SproutBridge

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

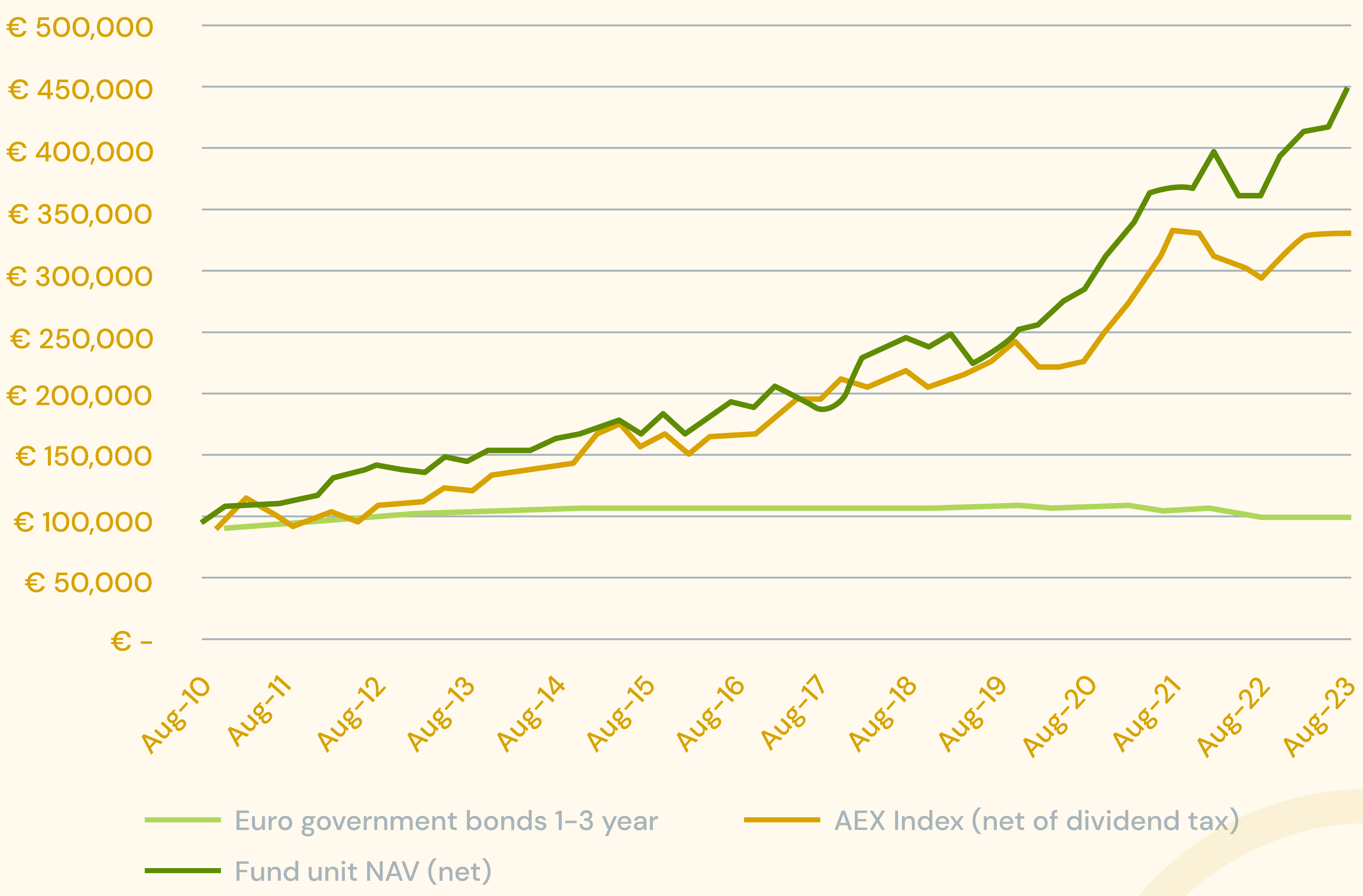
SproutBridge Equity Fund allows you to take advantage of the best investment opportunities available in the the global stock market due to the scale of the fund, where large-scale funds are often strategically limited to mostly the stocks of the (biggest) companies within the designated benchmark.

- 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

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

SproutBridge

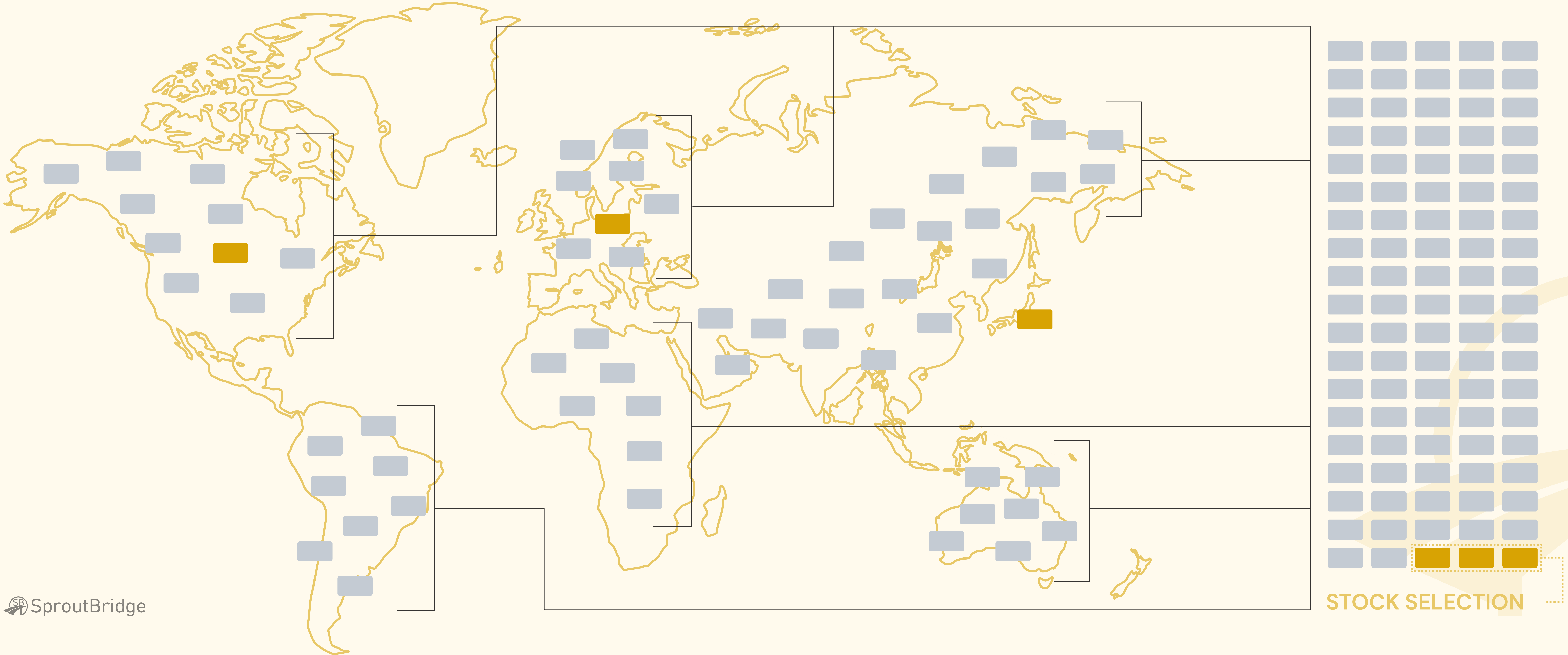
2023

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.

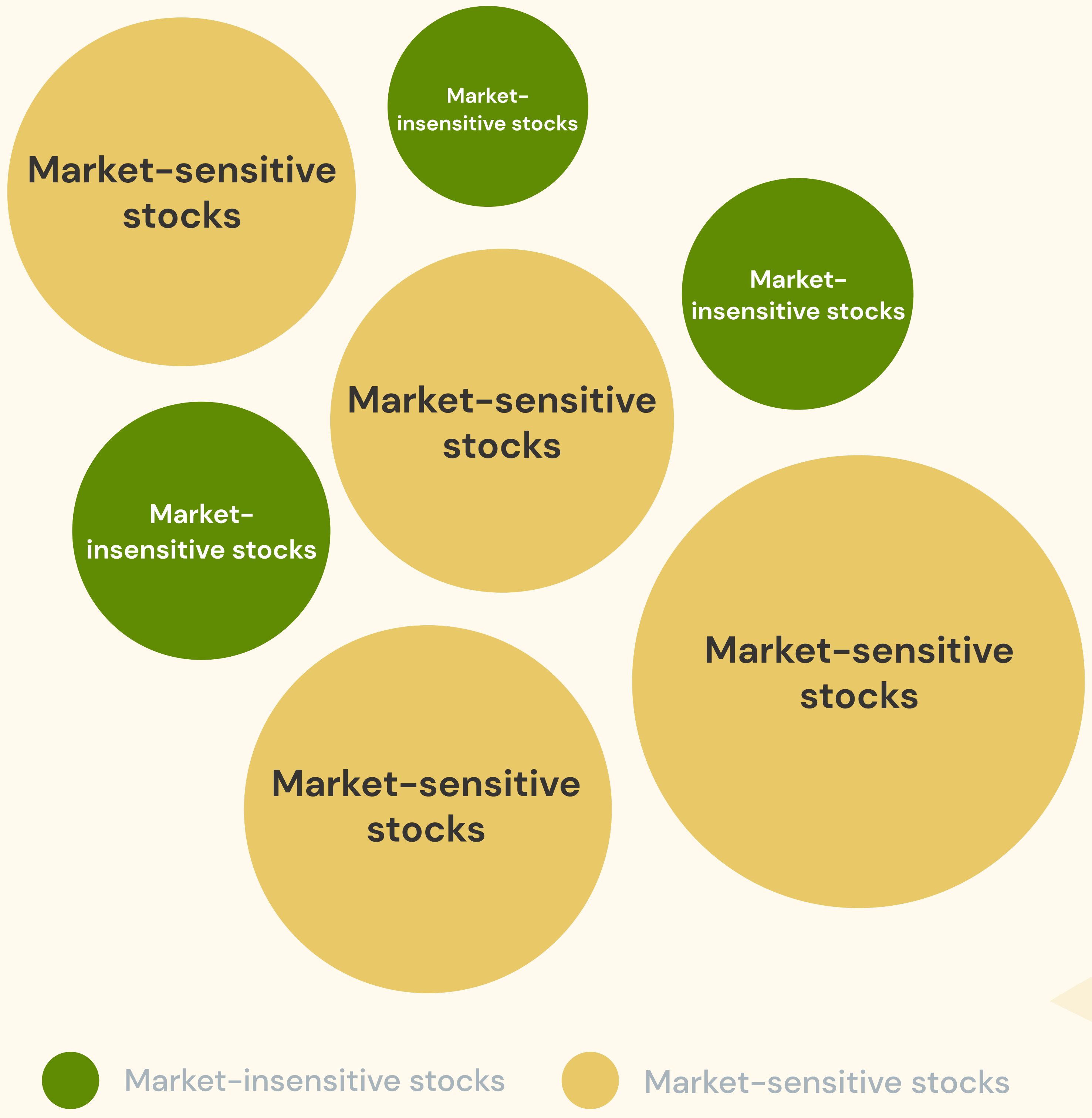
Protection against severe declines of the fund is increased when risks in the overall market build up. The protection consists of stock positions that have a very low or negative correlation with the market.

LOTS OF RISKS?

We will increase the level of protection

NOT MANY RISKS?

We will decrease the level of protection

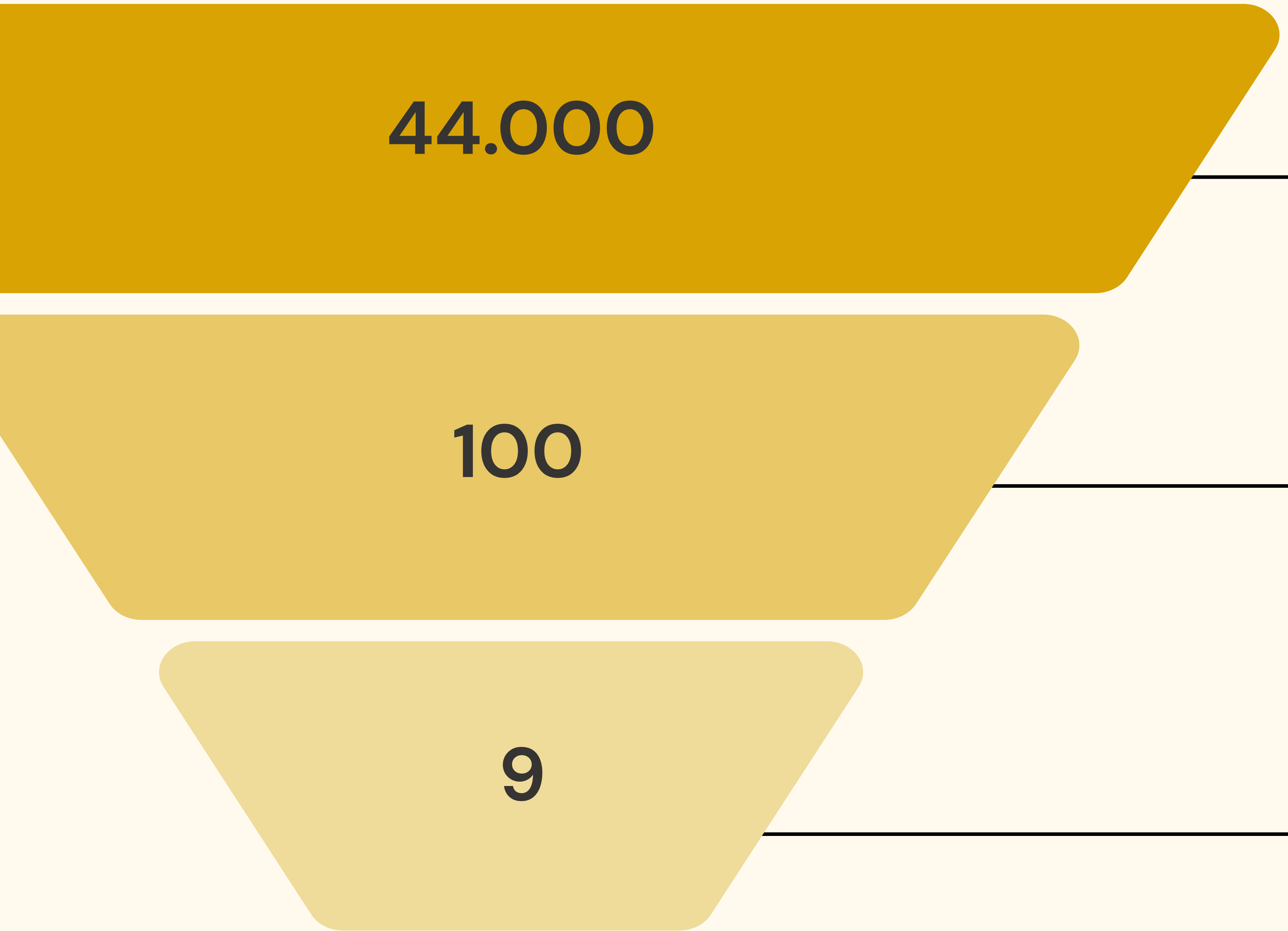


Quality strategy

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.

QUALITY STOCKS

Strong companies with consistent earnings



SELECTION PROCEDURE

1. Universe
The number of exchange listed companies

- All accessible exchange listed companies

2. Filter on desired characteristics
The number of strong companies with the desired characteristics

- Companies with the ability to maintain a strong competitive position
- Consistent value increase over the entire business cycle (10 years)
- Minimal or limited debt burden

3. Avoid disappointments as much as possible
Preventing disappointments

- Thorough analysis of red flags such as overly rosy presented (semi-)annual figures
- Exclude companies with unreasonably high valuations
- Select companies that are valued below intrinsic value

Three investment strategies to ensure a good risk-return ratio

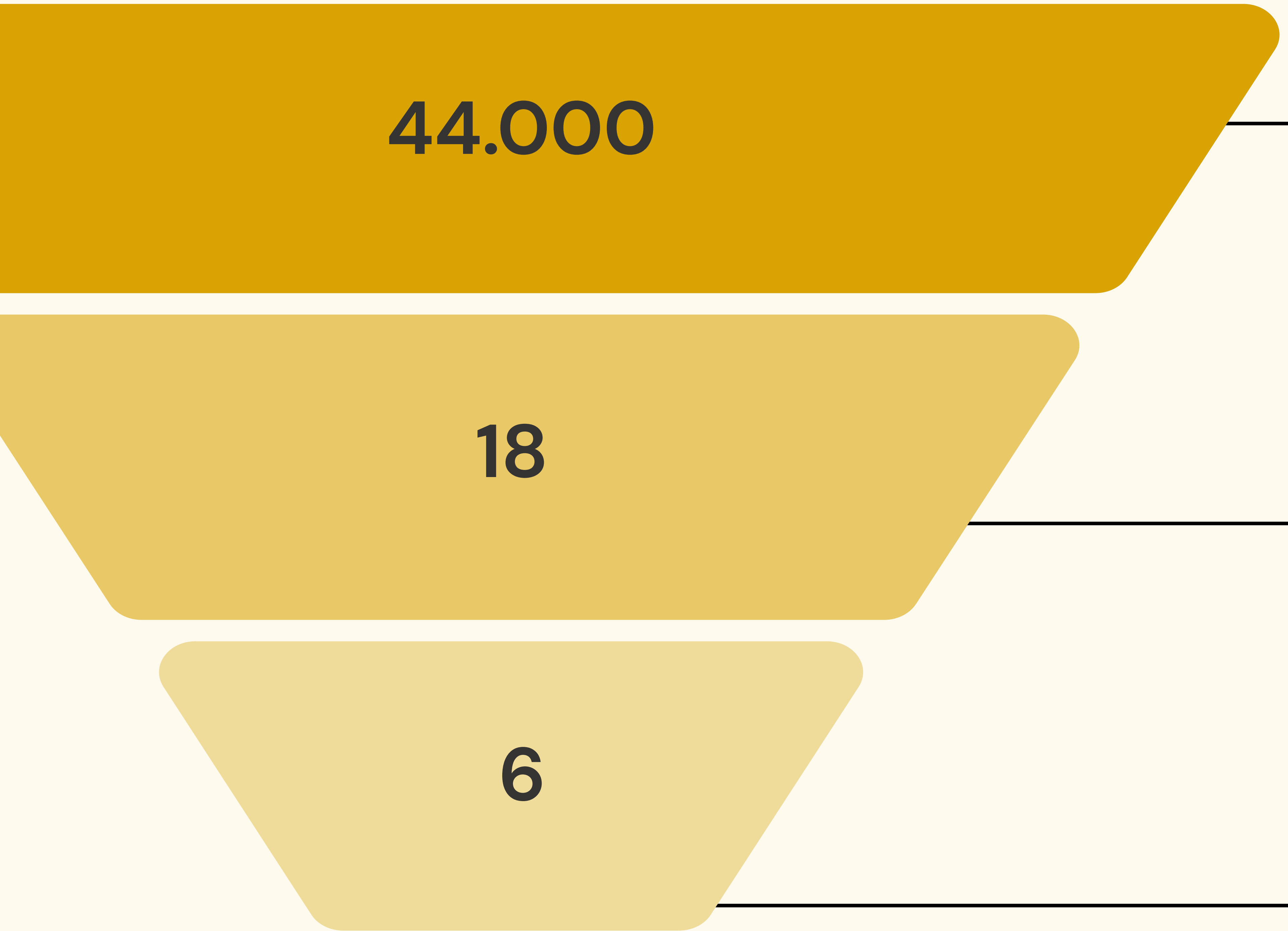
Quality stocks ▪ Deep Value stocks ▪ M&A target stocks

Deep value strategy

The deep value strategy is a robust method for high returns by investing in smaller companies with a targeted approach to identify undervaluation and avoid value traps, a strategy typically only deployed by smaller investment funds.

DEEP VALUE STOCKS

Companies with share prices far below liquidation value



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.

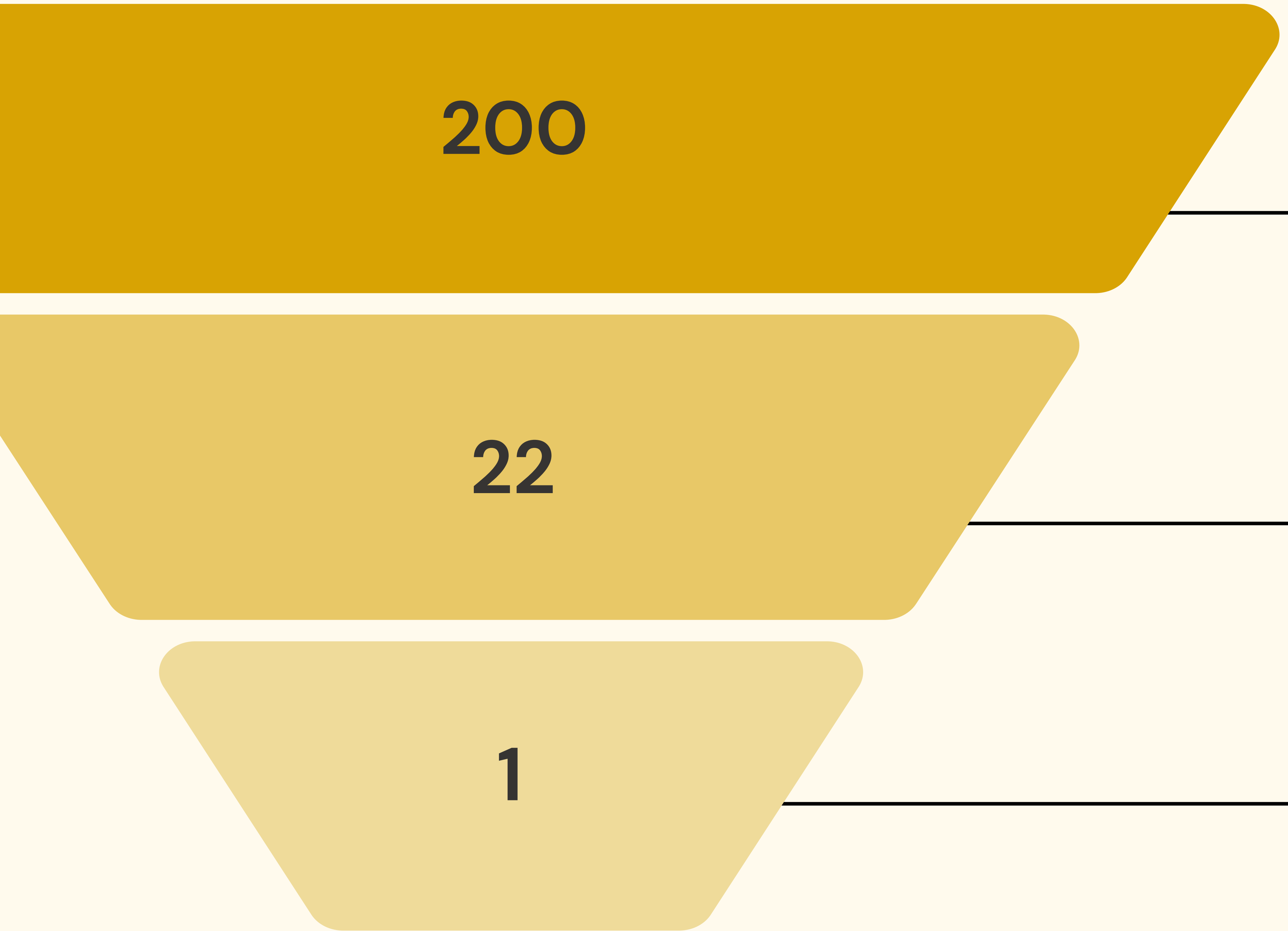
Three investment strategies to ensure a good risk-return ratio
Quality stocks ▪ **Deep Value stocks** ▪ M&A target stocks

M&A target strategy

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.

M&A TARGET STOCKS

Companies which have received a public takeover bid



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.

Three investment strategies to ensure a good risk-return ratio

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

Investment process

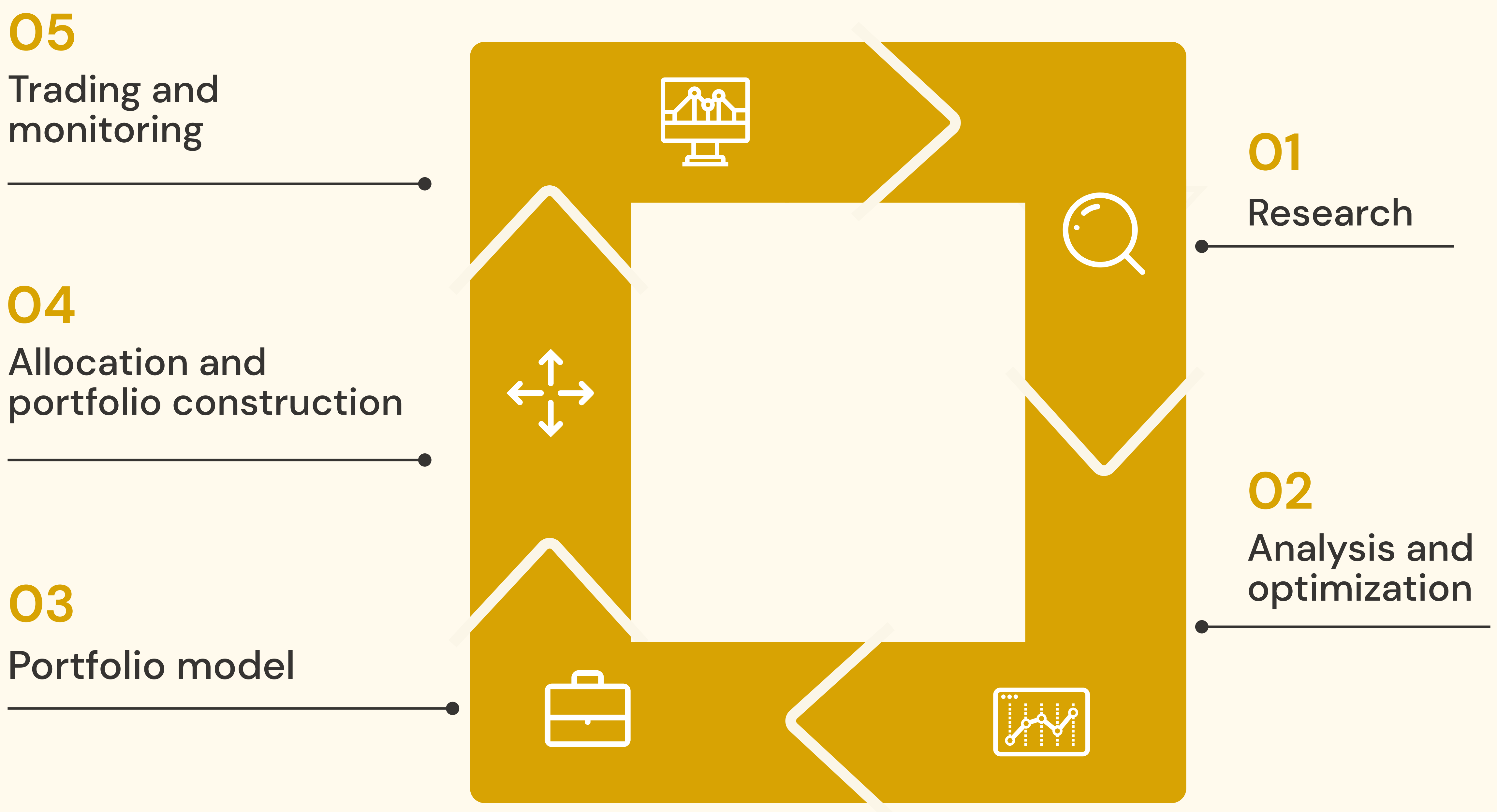
DESCRIPTION

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.



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

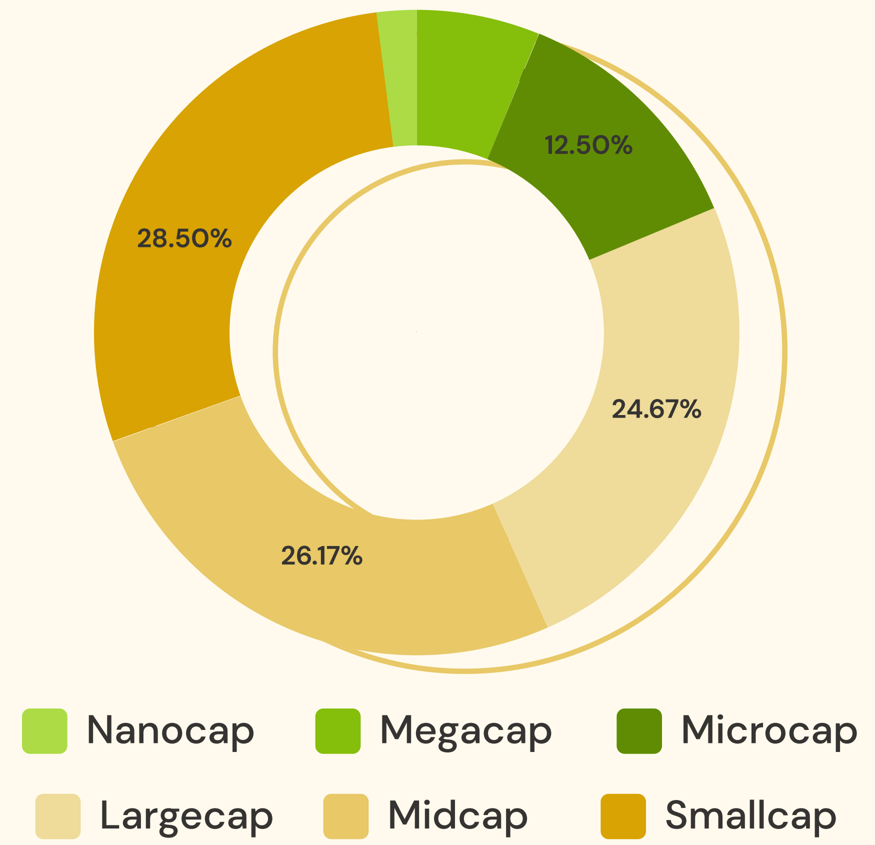
The fund aims for an average annual return of 12%, with a recommended investment horizon of 5 to 10 years. The integrated portfolio management is aimed at effectively managing risks through diversification across sectors, styles, countries and market capitalizations.

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

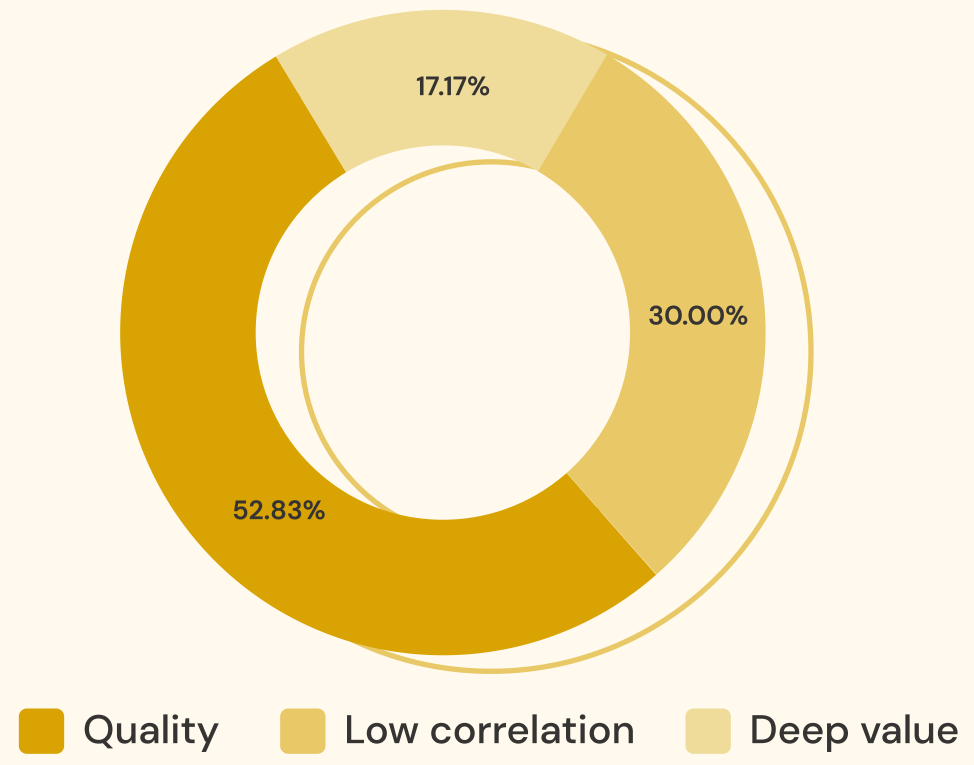
DIVERSIFICATION AS RISK MANAGEMENT

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

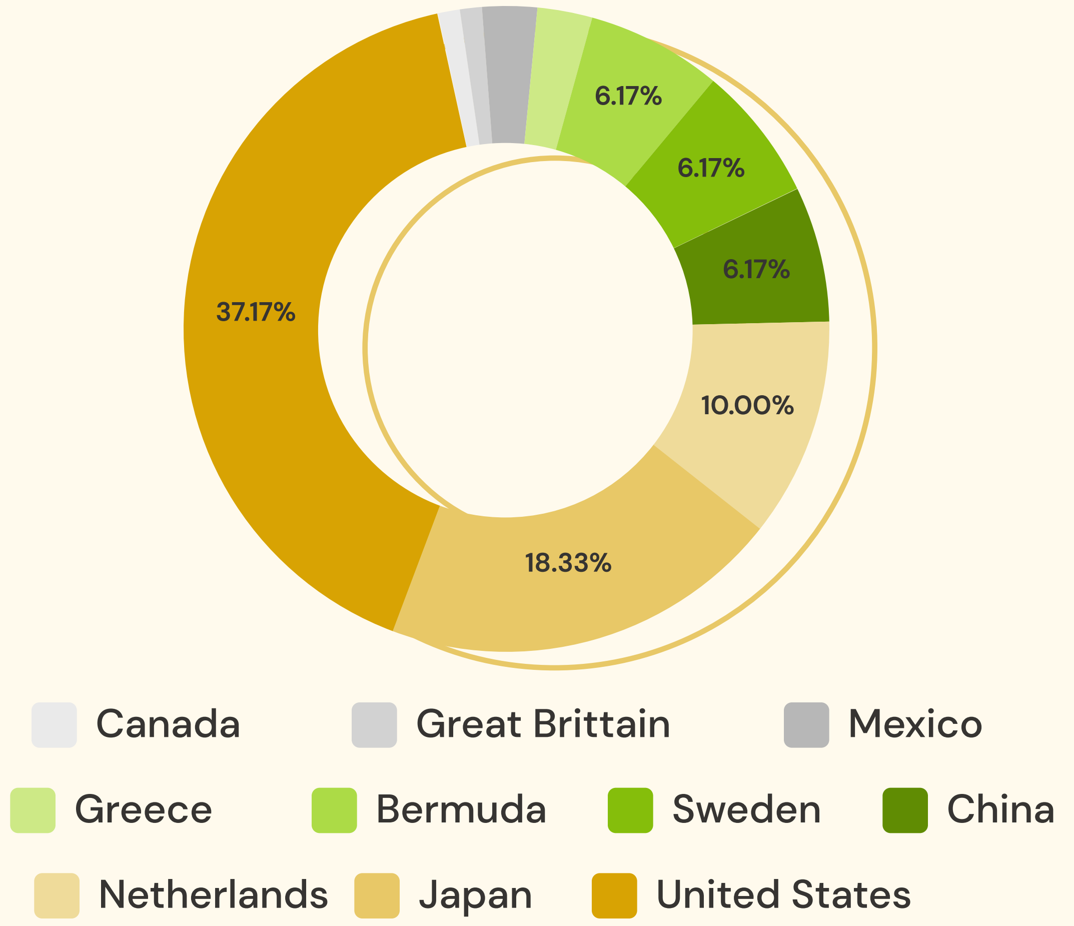
MARKET CAPITALIZATIONS



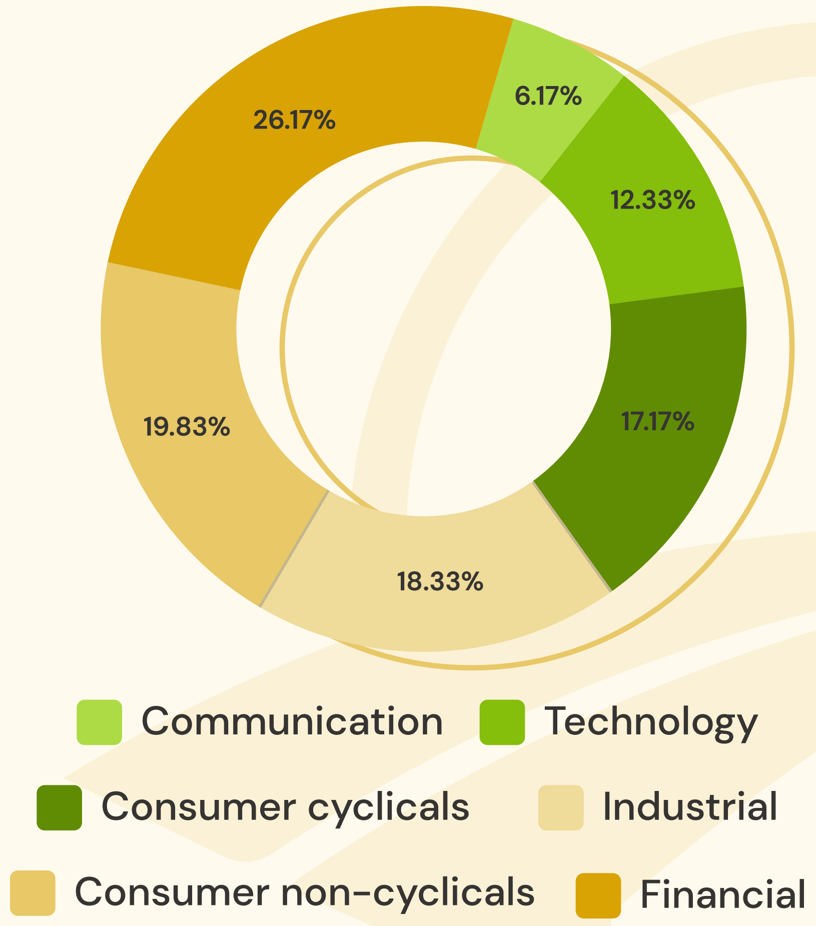
STYLES



COUNTRIES



SECTORS



Snapshot; the portfolio is subject to changes

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)

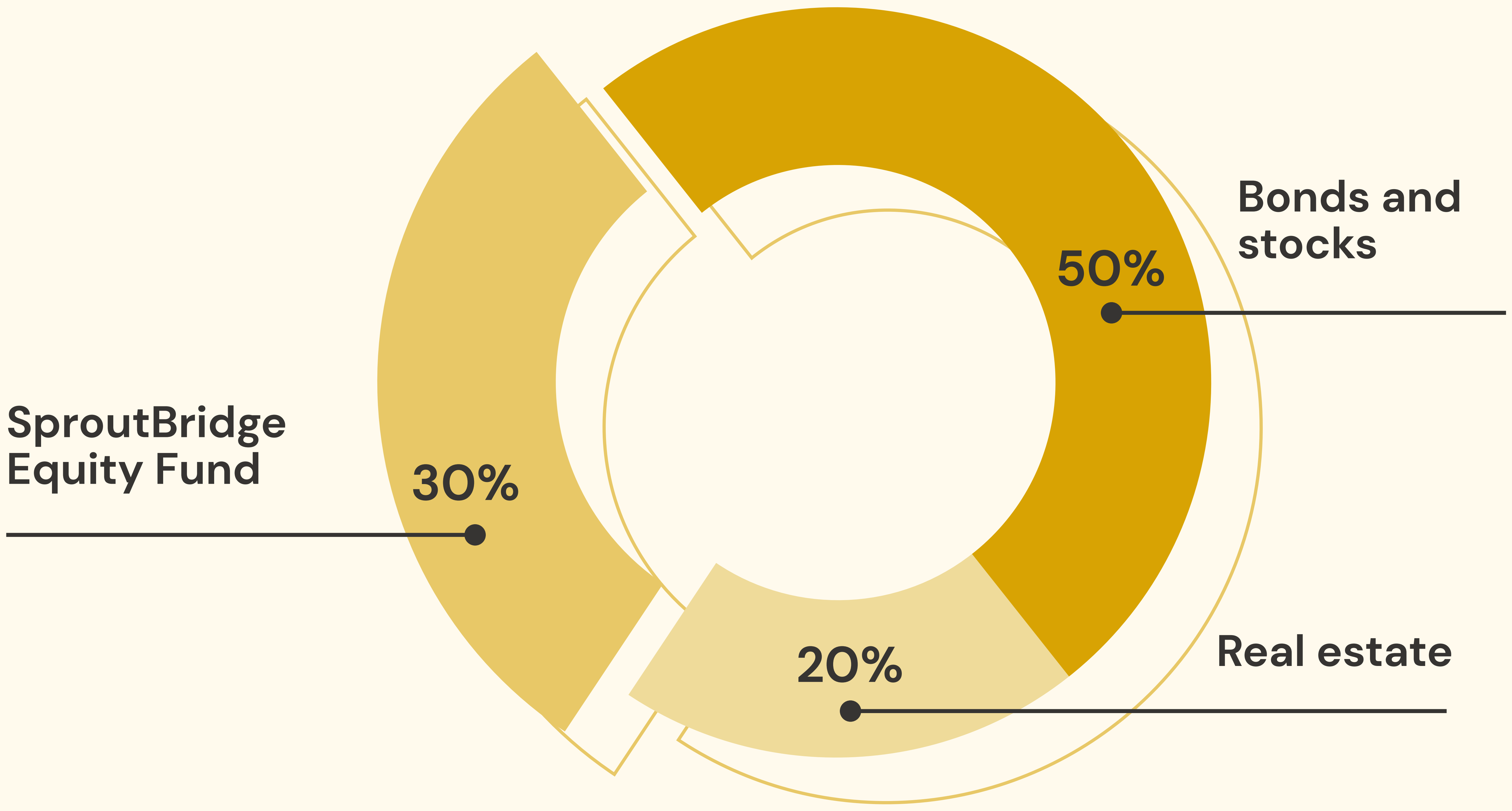
Rick Boerkamp has more than fifteen years of experience in the asset management sector and has gained insight into the working methods of both small and large players in this sector. Since 2018, he has served major institutional investors such as NN IP, Goldman Sachs Asset Management and Achmea Investment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

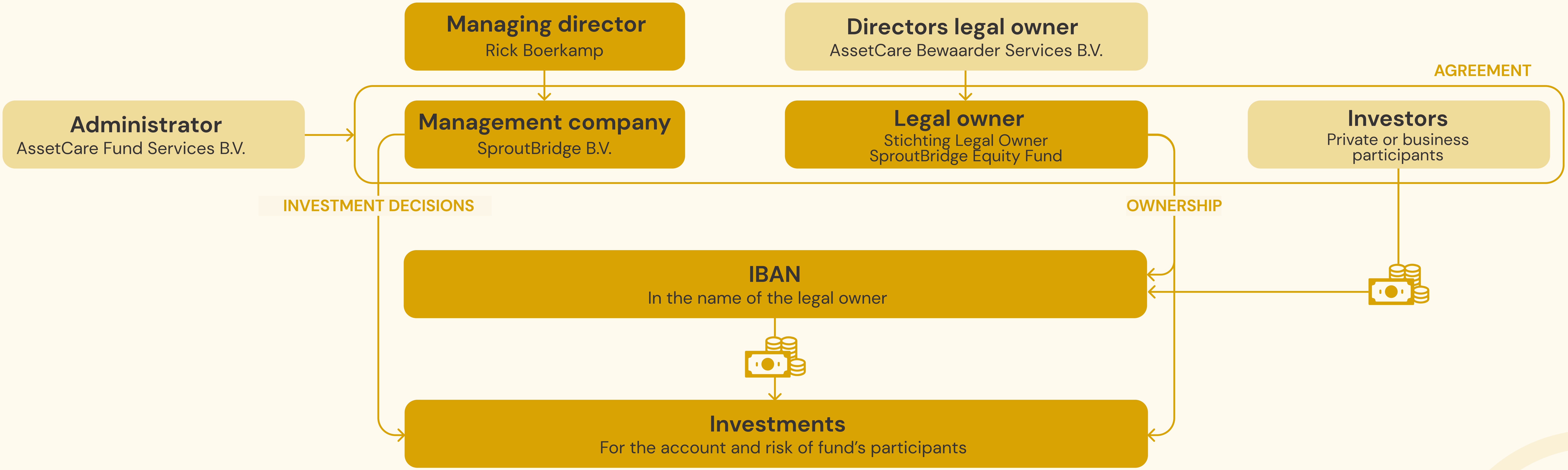
Target

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 (maximum redemption fee if redeemed within one year)	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:	Rabobank
Brokers:	Interactive Brokers Ireland (via Lynx B.V.) and GTN Europe Financial Services Ltd
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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