

SproutBridge Equity Fund

Smart investing for capital growth; the performance-driven fund as an alternative to savings, real estate and bonds.

Global stock market – Risk reduction – Strict selection

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



Invest in the global stock market

The market is currently characterized by relatively high inflation, but still lagging savings interest rates, which causes the evaporation of stagnant assets. Reason enough to invest in stocks, an asset class that historically provides a higher return than the inflation rate.

The fund manager sees sufficient opportunities to provide an attractive return to investors in the fund. Equities have an unlimited upside potential, due to underlying value creation and compounding effects.

FUND

Open-end fund
Global stock market
Big and small companies

EXPERIENCE

15 year experience
Multiple markets
Multiple asset classes

STRATEGIES

Quality stocks
Deep value stocks
M&A target stocks

Disclaimer

The information in this presentation is provided in summary form only and does not purport to be complete. This presentation does not contain all information that is or may be material to investors or potential investors and should not be regarded as advice or a recommendation to investors or potential investors with regard to the holding, purchase or sale of securities or other financial instruments and does not take into account an investor's specific objectives, financial situation or needs.

It is important that investors fully absorb the information in the Information Memorandum, understand the contents and retain the information. Every investor must take his own individual circumstances into account before acquiring fund units. The advice to investors is to seek independent advice to estimate the extent to which the fund suits the financial situation, risk profile and degree of risk acceptance of the investor.

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Introduction

SproutBridge Equity Fund allows you to take advantage of the best investment opportunities available in the the global stock market due to the scale of the fund, where large-scale funds are often strategically limited to mostly the stocks of the (biggest) companies within the designated benchmark.

Our target is an average annual return of 12%

Damping strategy in declining markets

Searching the global stock market to maximize the number of equity opportunities

More than 15 years of experience

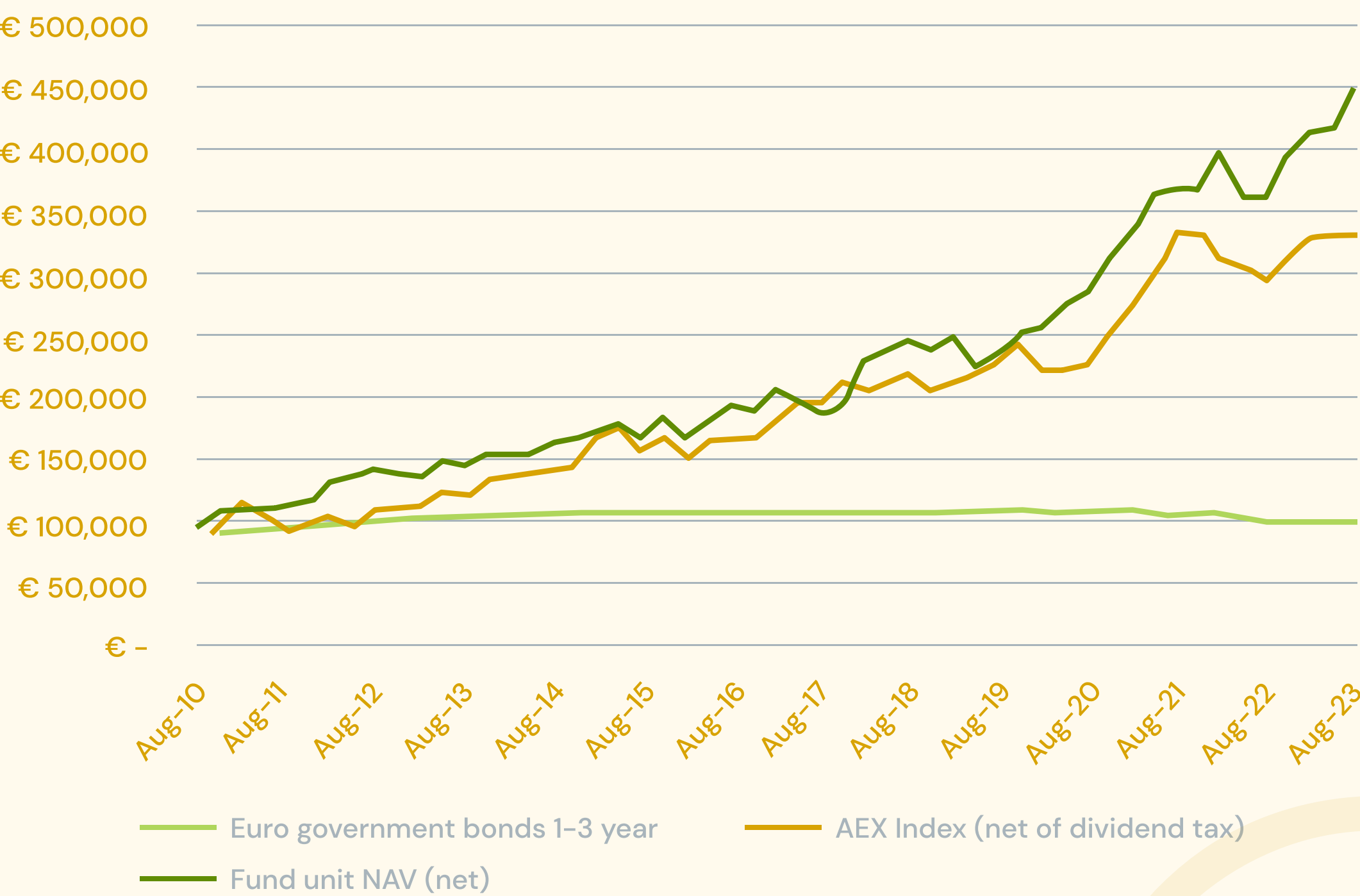
A well-diversified portfolio

Performance driven: fund manager receives a reward of 33% above the 6% hurdle rate

Three investment strategies to ensure a good risk-return ratio

Deep Value stocks ■ Quality stocks ■ M&A target stocks

BACK TESTED FUND RESULTS



Over the past thirteen years, according to the back test, the strategy should have delivered an average annual return of 12.25% for fund investors.

Timeline

Rick Boerkamp

SproutBridge

2010–2013

Emerging markets
Investing for a
investment boutique
Portfolio manager

2013–2017

Multiple asset classes &
impact on markets –
risk & performance

Employed at a large
asset manager

Investment risk manager

2018–2023

Performance analysis,
portfolio and risk
management

Industry leading asset
managers

Investment consultant

2023

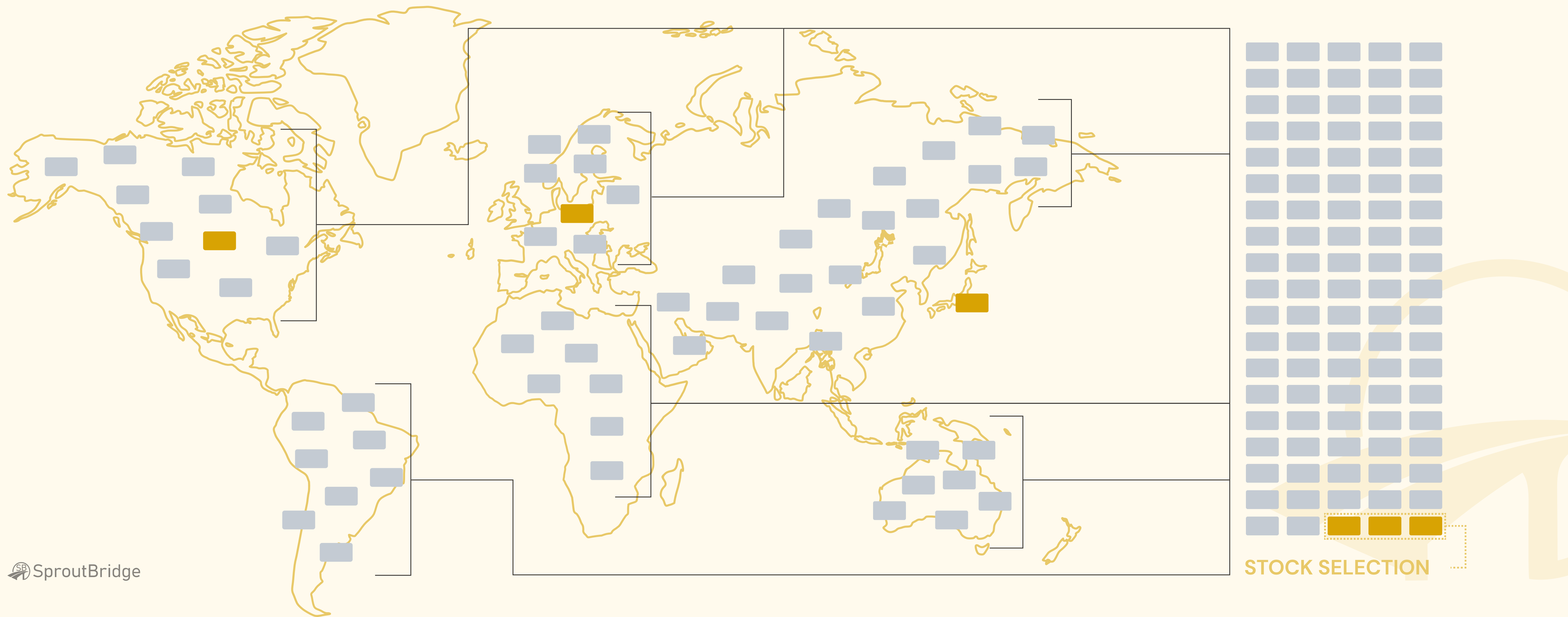
SproutBridge Equity
Fund launched



Every day I encountered the limitations of benchmarks on investment strategies within funds, which resulted in a reduced number of investment opportunities. SproutBridge Equity Fund was established as a performance fund to achieve optimal returns for its investors without the limitations of benchmarks, but with a combination of strategies and a dampening effect in riskier market conditions.

Investment strategy

SproutBridge Equity Fund invests in the global stock market to maximize the number of potentially interesting stocks and to spread risks across different markets and sectors. In doing so, it moves away from benchmarks and limits the fund's size so that stocks of different company sizes can participate in the fund's rigorous selection process.



The fund's investment strategy is characterized by selecting only the very best stocks worldwide in three main categories: quality companies, deep value companies and M&A target companies.

Protection against severe declines of the fund is increased when risks in the overall market build up. The protection consists of stock positions that have a very low or negative correlation with the market.



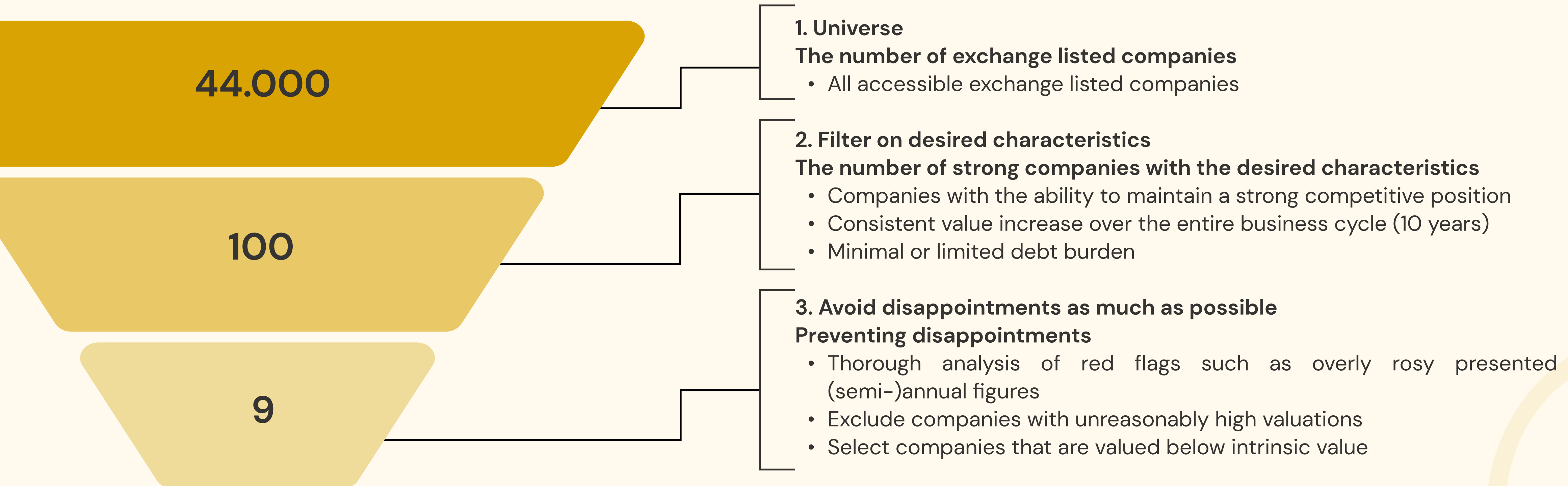
Quality strategy

QUALITY STOCKS

Strong companies with consistent earnings

The quality strategy focuses on consistent earnings, financial health and realistic valuations. The fund selects a robust portfolio of quality companies for long-term value creation.

SELECTION PROCEDURE



Three investment strategies to ensure a good risk-return ratio

Quality stocks ■ Deep Value stocks ■ M&A target stocks

Deep value strategy

DEEP VALUE STOCKS

Companies with share prices far below liquidation value

44.000

18

6

SELECTION PROCEDURE

1. Universe

The number of exchange listed companies

- All accessible exchange listed companies

2. Balance sheet, undervaluation and liquidation value

The number of undervalued healthy companies

- Evaluation of the balance sheet of each company
- Red flag check for overly rosy presented (semi-)annual figures
- Discounts have been applied to all balance sheet items (with the exception of cash) to determine significant undervaluation. The cash is not depreciated, given its less manipulable and easily controllable nature. Other items have been partly written off with a view to lower sales values in the event of a possible liquidation of the company.
- Calculation of a conservative liquidation value per company after discounts have been applied to the balance sheet items. The share price of the deep value stock needs to be below this conservative liquidation value.

3. Exclude 'value traps'

Preventing disappointments

- Exclusion of stocks with indications of possible "value traps".
- Risk mitigation: aim to avoid potential disappointments.

Three investment strategies to ensure a good risk-return ratio

Quality stocks ■ **Deep Value stocks** ■ M&A target stocks

M&A target strategy

M&A TARGET STOCKS

Companies which have received a public takeover bid

This strategy and associated group of stocks offer protection to the fund portfolio in declining markets. It is a very select group of takeover candidates and correlation-reducing stocks for convincing investments with minimal risks.

SELECTION PROCEDURE

1. Takeover candidates

- Consists of confirmed takeover candidates and not based on takeover rumors alone.

2. Position evaluation

- The share price must be below the takeover bid.
- Uncertainty surrounding the takeover offers potential arbitrage opportunities.

3. Risk management

- Exclusion of high-risk deals, such as hostile takeovers financed with debt
- Exclusion of stocks that would perform poorly in the medium term in a worst-case scenario.

200

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Three investment strategies to ensure a good risk-return ratio

Quality stocks ■ Deep Value stocks ■ **M&A target stocks**

Investment process

DESCRIPTION

1. Research:

- Identify ideal business characteristics per strategy.
- Balance return-enhancing and risk-reducing factors for ideal stocks.
- Assess the robustness of strategy returns via backtesting.

2. Analysis and optimization:

- Analyze favorable market conditions per strategy.
- Determine optimal strategy combinations for different market conditions.
- Consider liquidity and slippage in stock weighting.
- Assess portfolio robustness through backtesting of rules.

3. Portfolio model:

- Develop a portfolio model based on research and analysis..
- Define consistent portfolio rules for implementation.

4. Allocation and portfolio construction:

- Screen all companies for desired characteristics.
- Assign weights according to the portfolio model.
- Compare the target portfolio with the existing portfolio.
- Create a trading plan to align the existing portfolio with the target portfolio.

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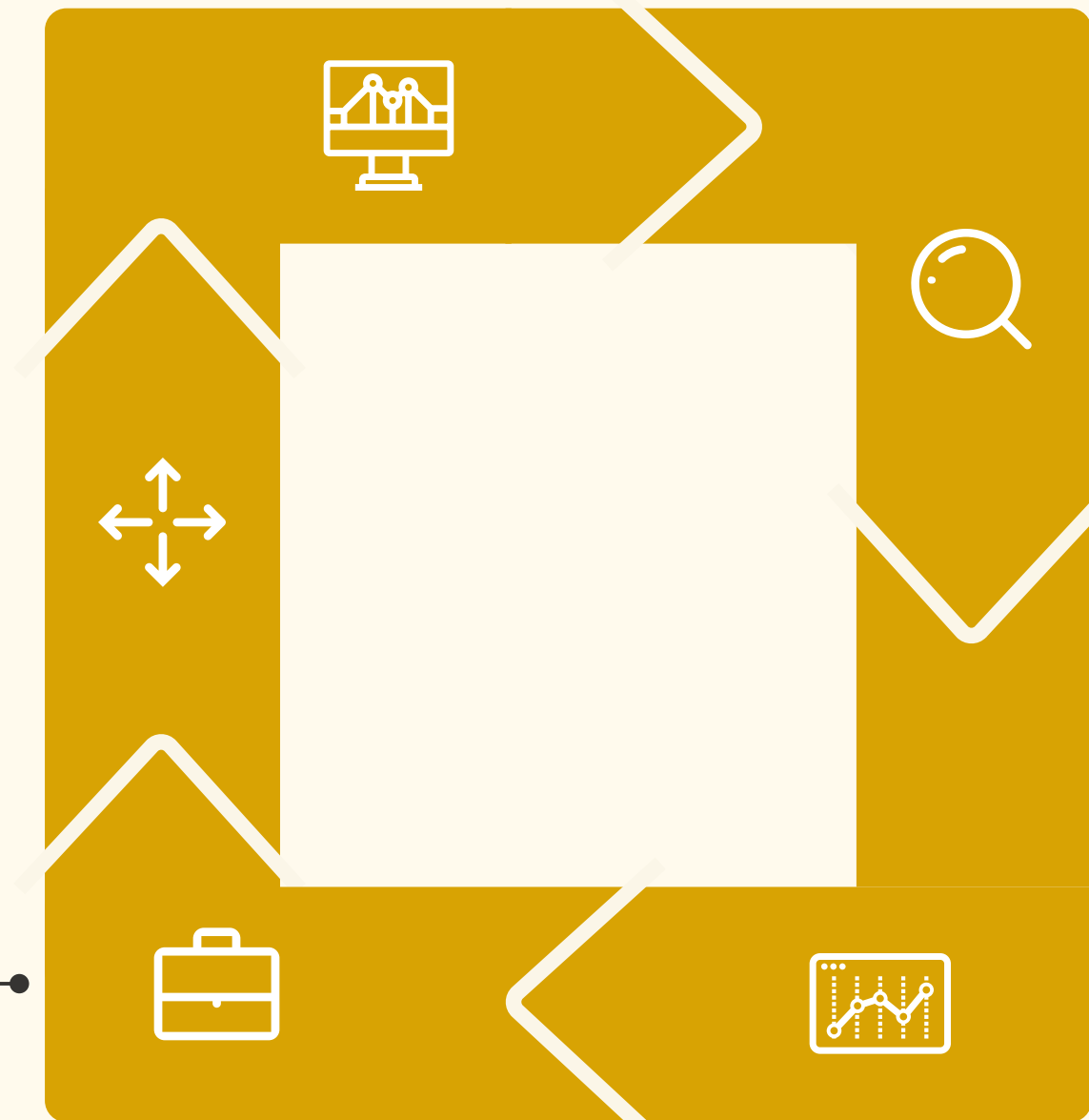
Trading and
monitoring

04

Allocation and
portfolio construction

03

Portfolio model



01

Research

02

Analysis and
optimization

5. Trading and monitoring:

- Execute the trading plan and adjust if necessary.
- Monitor the portfolio continuously to prevent unwanted allocations.
- Perform periodic rebalancing.

Portfolio construction

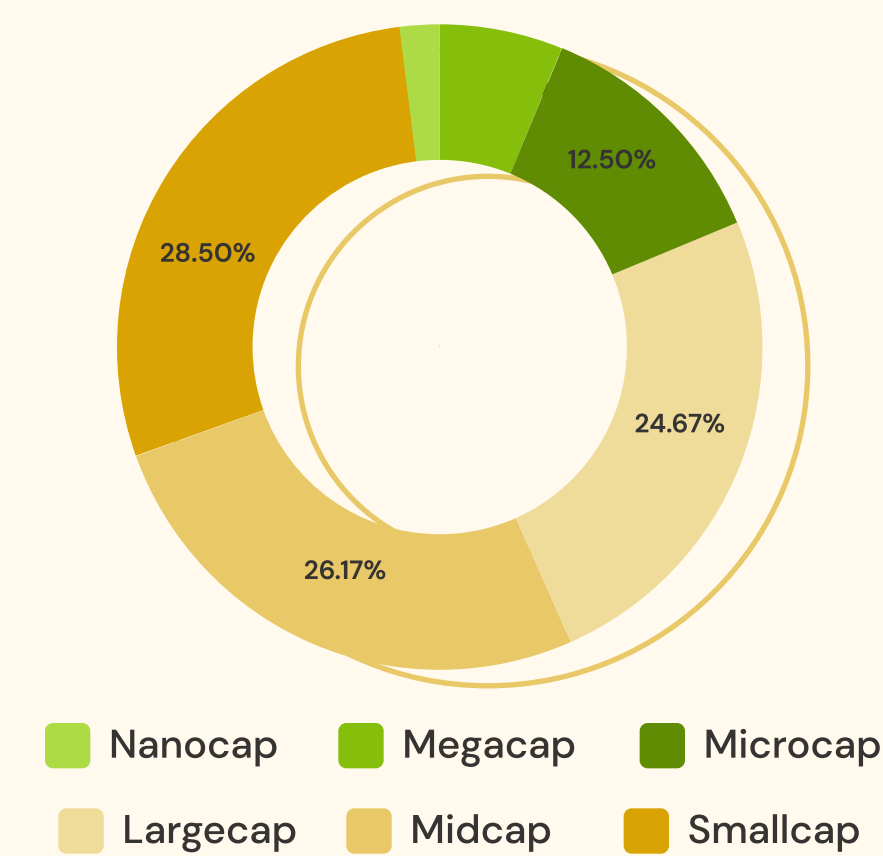
The fund aims for an average annual return of 12%, with a recommended investment horizon of 5 to 10 years. The integrated portfolio management is aimed at effectively managing risks through diversification across sectors, styles, countries and market capitalizations.

| Portfolio characteristics | |
|---------------------------|----------------------------------|
| Number of holdings | 15 – 20 holdings on average |
| Expected holding period | 2 to 60 months |
| Maximum cash position | 40% of the fund |
| Maximum company weight | 33% of the fund |
| Weight of illiquid stocks | Limited to reduce liquidity risk |

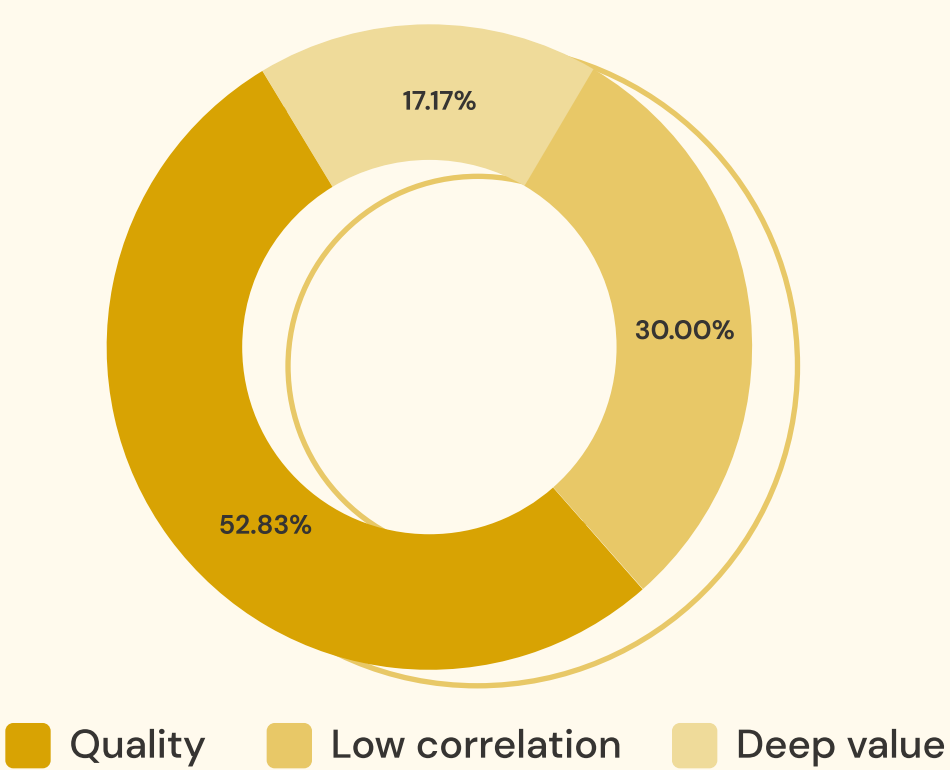
DIVERSIFICATION AS RISK MANAGEMENT

With portfolio construction, we manage risks through diversification across different sectors, styles, countries and market capitalizations.

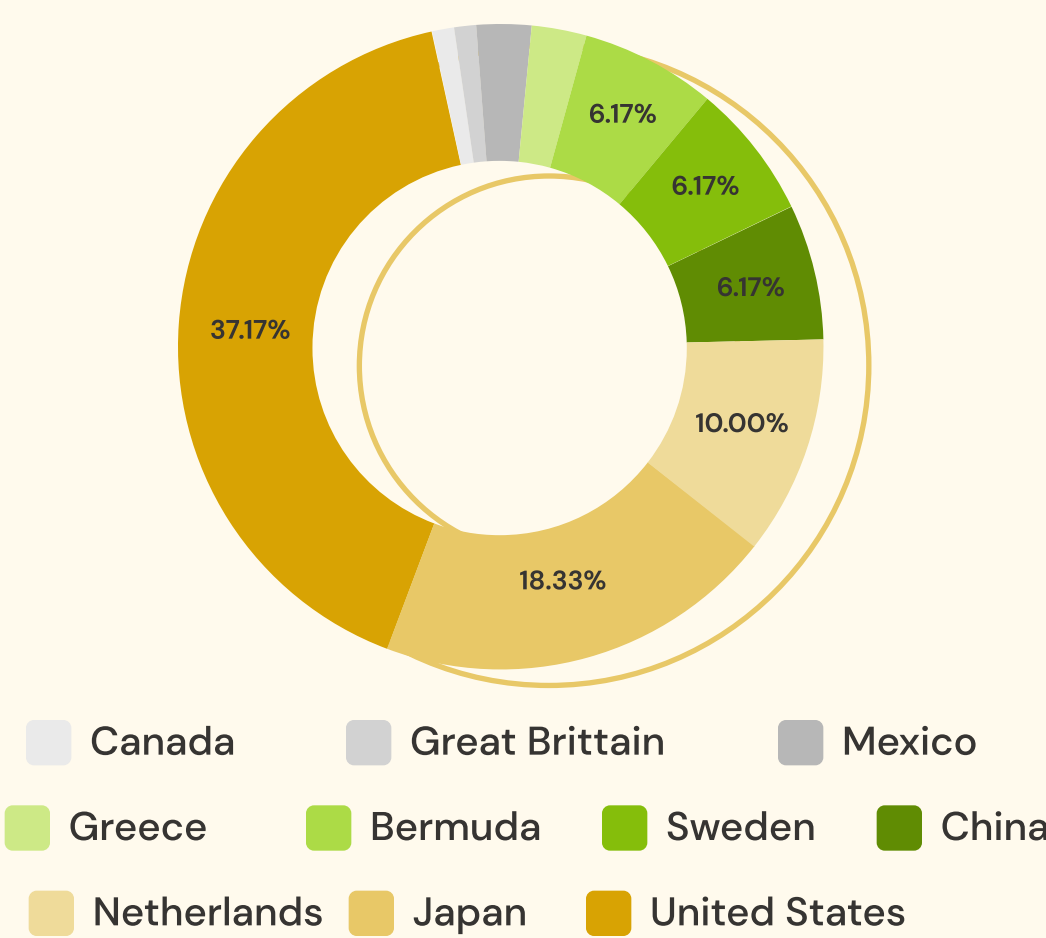
MARKET CAPITALIZATIONS



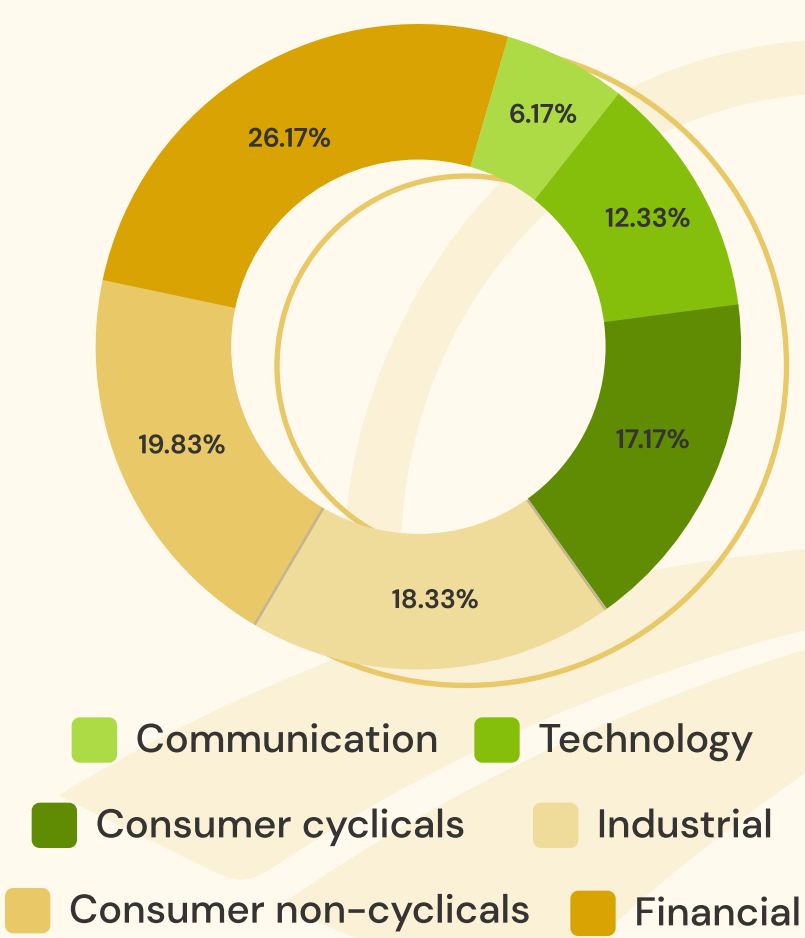
STYLES



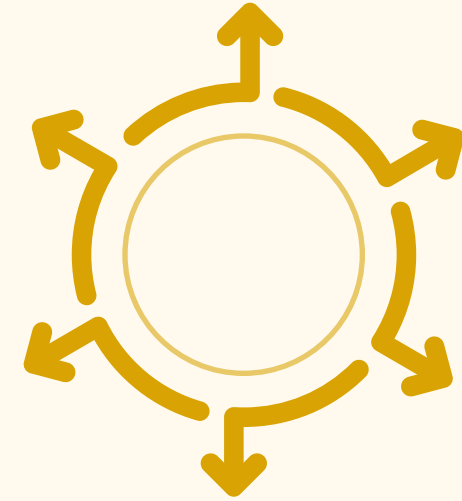
COUNTRIES



SECTORS

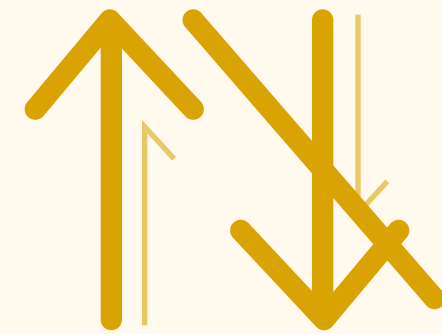


Risk management



DIVERSIFICATION

Diversification of the equity portfolio across different sectors, styles, countries and market capitalizations.



LONG ONLY NO LEVERAGE

To prevent additional risks, we only make trades with a focus on the (medium) long term and without leverage to exclude additional risks.



SELECTION PROCEDURE

With our three investment strategies we have a rigorous selection procedure in place, resulting in only 15–20 stocks from a selection of 44,000 stocks worldwide.



VOLATILITY REDUCTION

Based on market conditions, we make adjustments in the portfolio to reduce the impact of market fluctuations and increase overall portfolio stability.

Fund manager



RICK BOERKAMP

- ✓ Chartered Financial Analyst (CFA)
- ✓ Financial Risk Manager (FRM)
- ✓ Certificate of Investment Performance Measurement (CIPM)

Rick Boerkamp has more than fifteen years of experience in the asset management sector and has gained insight into the working methods of both small and large players in this sector. Since 2018, he has served major institutional investors such as NN IP, Goldman Sachs Asset Management and Achmea Investment Management as an independent consultant, with a focus on performance, portfolio and risk management.

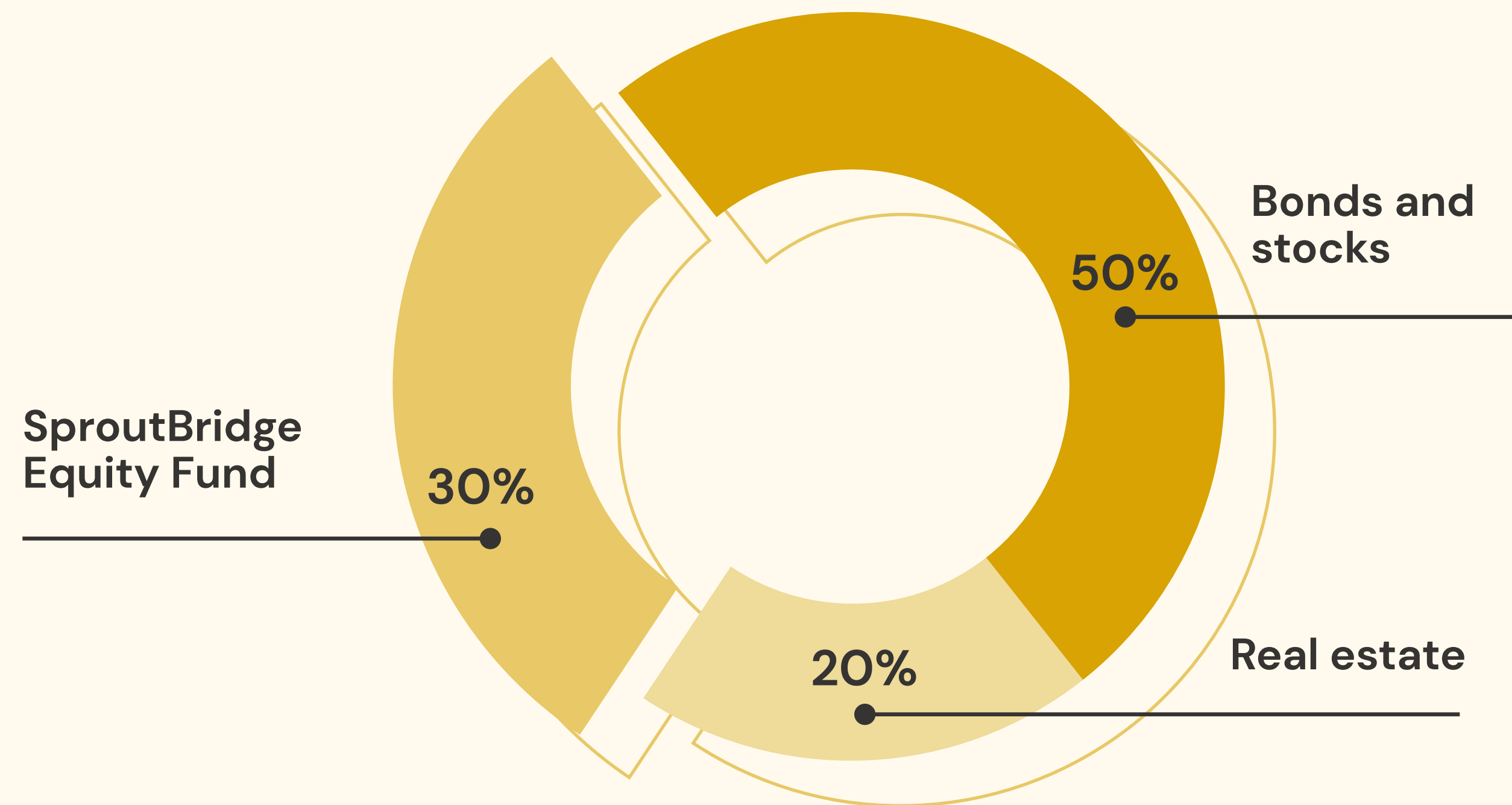
Before starting his own company, Rick worked for PGGM for five years as an investment risk manager and performance analyst, with a specific focus on public markets. He started his career at the investment boutique TCM Investment Funds, where he was portfolio manager for the frontier markets equity funds.

Integration in your portfolio

Investing savings and cash positions in stocks has historically proven to be a good way to prevent loss of value due to the performance of the stock market in relation to inflation.

With an average expected annual return of 12%, and a recommended investment horizon of 5 to 10 years, SproutBridge Equity Fund is a strong investment vehicle for growing your assets, made possible by the compounding effect.

- Preventing loss of value of your assets due to inflation
- Good diversification option on real estate, bonds and stocks
- Quarterly liquidity
- Diversification within the fund itself
- Compounding effect; reinvestment returns for exponential growth of your investment



This is no financial advice

Termsheet

Fund conditions

| | |
|--------------------|----------|
| Minimum investment | €100,000 |
|--------------------|----------|

Charges

| | |
|-----------------|------|
| Management fee | 0.6% |
| Hurdle rate | 6% |
| Performance fee | 33% |

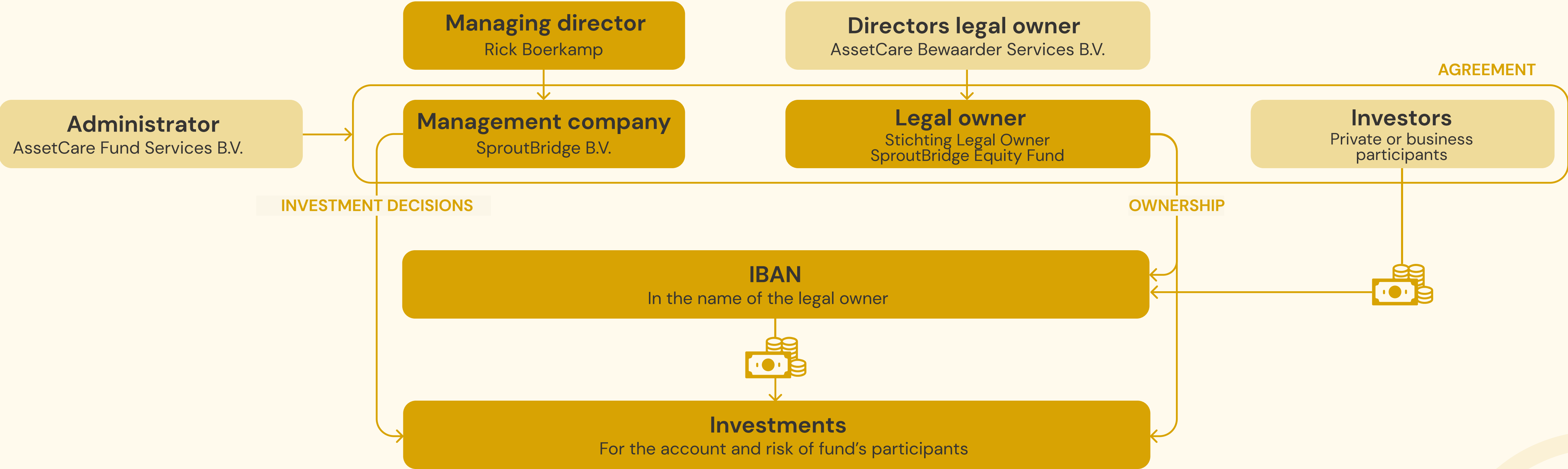
Target

| | |
|------------------------------|-----|
| Average annual return target | 12% |
|------------------------------|-----|

Characteristics

| | |
|---|---|
| Valuation | Monthly |
| Minimum holding period | 1 year |
| Subscription fee | 0.75%, during extreme market conditions maximum 1.5% |
| Redemption fee <small>(maximum redemption fee if redeemed within one year)</small> | Idem as subscription fee (if redeemed within one year maximum 3%) |
| Subscription/redemption | Usually every month (at least every quarter) |
| Fund type | Open-end |

Fund structure



| | |
|----------------------|--|
| Bank: | Citibank – clearing bank of Alpha Group |
| Broker: | Interactive Brokers Ireland Limited – Introducing broker Lynx B.V |
| Fund administration: | AssetCare Fund Services B.V. |

| | |
|---------------------|--|
| Management Company: | SproutBridge B.V. |
| Legal owner: | Stichting Legal Owner SproutBridge Equity Fund |
| Custodian: | AssetCare Bewaarder Services B.V. |

Contact



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