Dear Madam, dear Sir,

Over the past few years one of our key messages has been to favor equities over fixed income, of course taking into account the selected risk profile.

One of the arguments was our conviction of interest rates to remain low for a while. On the other hand we expected the companies we selected and invest in to present strong results.

2017 proves to be a repeat of this key message. The equity investments in your portfolio perform outstandingly, driven by these excellent corporate results for most of the investments.

The future looks promising. The business climate keeps on improving. The European economic revival is clearly on track. Emmanuel Macron now the President of France marks a potential turning point for the continent. Reform in France combined with further European integration are the clear path forward.

The US Senate steadily continues its progress towards the greatest tax reform of the past 30 years. Once approved and implemented it will generate a comprehensive incentive for the US business climate. Add to this global digital leaps. And demographics. Every year tens of millions of Indians, Chinese, Koreans, and Indonesians join the growing ranks of the middle class. The increased purchasing power will importantly benefit our investments on your behalf in Asian but also in European and American companies

Not everyone will equally benefit from these often rapid developments. The projected development of corporate results is central in our selection process, as you would not expect otherwise from us.

And we made some important choices for you…

1. We are hardly exposed to the energy industry. The low price of oil is a positive for us consumers and for our companies. However the oil industry is not pleased. On top of that, this industry is capital intensive and many of its capital expenditures are financed by vast amounts of debt. With that in mind and combined with declining revenues, the picture for the industry is not bright. A debt pile and shrinking margins result in limited free cash flow generation and shareholder value.

2. We are also little exposed to traditional retail. This industry is undergoing significant disruption. E-commerce is growing at tremendous speed. Logistic companies bringing these online purchases to your doorstep also benefit. Traditional retail and small enterprises suffer.

3. The banks ... the classic banking model also is under pressure. The banking landscape morphs under incentives by regulators imposing new stricter rules, technology, think about fin-tech, and clients moving online. The reach for decent results in the longer run is not only the result of making the right choices aiming at best performing investments. It is as important to avoid underperformers.

Making these choices is key of what we do at Capital*at*Work as active investors. As a team we analyze companies with solid fundamentals and strong business models. We put a value on these companies and then decide on the opportunity to invest in them.

The performances of your portfolio ultimately are the result of the hundreds of thousands people at work in the companies you are invested in. Employees going to work each morning, making products, delivering services, performing research, and in that process creating value where you as an investor benefit from. The performances then are not the result of a ‘superior gut feeling’, but rather the product of in-depth analysis.

Yours faithfully,

The Management of Capital*at*Work Foyer Group