

BRANDARIS CAPITAL

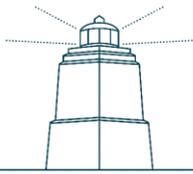
Absolute Return Fund

Fund Information

2019

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



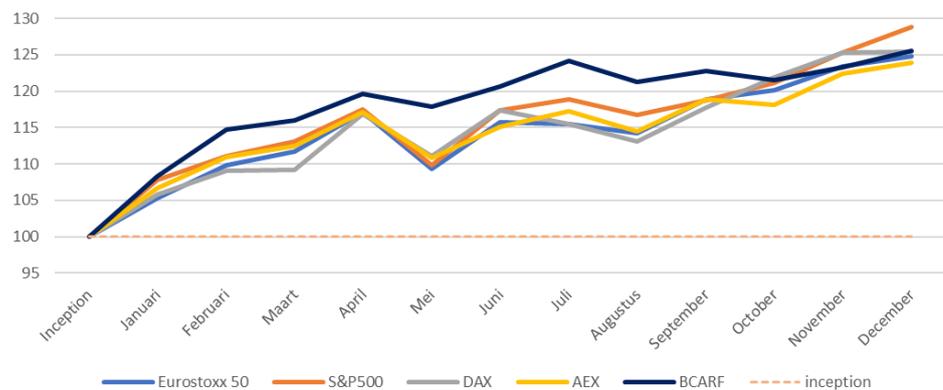


FUND STRATEGY

The main driver for a positive Return is a well-diversified portfolio of highly liquid large cap stocks, often with strong franchises, these stocks 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 high dividends or with a strong track record of share buybacks. Furthermore, it tends to invest in special situation stocks, i.e. merger or takeover candidates with substantial undervaluation. Some 20% of the equity exposure is typically invested in these stocks.

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.

Performance Brandaris Capital Absolute Return Fund



- 1) Return Brandaris Capital Absolute Return Fund is calculated after all costs
- 2) Performance over 2019 has 25.6%, fourth quarter return was 2.3% after all costs and performance fees
- 3) Net Asset Value Fund: 124.32
- 4) Performance of the fund was inline with global equity indices. Important to mention that BCARF is not fully invested in equities and therefore the comparison with equity indices is not fair.

Fund manager's view

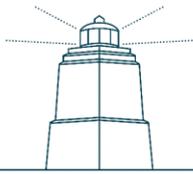
Dear shareholder,

It has been an interesting year for the fund. In the first six months we had a strong performance after a disappointing December 2018. The choice to keep our heavy weight in high-quality value stocks and high yield fixed income securities together with leverage of 7.7% helped to boost our return.

Third quarter of 2019 was interesting, Macroeconomic and geopolitical events following each other in rapid succession (e.g. Brexit, US-China Trade War and monetary policy by central banks). All contributing to volatile markets, which gave the fund opportunities, but also important to consider the risks of these highly volatile markets.

In the fourth quarter financial markets were stable, interest rates remained low and no big macroeconomic and/or geopolitical events took place. All together this helped global financial markets to perform well.

Nevertheless, it is important to anticipate on the potential risks. Therefore, we decided to reduce our leverage and hold some cash in place.

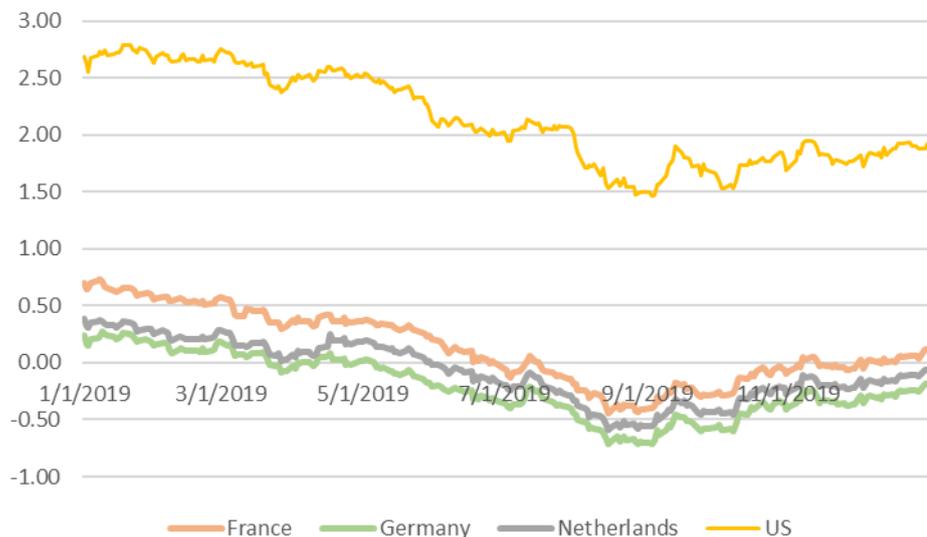


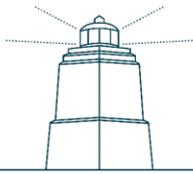
FINANCIAL MARKETS

Most impactful events in 2019 were the Brexit, US-China Trade War and monetary policy by central banks. As mentioned in the fund manager's view these events dominated financial markets. In the financial markets overview we show 10-year government bond yields, volatility and the oil-prices because we believe this had the most impact on our portfolio.

Interest rates

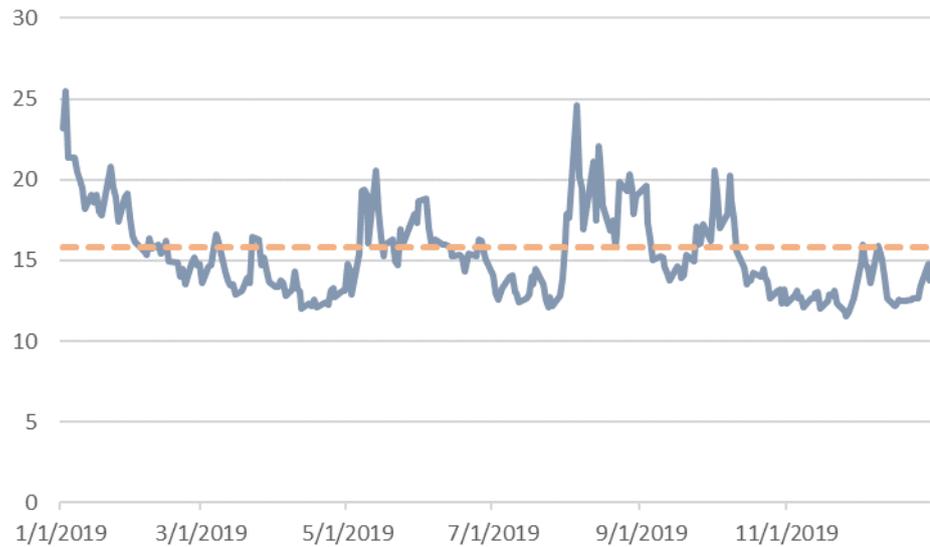
The graph below shows the impact on interest rates because of monetary policy by central banks in 2019. Yields on 10-year government bonds remained low, which confirmed our preference for equities and high yield fixed income.





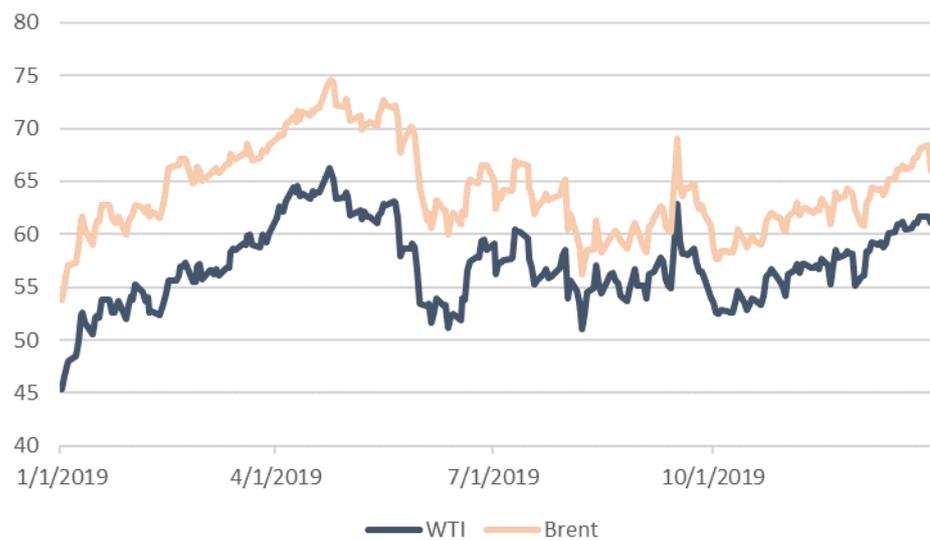
Volatility Index (VIX)

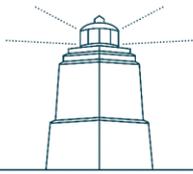
As shown in the graph below volatility rose in the third quarter and flattened in the fourth quarter. The VIX shows what happens to markets when big events as Brexit, Trade War and new geopolitical tensions take place.



Oil Prices

Oil prices recovered in the first half of 2019, after the big decline in October 2018. Oil stabilized on \$60 a barrel in the second half of 2019. With oil prices on these levels companies as Shell and BP remain highly profitable.



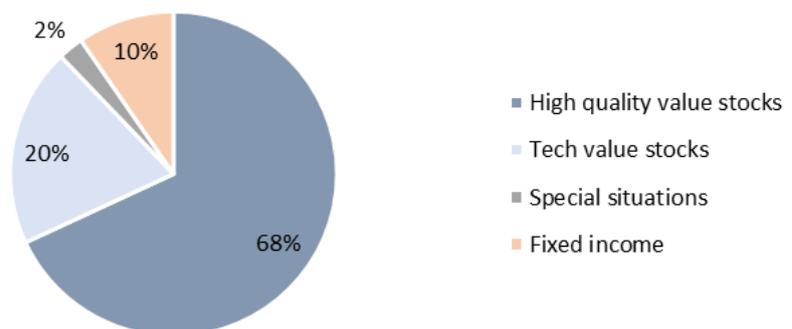


PORTFOLIO OVERVIEW

INVESTMENT STRATEGY

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

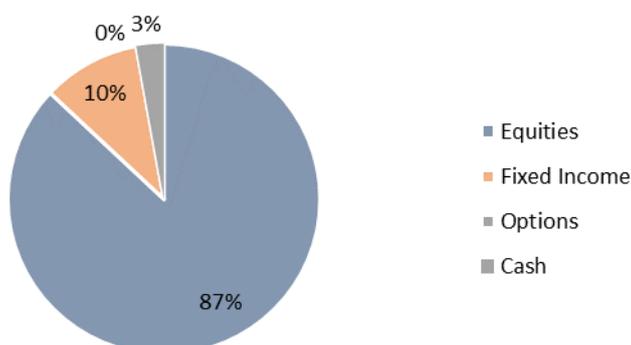
- 1) **High-quality value stocks:** Large-cap stocks in developed countries with a global franchise picked through our screening model. Important criteria are its dividend yield and Enterprise Value/EBITDA multiple.
- 2) **Tech value stocks:** These technology stocks need to have a unique product, high 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 as an important source of income 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.



- 1) % of total assets invested in the different investment categories on December 31, 2019.



CURRENT ALLOCATION



B.C.A.R.F.'s current allocation has (net) invested 87.0% in equities, 10.2% in fixed income securities B.C.A.R.F. had 2.8% cash. Net invested means that our long holdings together with our short holdings (short 8.2% of the portfolio) amount to a long position in equities of 87.0%.

PERFORMANCE ASSET CLASSES 2019

Asset Classes	4 th quarter return	Return YTD
Equities	4.0%	38.1%
Fixed income	2.1%	18.3%
Total return	3.9%	36.7%

* As per 31/12/2019 before fund and financing costs

LARGEST HOLDINGS 2019

Names	% of portfolio	4 th quarter return	Return YTD
Coface	10.1%	5.3%	43.8%
Royal Dutch Shell	6.9%	-1.9%	0.0%
Alibaba	5.5%	23.3%	58.4%
Nestle	4.5%	-2.8%	17.0%
Dr. Hoenle	4.2%	-11.6%	4.4%

* As per 31/12/2019 and ex-dividend.

Why especially these five companies:

Coface is specialized in trade credit risk and also offers other financial services including credit insurance, receivable management, debt collection, factoring, and business information solutions. Coface serves customers around the world. Coface is a high-quality value stock in B.C.A.R.F.'s portfolio.

Royal Dutch Shell has been in B.C.A.R.F.'s portfolio from the start. The Company, through subsidiaries, explores, produces, and refines petroleum. It operates in four segments: Integrated Gas, Upstream, Downstream and a small corporate segment.



Alibaba provides internet infrastructure, e-commerce, online financial, and internet content services through its subsidiaries. B.C.A.R.F. invests in Alibaba because of its strong market position in China, its worldwide presence and its outstanding products.

Nestle is a multinational packaged food company, that manufactures and markets a wide range of food products. The Company's product line includes milk, chocolate, confectionery, bottled water, coffee, creamer, food seasoning and pet foods.

Dr. Hoenle develops, manufactures and markets various types of UV-equipment for industrial applications. The Company's products are used to dry inks and lacquers, apply to plastics and adhesives, simulate sunlight and sterilize surfaces. Dr. Hoenle's operates throughout Europe, Asia and North America.

TOP PERFORMERS 2019

Names	4 th quarter return	Return 2019
Blackstone	12.2%	58.4%
Alibaba	23.3%	58.2%
Coface	5.3%	43.8%

*Return ex-dividend.

Blackstone operates as an investment company. The Company focuses on real estate, hedge funds, private equity, leveraged lending, senior debts, and rescue financing. Blackstone Group serves customers worldwide. As global financial markets performed well, Blackstone benefited from more capital inflow, which results in higher management fees, stronger performance across all business lines, which results in higher performance fees. All resulting in overall strong performance of its share price.

Alibaba, we invested in Alibaba because of their strong market position and their share buyback program. Alibaba is well positioned in both China, Europe and the US. Valuation of Alibaba compared to its peers is attractive. Stock price was under pressure because of the potential threats of the trade war. In 2019 Alibaba delivered a strong performance, due to strong earnings and the first deal between the US and China about the trade war solutions.

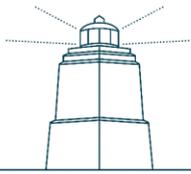
Coface delivered a strong performance in 2019. The company showed top-line premium growth of 7%, low expense ratios, and an overall strong combined ratio¹ of 77.7%. With a dividend yield of 8% at the beginning of the year, Coface was undervalued by the market.

WORST PERFORMERS 2019

Names	4 th quarter return	Return 2019
Flow Traders	-11.0%	-13.0%
BP PLC	-2.6%	-11.4%
ING	11.3%	-7.8%

* return ex-dividend.

¹ The combined ratio is calculated by taking the sum of incurred losses and expenses and then dividing them by the earned premium. Which means that with an combined ratio of 77.7%, Coface earns 22.3 cents for every Euro of premium.



Flow Traders is a market maker in exchange traded products (ETPs). The Company continuously quotes bid and ask prices for ETPs listed across the globe, both on and off exchange, in all asset classes. In volatile markets bid-ask spreads widen and provides Flow Traders the opportunity to arbitrate in the bid-ask spread and in the underlying assets of the exchange traded products. This means that Flow Traders benefits from volatile markets and therefore is a good diversifier in our portfolio.

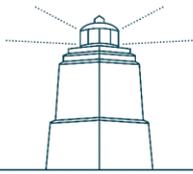
BP is one of the largest oil and gas companies in the world. With proven reserves of approximately 20 billion barrels of oil and oil equivalents, BP explores, produces and sells oil and gas, fuels, lubricants, wind power, and biofuels. With presence in some 80 countries, it sells 12 million tons of petrochemical products annually through contracts or via 18,700 retail sites. BP's main brands include the eponymous BP brand, which appears on rigs, offices, and gas stations, gas station-specific brands Amoco (US) and Aral (Germany), lubricant brand Castrol, and gas station convenience store brands ampm and Wild Bean Café. BP has two major operating segments: Upstream and Downstream. BP had a better than expected fourth quarter earnings, nevertheless year-over-year compared to 2018 net income and earnings are down, thanks to lower oil prices, refining margins, and petrochemical prices. With a dividend yield of 6.7%, which is paid out of its free cash flow, BP is in our opinion still attractive as high-quality value stock.

ING is a global financial institution. The Company provides retail and wholesale banking services to private clients, small businesses, large corporations, financial institutions, and governments. ING Groep operates worldwide. ING recorded underlying 2019 net profit of €4,781 mln, 11.3% lower than in 2018, as higher income was more than offset by higher risk costs, increased expenses, including higher KYC and regulatory expenses, and a higher effective tax rate. Return on equity (ROE) was 9.4% compared to 11.2% in 2018. ROE 2019 includes the settlement impact of €-775mln in 2018.

IMPORTANT HOLDINGS B.C.A.R.F.

We believe that business models of pension- and life insurers will be under pressure. Therefore, we decided to short two large life and pension insurers, namely:

Names
Nationale Nederlanden
ASR Nederland



FIXED INCOME

B.C.A.R.F.'s fixed income portfolio currently consist of one fixed-income securities. Other fixed income security has been called by its issuer.

Achmea 6% Perpetual has been called by the group on 16 November 2019.

Rabobank Certificates is a jr. subordinated issued by Cooperatieve Rabobank. Performance has been very strong, mainly driven by the low-interest-rate environment as mentioned in our Fund Manager's view. Performance in 2019 was 21.1% ex. interest received.

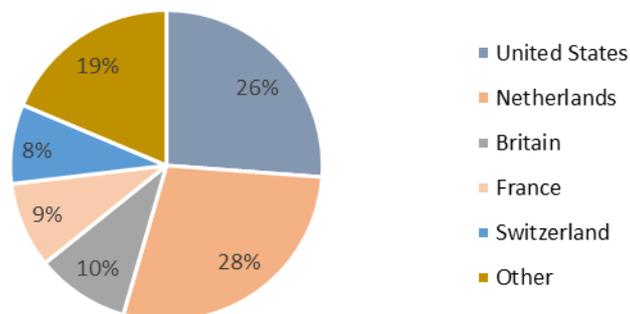
Fixed income	4 th quarter return	Return 2019
Rabobank Certificates	2.5%	21.1%

*Excl. interest received

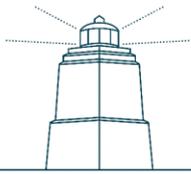
EXPOSURE PORTFOLIO

In this paragraph, the exposure per country and per sector are defined. Exposure per country is defined by currency, not by actual exposure per entity per country.

EXPOSURE PER COUNTRY



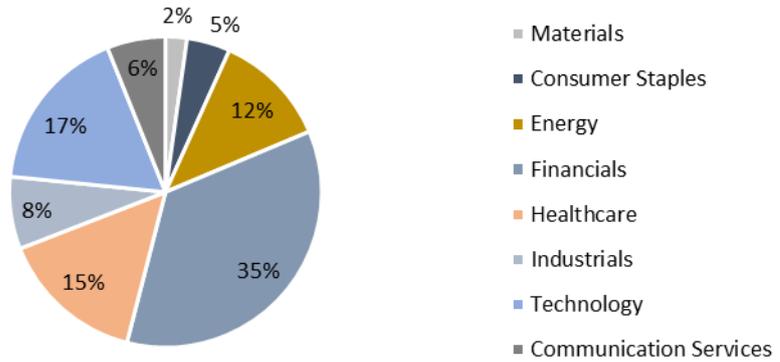
3) Exposure per country on December 31, 2019



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.

EXPOSURE PER SECTOR



4) Exposure per sector on December 31, 2019

RETURN STATISTICS

OVERVIEW

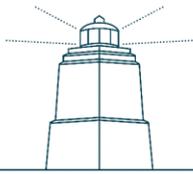
Performance YTD (2019)	25.6%	Sharpe ratio (YTD)	2.0%
Dividend yield	4.4%	% of positive months	58.0%
Inception to date	24.3%	Best month	8.3%
Standard Deviation (YTD)	5.6%	Worst month	-9.2%

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%	13.1%
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%
2018	1.1%	-2.4%	-3.7%	1.8%	3.1%	-1.0%	2.7%	0.4%	0.5%	-3.7%	0.6%	-9.2%	-10.1%
2019	8.3%	6.0%	1.1%	3.1%	-1.5%	2.4%	2.9%	-2.4%	1.2%	-1.1%	1.5%	1.9%	25.6%

IMPORTANT FUND INFORMATION

All investors have received a dividend reclaim overview from our administrator.



FUND FACTS

Management Fee	1.2% (0.3 Quarterly)	Prime Broker	Interactive Brokers
Performance Fee	20% (Above HWM ²)	Infrastructure	Bloomberg
Minimum Subscription	Eur 100,000	Auditor	Visser & Visser
Redemption	Monthly	Fund Domicile	The Netherlands
Subscription/Redemption	0.1%/0.1%	High Water mark (Lead series)	124.32
Fund Structure	FGR (Netherlands)	High Water Mark	Each Quarter
Administrator	Circle Partners	Contact	Derk Hoek

² High Water Mark



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