

31 DECEMBER 2017

THE TRUSTEE MANAGED
PORTFOLIO INDICES (TMPI)
MANAGER REPORT

Investment Manager Report - VaR Capital

31 December 2017

Company Background

VaR Capital is an independent financial advisory firm offering Asset Management, Debt Finance and Corporate Advisory services.

We are differentiated by the following factors:

- Independence: we are independent of banks and other service providers
- Fees: our fees are aligned to performance, and we have no incentive to sell "products"
- Research: we filter research from multiple institutions whilst conducting proprietary analysis

Here are a few words from our founding client, Sukhpal Ahluwalia (founder of Euro Car Parts):

"The reason I backed the guys from day one, is I honestly believe when it comes to stock selection, market timing and arranging banking..... they are a formidable team. They've run my liquid funds for many years and their risk-adjusted returns have always substantially exceeded the market herd."

VaR Capital works closely with trust companies on managing wealth for complex structures, companies and foundations across jurisdictions. We understand the complexities of wealth planning and inter-generational wealth transfer. We draw upon our experiences from our founding families and helping them manage and grow their wealth.

Each client has a bespoke portfolio, in their own name and control. We work with custodians where we have preferred pricing arrangements; we can also work with a custodian of the client's choice.

We are happy to review existing portfolios in terms of risk, costs and alignment with objectives. We provide our initial thoughts without any commitments. Client reference requests are welcome.

Summary of Investment Style

In addition to advisory and discretionary portfolios, we can also provide investment consulting services.

Our investment philosophy is built upon the following four factors:

- Capital preservation under all market conditions
- Diversification by asset class and geographies
- Value and event driven investing and bottom up analysis
- Direct, single line trades where possible, avoiding layers of fees

We are a signatory to the Principles of Responsible Investing, an initiative by the United Nations, enabling us to create bespoke portfolios with an ESG (environment, social and governance) filter, if required.

Our investment process is as below:

- Define asset allocation and risk metrics based on the client's needs and objectives and our medium term macro-economic outlook
- Select securities using short and medium term themes, potential events (e.g. company sale) and value investing
- Apply any relevant filters such as tax issues (e.g. Resident Non-Domicile), ESG or Sharia compliance
- Execute the portfolio, and monitor risks, performance and costs on an ongoing basis

Q4-2017 - 60 Month

	Last Quarter Return	Year to Date Return	Previous Year Return	Three Year Return	Overall Return	Maximum Drawdown	Standard Deviation	Sharpe Ratio
VaR Capital	2.71 %	9.84 %	16.41 %	29.42 %	49.35 %	-6.46 %	4.07 %	1.94
TMPI GBP Medium Risk Index	2.44 %	7.73 %	10.39 %	21.24 %	41.36 %	-6.81 %	5.32 %	1.26
Relative Result	0.27 %	2.11 %	6.02 %	8.18 %	7.99 %	0.36 %	-1.25 %	0.68

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About the Trustee Managed Portfolio Indices Data

Description

The Managed Portfolio Indices are calculated using data supplied by participating discretionary investment managers. As there are many reasons why the quality of the data can be variable, the TMPI Indices uses a "Rating" system to indicate to what extent the data submitted by the investment manager reflects their actual results.

Data Quality

Real data from all portfolios managed at the selected risk level. Investors can be confident that this is representative of the manager's actual results for all client portfolios, and is the most reliable data format.

Portfolio Performance

The line chart shows how the Investment Manager has performed compared with other Managers in the peer group. Whilst the performance results are useful it is also important to understand why a portfolio has out or under performed.



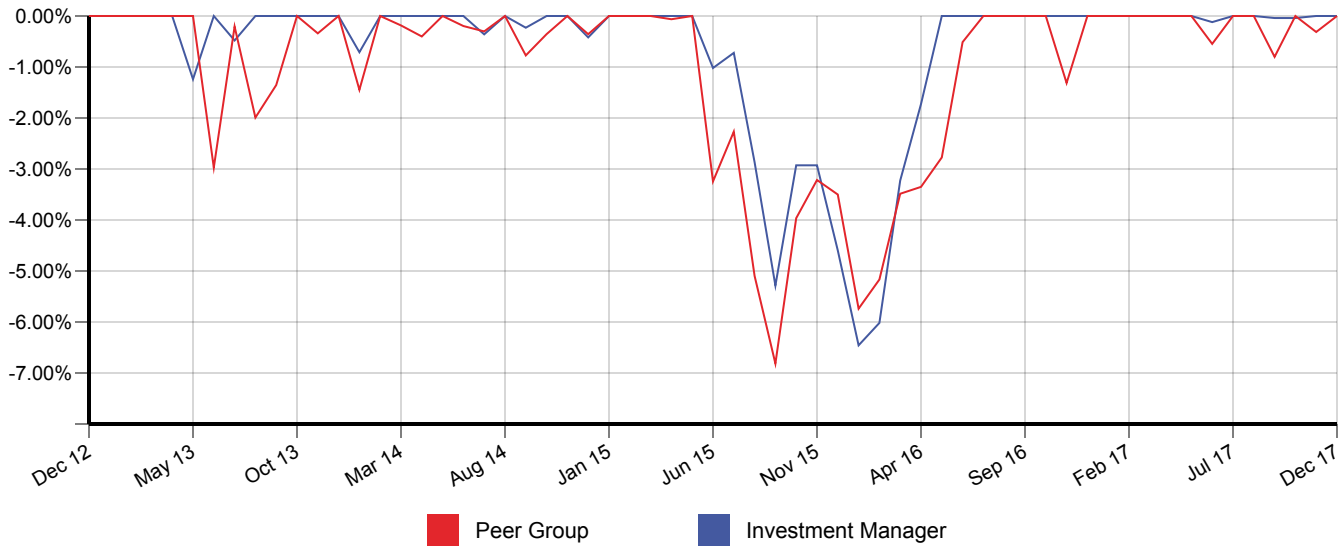
Discrete Performance

The bar chart compares the Investment Manager's monthly performance to the peer group. In quarters where returns are positive, if the investment manager's bar is above the benchmark it means that they generated a higher return than the peer group. In quarters where returns are negative it is still positive if the investment manager's bar is smaller than the peer group as it means that their decline was not as substantial as the peer group.



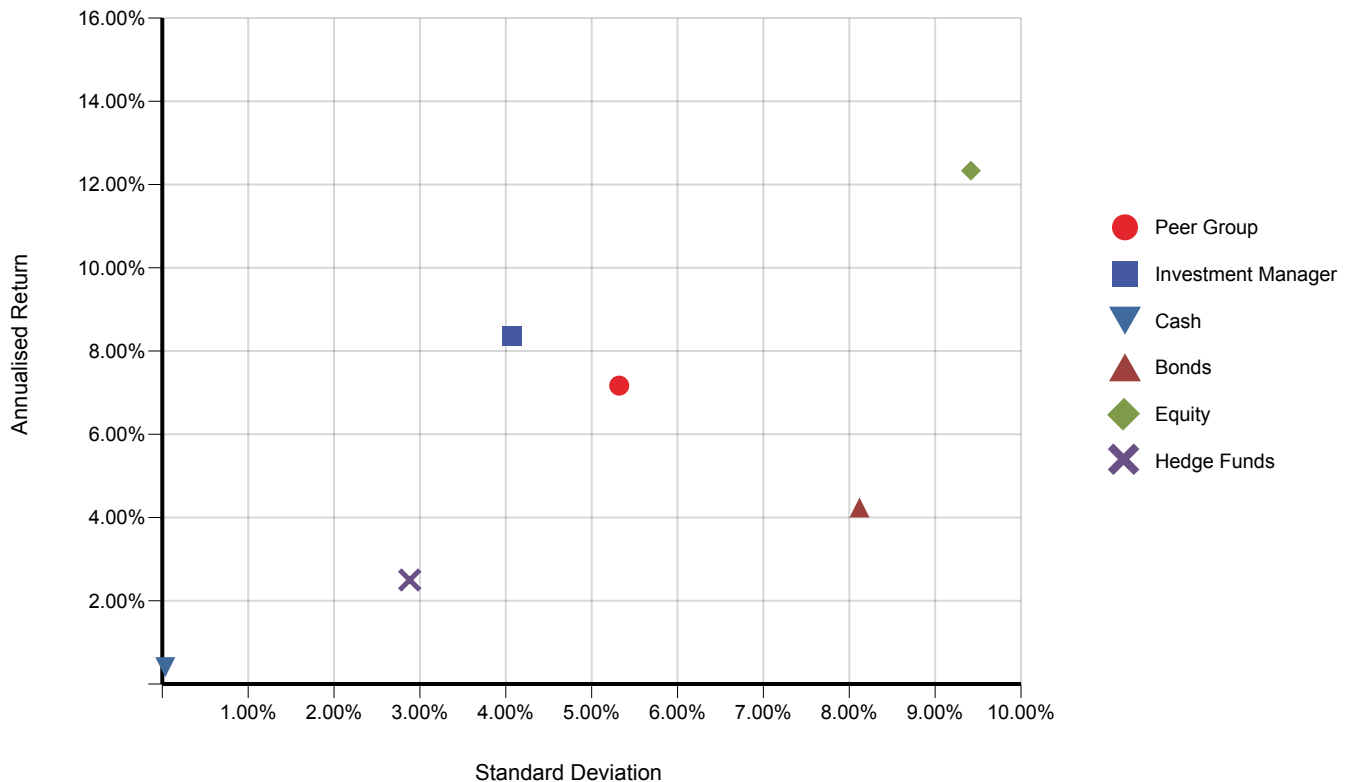
Drawdown

The line chart shows the maximum drawdown of the Investment Manager compared with other Managers in the peer group. Maximum Drawdown is an indicator of downside risk over a specified time period and measures the maximum single loss from peak to a trough in the value of a portfolio, before a new peak is attained.



Return and Volatility

The scatter chart compares how the Investment Managers risk and return characteristics compare with the peer group at this risk level and also other major asset classes. For the "risk" measure TMPI uses annualised Standard Deviation. The nearer the top left quadrant the portfolio is located the better the risk adjusted return.



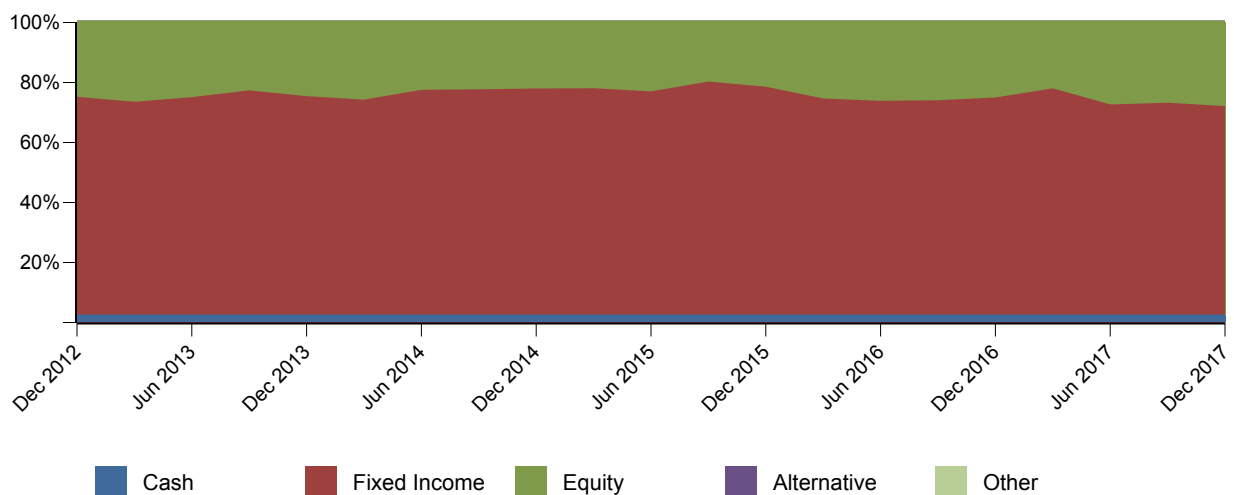
Asset Allocation vs. TMPI Average

The asset allocation shows the asset classes that the Investment Manager has used to manage the assets in accordance with the strategy. The first chart shows how the Investment Manager's asset allocation compares with the TMPI Index. The second chart tracks how the asset allocation changes over time. This shows how active the Investment Manager has been in repositioning the portfolio according to the changing market conditions

Current Asset Allocation



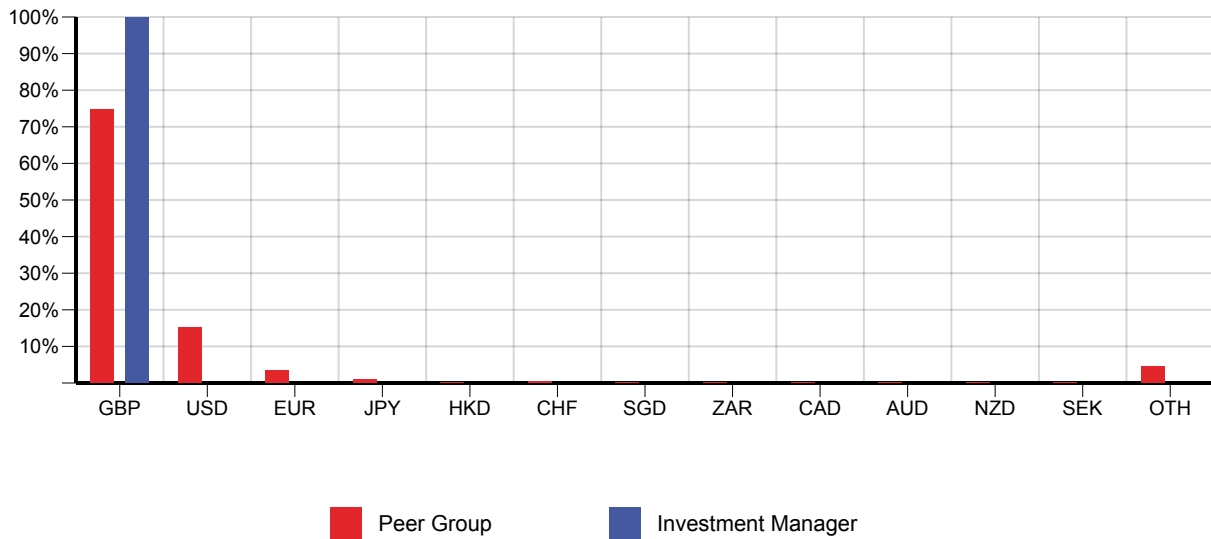
Historic Asset Allocation



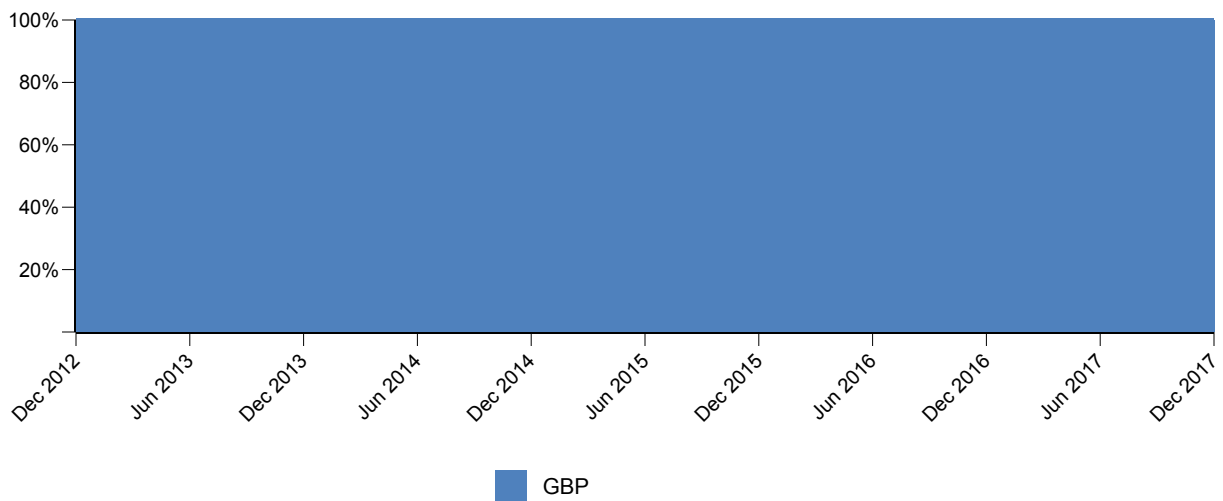
Currency Allocation vs. TMPI Average

Investing in foreign currency is often a significant part of an investment manager's strategy. Accurate forecasting of foreign exchange trends can generate significant performance, although poor forecasting can also have a negative impact. The first chart shows how the investment manager's currency exposure compares with the TMPI Index. The second chart records how the investment manager's currency exposure has changed through time.

Current Currency Allocation



Historic Currency Allocation



Disclaimer

1. Each TMPI (the 'Report') produced by Enhance MPI Limited (the 'Company') is of a general nature and for information purposes only and shall serve no other purpose. For the avoidance of doubt, no Report is to be relied upon as, nor to be a substitute for, professional advice, nor does it constitute an offer to buy or sell any security or service. Although every effort has been made by the Company to ensure that the information contained within the Report is accurate, you should not rely on it in any capacity.
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About Trustee Managed Portfolio Indices

The Trustee Managed Portfolio Indices (TMPI) will show the performance of the peer group of investment portfolios that are managed on a discretionary basis on behalf of persons acting in a fiduciary capacity. The service has been designed to promote transparency of investment performance to enable STEP Members and other Private Client Practitioners to have a common parlance with the investment management industry, which will help to ensure that suitable investment strategies are selected and that performance can be judged objectively.

Notes
