Return Fund is positive. Equities are still an attractive asset class and our portfolio consists of high quality companies with healthy dividends and good prospects for share buybacks. Also our special situation stocks offer good return prospects. In fixed income we expect good returns to continue despite rates increases due to the high carry in securities selected. The strengthening of the Euro in 2017 against all other major currencies has improved the attractiveness of our non-Euro denominated investments. Main risk is rapidly increasing short and long-term interest rates. Although not impossible, we only expect gradual rate increases in the US and continued low rates in Europe. In case rapidly increasing rates do take place in 2018, we will start protecting downside risks in our equity portfolio. On balance we expect a positive year for our absolute return strategy.

NET ASSET VALUE AND FEES

Net Asset Value

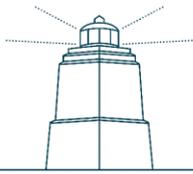
The Net Asset Value will be calculated at least once a month by the Administrator, as set out in section 9 of the Prospectus. At the start of the Fund, Units in the Lead Series haven been issued with a Net Asset Value of €100 per Unit.

Request for issue or redemption

Note that the liquidity of this Fund is restricted. Requests for the issue or redemption of Units may be made to the Administrator by means of the forms provided for this purpose. The Fund Manager may not be obliged to honor a request for issue or redemption of Units under certain exceptional circumstances. (See Prospectus sections 10 and 11)

Transactions are possible every first business day of the month (the Transaction Day). The minimum initial subscription from a new investor is €100,000, additional subscriptions may be accepted with a minimum of €10,000 per transaction. The Fund may issue a new Series on each Transaction Day at €100 per Unit. Applications for the subscription of Units should be submitted to the Administrator at least five (5) Business Days prior to the desired Transaction Day.

If requested by a Unit Holder, the Fund will accept redemptions of Units in a Series on a Transaction Day. Unit Holders should send a completed redemption form to be received by the Fund Manager at least thirty (30) Business Days before the desired Transaction Day. Partial redemption is only possible if the Unit Holder holds a minimum of €100,000 in Units thereafter.



Management and Performance fee

The management fee for administration et cetera is 0.3% per quarter (1.2% annually). The performance fee is a reward for the actual performance of the Fund and is based on the High-Water Mark principle separate from our administrative fees. A performance fee shall only be payable if the Net Asset Value has increased and if, as a result of such increase, the highest Net Asset Value reached earlier is exceeded. The Net Asset Value shall be adjusted to take into account the effects of any redemptions, subscriptions and distributions during the quarter.

Dividends

The Fund does not intend to pay any dividends. However, the Fund Manager, at its sole discretion, may decide to pay any amount of dividends in the future.

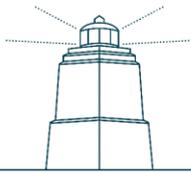
Voting policy

In some cases, there are voting rights attached to the instruments in which the Fund invests. Should voting rights exist, the Fund Manager may decide to make use of them. In case the Fund Manager decides to use any shareholders' rights, he will do so in such a way that it will most likely help realize the investment objective of the Fund.

PROSPECTUS

Brandaris Capital has issued a Prospectus for the Brandaris Capital Absolute Return Fund. Please read the Prospectus before making your investment decision. The Prospectus will be provided free of charge (by e-mail) on request to the Fund Manager.

If you are interested in investing or would like to receive further information or the prospectus, please contact info@brandariscapital.com



DISCLAIMER

The information set forth in this document is of a summary purpose and nature only and is expressly subject to the contents of the Information Memorandum of the Brandaris Capital Absolute Return Fund, which will prevail. Prospective investors in the Fund should read the Information Memorandum before making an investment decision.

FUND FACTS AND COSTS AS PER 31 DECEMBER 2017

Management Fee	1.2% (0.3 Quarterly)	Prime Broker	Binck Bank
Performance Fee	20% (Above HWM*)	Infrastructure	Bloomberg
Minimum Subscription	Eur 100,000	Auditor	Visser & Visser
Redemption	Monthly	Fund Domicile	The Netherlands
Subscription/Redemption	0.1%/0.1%	High Watermark (Lead ser)	111.27
Fund Structure	FGR (Netherlands)	High Water Mark (calcul)	Each Quarter
Administrator	Circle Partners	Contact	Derk Hoek

*HWM = High Water Mark



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