

Below in a few highlights we elaborate on our investment management and on the perspectives for 2015.

1. Superb year for fixed income, equities performed very well in last few months.

Over the past year, fixed income investments had an extraordinary run, driven by ever lower rates. And thanks to rising markets in the last quarter of 2014, the equity investments performances matched those we made in our fixed income investments. A large contribution to this nice result was made by the broad diversification of your portfolio in other currencies, in which the lion's share was made of the US dollar.

2. Moderate perspectives for fixed income performances.

The perspectives for 2015 are not that much different from the message we brought to you a year ago. We do expect again that equities will outperform fixed income investments. In 2015, on the other hand, it will be very hard to match the performances we made in fixed income in 2014. Sobriety and realism with regards to future performances in fixed income are key here. We expect performances for the next 5 years to be between 1% and 4%, depending on which economic scenario will play out in the next few years. In all modesty, it remains our conviction that interest rates, especially in Europe, will remain low for many years to come. The most important determinant here is the lack of inflation, while the central banks are currently rather concerned for upcoming deflation.

3. Notwithstanding low economic growth positive perspectives for equities.

The economic growth perspectives in Europe do not bode very well, but in the US and in the rest of the world we expect a considerably stronger growth than in Europe. This results in quite promising expectations for corporate profitability; also for European companies with international operations. In the medium term is the development of corporate profitability one of the two key performance drivers for equity investments; the other important driver is valuation. With respect to valuation it is our opinion today that equity markets are neither cheap nor expensive.

The companies we analyze generate instant free cash flows to the shareholder of between 5% and 7%. This does not even take into account growth. And this needs to be compared to rates in Europe that are below 1%.

4. We are not afraid of volatility, but we make proper use of it.

'The devil's in the tail in 2014.' The sharp drop of the oil prices in the past few months resulted in some market movements, both up and down. This is what is called volatility.

Most often in wealth management, volatility is seen as evil, devilish. Most wealth managers do the utmost to keep 'volatility' low. Many adapt their investment processes to control this volatility. They sell when markets go down ... to prevent volatility from rising. Common sense of the long term investor however tells you to buy when asset prices are lower.

At CapitalatWork we embrace such volatility as long as it does not fundamentally alter our analyses. By taking benefit of volatility we realized some fantastic results in our funds and in your portfolio(s) in the past few months. So we reduced the average maturity in the Corporate Bonds At Work Fund. In the High Yield At Work Fund we raised the weights of emerging markets government bonds, benefitting from the correction that took place in these markets. The spread over foreign currencies further widened, enabling us to benefit from the continuing weakness of the Euro.

The important reason we embrace volatility in the markets, is we continue to do our homework and consistently value our investment assets under consideration. The daily comparison of the prices of our equities, fixed income and currencies against our valuations of those enables us to benefit from market prices that shoot many directions. That is the core of what we perform at CapitalatWork. That is the core of active wealth management and what CapitalatWork stands for.

We trust having you adequately informed with these comments and perspectives. Of course we always remain at your disposal in case further questions may arise.

Yours sincerely,

The Executive Committee of CapitalatWork Foyer Group