



BROUWERS  
CAPITAL



**‘Your assets deserve a  
safe return’!!**

# WELKOM – WELCOME

My name is André Brouwers, I am the founder of Brouwers Capital in Amsterdam and I would like to explain our innovative investment approach.

You have created your wealth and would like to make you a good return in a responsible way.

We have developed a methodology whereby you can realise a return on your assets safely, in principle independent from any developments in the financial markets.

Our program can be an extension of your investment portfolio as the results are not correlated with an equity or bond portfolio.

Our approach offers a better balance between risk and rewards versus most investment funds who often rely on a positive & increasing market. We achieve this based on advanced risk management and a flexible investment strategy which benefits from both rising and falling markets.

The Brouwers Program offers you an investment program which meets your risk/reward appetite.

Our methodology is based on 35 years of experience in international markets and we would like to add value to your portfolio.



André Brouwers

Fund Manager

## Introduction

Making a return on your assets is becoming a challenge. Market developments happen faster, and financial markets respond strongly to external factors. Safe havens such as Cash and Bonds are not offering any solution and the question is how to create a safe return.

In the last decade it has been largely a one-way street in the equity markets. But what happens if the direction changes? Most investors have no problem making a profit in a rising market, but if the markets start falling the profits will evaporate. That approach is vulnerable, and more diversity seems a logical answer but is often not sufficient. If markets are falling, everything seems to go down together.

## Our approach

Based on our extensive experience in the international financial markets we have developed an innovative methodology to achieve profits in a consistent manner. Our starting point is to benefit from both rising and falling wave movements in liquid financial markets.

In developing these trading models, we are combining trading experience, software knowledge and research. The Research is aimed at finding the right buy and sell moments. We have investigated patterns and trends which are statistically significant, and our approach is extensively tested through a theoretical back test and later in a live environment. The result is an automated model whereby the algorithms detect opportunities and generate transactions in a disciplined way.

” Cut your losses short and let your profits run”

The transactions we execute are combined with a stringent risk management. For every transaction we have a limited risk budget because of which the losses are limited in case of a losing trade. When the transaction is developing in the right direction, we optimise the profit.



## Results

The graph is showing three trends. We benchmark the results of our approach against a CTA index to compare with an investment in equity over the period 2008 - 2020.

The gray line shows the MSCI world index for equity from 2008. The results are positive, and the average return is 8% however there are strong fluctuations. The drawdown (fall from highest point to lowest point) is a measure of risk of the investment. The percentage drawdown over this period is no less than 48%.

The red line shows the CTA index which includes large international investment funds with a similar approach to Brouwers Capital.

The green line shows the performance of the Brouwers automated program. In the period 2008-2017 there has been a simulation based on a theoretical back-test. Since 2018 the model is tested in a live environment and the results have been audited and verified.

It is an important fact that the stable returns from the theoretical back test have continued in the live results. The test periode included more than 20,000 transactions. This is giving us the confidence that the model has sufficient statistical validity, and we are convinced the model has shown its added value to potential investors.

Brouwers Capital advises investors to use the program to underpin their investment strategy. The results are continuously evaluated, and new sub strategies are developed and included following extensive testing.

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	ANNUAL
2020	0,97%	2,66%	1,10%	4,70%	0,21%	2,78%	-2,79%	-0,34%	0,61%				10,15%
2019	-1,59%	-0,85%	1,93%	1,93%	0,13%	0,27%	2,34%	0,37%	-0,25%	0,26%	-0,18%	-0,22%	4,14%
2018	1,73%	0,95%	0,67%	-0,93%	0,53%	-0,04%	1,47%	-1,37%	-0,03%	-0,81%	1,15%	1,10%	4,45%
2017	-1,37%	-0,13%	0,83%	0,43%	0,13%	1,20%	-0,67%	-1,72%	0,84%	0,33%	0,46%	1,73%	2,02%
2016	-0,01%	2,23%	0,29%	1,63%	-0,49%	1,67%	0,87%	0,26%	0,40%	-0,65%	0,66%	0,96%	8,06%
2015	1,45%	0,36%	1,18%	-0,25%	2,73%	0,83%	-0,08%	1,23%	0,77%	0,07%	0,85%	0,56%	10,10%
2014	0,41%	1,50%	0,11%	0,01%	0,81%	-0,55%	0,08%	-0,06%	0,17%	0,26%	1,02%	0,67%	4,50%
2013	1,71%	0,66%	0,48%	-0,26%	0,22%	0,71%	0,46%	1,17%	-0,29%	0,14%	1,84%	1,08%	8,19%
2012	1,02%	0,97%	0,55%	0,93%	0,00%	1,53%	0,97%	-1,16%	-0,52%	0,78%	1,19%	0,54%	6,98%
2011	-0,08%	-0,34%	0,15%	0,41%	0,21%	0,01%	0,72%	0,19%	1,83%	0,66%	1,55%	0,69%	6,14%
2010	0,29%	0,66%	-0,53%	0,49%	2,79%	0,82%	0,50%	1,68%	-0,08%	-0,54%	-0,27%	0,50%	6,44%
2009	1,57%	0,10%	0,78%	-0,22%	0,45%	0,30%	-0,56%	-0,50%	-0,39%	0,60%	1,16%	0,69%	4,03%
2008	-0,04%	0,12%	0,28%	0,74%	0,59%	0,80%	-1,09%	0,16%	0,11%	3,50%	0,59%	0,60%	6,48%

(table with results from back-test and live trading from 2018)

*Historic results do not offer any guarantee of future results.*

## Explanation

The table above shows the results of back tests (2008–2017) and live test results (2018–2020). There is a good balance between risk and return and this provides an opportunity to apply leverage whereby trading positions are scaled up. We expect to be able to increase these results with obviously a somewhat higher risk. The test results show however that the risk of our methodology is quite limited.

## Choice

For regular investors we aim to achieve an average return after fees of >10% to 20%.

For larger investors we offer the possibility to make a tailored risk/reward profile based on the risk appetite of the investor.

A large, traditional windmill stands in the center of a field of purple flowers. The sky is dark and overcast. The windmill has four large, dark sails. In the foreground, there are rows of purple flowers, possibly lavender, with a dirt path leading towards the windmill. The overall scene is rural and serene.

# We act differently





## Strategy

The average investment portfolio and strategy is strongly dependent on a rising market. We use a different principle. We want to benefit from both rising and falling movements in the market. Our approach is based on recognising trends and patterns whereby statistical reliability is of the essence (our edge). We are using a consistent set of decision rules based on algorithms and our trading strategy is largely automated. The advantage of an automated strategy is consistency and the ability to conduct reliable testing. This leads to reliable and stable results across a long period of back-testing.



## Psychology

Following a strategy is not difficult when the results are positive. However every methodology has less profitable periods. The trick is not to lose too much in drawdowns and to keep confidence in the methodology. Where do you get the confidence that the method is still good? How do you stay disciplined? Discipline is related to the confidence and trust that the approach is successful. To be convinced, an approach needs to be extensively tested first. We have done this testing extensively. The psychology of the Trader has been replaced by the consistency of the Software.



## Backtest Systematic

We have tested our approach in first instance through a theoretical back-test. Testing back in time shows what return and risk of a certain approach would have been (simulation). The approach is based on decision rules (algorithms) which become part of a strategy to buy and sell. The given set of rules has been translated into an automated model.

Every rule (algorithm) must have an added value to become part of the strategy and the model. Only the best strategies are being selected and tested further to validate the robustness. A variety of statistical tools are used and a robust model is the best guarantee of positive results in the future.

## Live results

Since 2018 we have tested our model in a live environment with real money on an Interactive Brokers Account. The track record of both back test and live results are giving us a lot of confidence that our approach is robust and successful.

The results for the period 2008-2020 are based on more than 20,000 transactions. On the basis of daily results, a historic drawdown of approximately 5% has been realised. On a monthly basis the drawdown is approximately half this figure and on a yearly basis we have never seen a negative year, since over longer time periods the volatility becomes less.



## Drawdown

The risk of a certain strategy can be defined in a risk/reward ratio. Hereby the return is plotted against the risk. A way to define risk is the drawdown. When the invested capital shows a loss over a period, the drawdown is calculated by measuring the difference from top to bottom of the losing period.

Our methodology has also seen less profitable periods, and this can again be the case in the future. Historical returns do not give any guarantee for the future, as is the case for risk, however the drawdown is a statistically proven indication.

## Leverage

Based on our historic results, we expect a limited drawdown and so it becomes possible to use leverage. We can therefore scale up our positions to make a higher return using the funding opportunities provided by our broker.

When we take a certain trading position, the broker requests margin (a guarantee) for trading this product, for example Futures contracts. This is only a small % of the notional value and in this way we can amplify our assets multiple times over. In principle this increases both the returns and the risk.

As we work with a limited loss budget per transaction the risk on the total assets will remain constant and limited.

*Example: The initial margin is the initial amount of money a trader must place in an account to open a futures position. The amount is established by the exchange and is a percentage of the value of the futures contract. For example, a crude oil contract futures contract is 1,000 barrels of oil. At \$75 per barrel, the notional value of the contract is \$75,000. A trader is not required to place this amount into an account. Rather, the initial margin for a crude oil contract could be around \$5,000 per contract as determined by the exchange. This is the initial amount the trader must place in the account to open a position. The margin can vary based on the volatility of the market. Initially the margin is a limited percentage, in this example  $\$5,000$  of  $\$75,000 = 6,67\%$ . This can increase to for example 20 or 30%. We are taking into account the actual margin requirement when we establish the risk budget per strategy. An investor can trade also with a higher degree of leverage.*



## Instruments

Since we are trading frequently, our costs and product spreads are important. The costs related to trading have been drastically reduced because of the growth of Internet brokers and are now very acceptable.

In our back testing we have included the costs for transactions. Apart from transaction costs the difference between bid and ask prices (the spread) is important. Since more parties have begun trading in certain financial instruments (liquidity) the spread has consistently become smaller.

The strategies in which we are trading in International Markets are very liquid. The FX Forex Markets are the most liquid markets and trade 24 hours. We have chosen to trade in these most liquid forex pairs: Euro/US Dollar, Euro/Japanese Yen and British Pound/US Dollar. Furthermore, we are also active in the International Equity Markets with trading in liquid indices: Dow Jones index, S&P 500 index and Nasdaq index. We are also able to run strategies with options or Derivatives and we continue to develop new strategies and are extending our portfolio of Markets and Instruments further.

## Evaluation

We are evaluating our strategies on a continuous basis and when there is a need to replace a strategy, we are able to do this. We have only done this a very few times however, which demonstrates that our approach is robust.

Our strategies have weathered various storms in the Financial Markets. Our good results run through the credit crisis in 2008 through the Covid19 crisis in 2020. In this period there have been many other events such as the Greek crisis in 2011, the China crisis in 2015, Brexit in 2016 and the US elections in 2016, yet our results have remained solid.

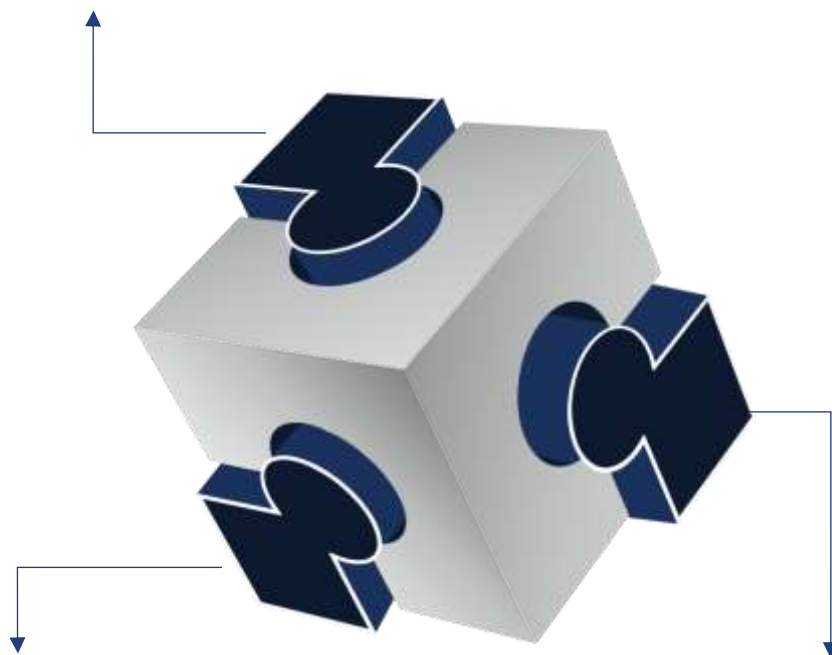


# 3M principe

In our opinion to make a good return several things are required. We use the the principal of the 3M's.

## Method

*Our extensive research has resulted in a method whereby we have a statistical advantage (edge) which can be used continuously.*



## Money Management

Nobody can predict the future so even the best investor or trader will make mistakes. A wrong decision will result in a loss. That is not a problem so long as the loss is limited and is in the right ratio to the wins. Our methodology has a good profit/risk ratio and is better than other investments.

A good risk management delivers limited drawdowns in the results.

## Mindset

The weakest link is mostly the Investor or the Trader himself. Investment is making decisions. Trading is making decisions more frequently.

As one only knows with hindsight if a decision is right, trading requires to manage uncertainty. The right mindset is essential for succesful results. A lot of investors struggle with accepting losses and are waiting too long to take the losses.

The strength of an automated strategy is that the computer has no emotions and can make a good strategy effective. A systematic computer driven trading system allows us to grasp opportunities 24 hours per day and we optimise this use to be a strength.

# MultiStrategy Trading Fund & Certificate

“benefit from volatility based on statistical reliability”



Benefit from rising and falling markets



Stable returns based on statistical reliability



Absolute returns with a limited risk



Automated taking continuous advantage of opportunities



Small losses / Large profits = Return

## Benefit from rising and falling markets

Markets are moving in trends with periods of increasing markets interchanged with periods of decrease or sideways markets. Brouwers Capital is focused on benefiting from market movements and for us it does not matter if the move is up or down. In stagnating markets, we have more difficulty to make returns, but current markets & geopolitical concerns do not indicate a lack of volatility anytime soon.

## Stable returns based on statistical reliability

When playing cards a good hand increases your chances of winning since there is statistical reliability. We are looking for markets with statistical reliability. Based on our Research we know which trends and patterns are reliable. When the computer recognises an interesting pattern, a transaction is made automatically. We are not invested continuously and only make a transaction when there is an opportunity. We are not therefore trying to beat a certain benchmark but are instead focused on absolute returns.

## Risk Management

We utilise a per strategy & per individual transaction risk budget. We look at the correlation between various strategies and adjust the budget accordingly. In principal we only risk a very small percentage of our total Assets in one transaction and will not lose more than the risk budget allocated. For this reason, we operate mainly in 24-hour markets and close almost all positions at the end of each trading week. The risk of a large overnight gap (up or down) which could increase the potential losses is therefore limited but not completely excluded.





## Automated and disciplined

To deliver a good return it is essential to use the decision rules in a consistent manner, which requires a disciplined approach. Our approach is therefore largely automated, to respond to opportunities, via a very wide scope where we continuously canvas all selected markets and instruments for opportunities.

## Small losses + Large profits = Return

Not every transaction is profitable. Based on our Research we know that our hit ratio (balance between win/loss transactions) is mostly above 50%. We have at least as many loss transactions as win transactions. However, we realise a good return by rigorously ending a transaction that does not follow the desired result. The maximum loss is decided and calculated in advance whereas if a transaction develops as expected we let it run. This results in small losses and larger profits and ensures our positive return over time.

## Target return

We aim to make absolute returns independent of the developments in the Financial Markets. On the basis of our back-testing and live results, we ensure a good risk- return ratio, which makes it possible to scale up transactions with leverage to achieve a higher return.

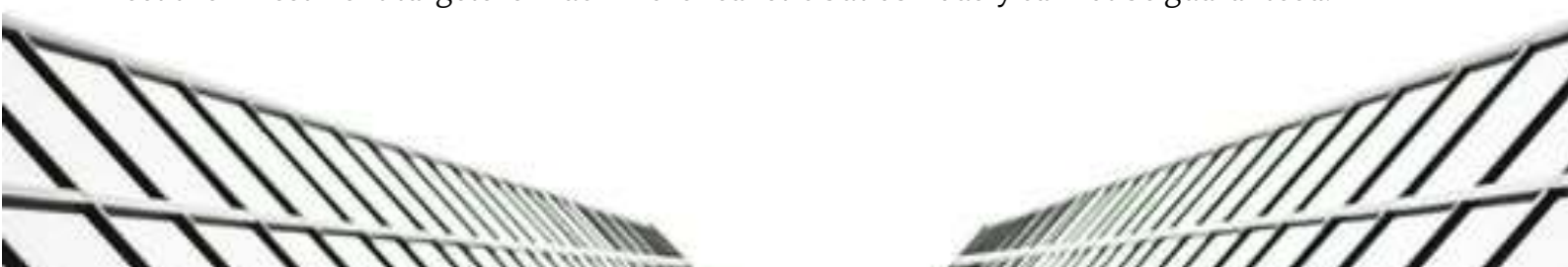
On the basis of our test results we therefore expect to consistently realise an annualised return of over 10%.

## Warning

Investment carries risk and no approach is perfect. Our approach has disadvantages, it has had to weather difficult times, for instance periods of lower volatility as in 2017, that can impact the potential to meet our target results. When the character of the markets changes over a longer period, this can impact the returns of the program.

## Trust

We have a lot of trust in our approach based on our Research. We want to point out that it is possible that there is a period whereby it is more difficult or impossible to make returns. It is of importance that an investor has realistic expectations and allows enough time to reach their goals. When an Investor takes part in the investment for a period of 3 to 5 years, the likelihood to meet the investment targets is much more realistic but obviously cannot be guaranteed.





## Icon Brouwers Certificates

Our ICON Brouwers certificates are issued under Luxembourg law by Chartered Opus Issuances S.A., an SPV structured to minimize issuance risk, with the ICON Brouwers certificate (AMC) issued through a specific 'cell'.

The ICON certificate created is technically an OTC structured note, which is eligible for investment solely by Qualified or Professional Investors and follows 'professional investors' regulations under MIFID. For this reason, there is a €150,000 EUR minimum to dissuade smaller retail investors from investing. Under SEC rules, U.S. investors cannot subscribe to our certificates. All investors subscribe to the certificates via their own bank or broker, who are required to pre-certify that their client is a 'QI or Professional Investor'.

The Custodian for the certificate's accounts is Interactive Brokers LLC, the largest U.S. online broker with over \$8 Billion of Shareholder Equity. The certificate's assets are held in an IB segregated account, so even in the unlikely event of an IB default, all client funds are protected under SEC rules and U.S. law and not subject to IB creditor risk.

Using these Luxembourg and U.S. structures, ICON has essentially removed all Issuer and Custodial risks for our esteemed clients. By using Luxembourg, Germany, U.S. and Switzerland as the jurisdictions for these Issuers, Agents and Custodians, we feel that our certificates are much safer for investors and the regulatory oversight much stricter than in most offshore fund jurisdictions.

Apart from this the certificates have daily liquidity allowing the Investor to sell their certificates at any moment in time.

# FINMA & VQF

ICON Asset Management was founded in 2006 in Zurich, Switzerland and has been a regulated VQF member (Nr. 12507) in good standing since 2007. ICON is regulated by FINMA via the VQF. ICON has never had a customer complaint lodged against it and was last audited by the VQF in April 2020 where no violations were found.

## Costs and conditions

On the basis of restrictions for qualified investors the minimum investment amount is €150,000. The cost structure is based on three parts: administrative costs, distribution fee and a bid-ask spread. The conditions are specified in the Leonteq product overview.

## Administrative costs

The Administrative Costs per Product equal the sum of (accrued daily):

- (1) 25 EUR p.a., and
- (2) 1.00% p.a. multiplied with the Reference Price, and
- (3) A performance fee of 20.00% subject to a watermark converted into EUR.

## Distribution fee

The Distribution Fee per Product is equal to an amount of up to 45 EUR p.a.. For the avoidance of doubt the Distribution Fee is charged in addition to the Administrative Costs of the Issuer.

## Bid-ask spread

Means a one-time fee of 20 EUR (10 EUR for bid and 10 EUR for ask). The fee is also payable for each Product that have been bought back by the Issuer and sold repeatedly.

## Information

We would like to provide further information about our program and would like to meet you. Perhaps you want more information to understand who we are and how we work? [Please send an email to info@iconasset.com.](mailto:info@iconasset.com)

## Transparency

We find it important that you understand how we invest your Assets when you give them into our care. You want a decent return but also peace of mind. When you understand more clearly how we make your money work, you will get peace of mind, and your expectations should be clear and realistic.

## Information memorandum

There is an information memorandum available in connection with the issuance of Certificates linked to the Icon Brouwers Systematic Trading Index (ISIN: DE000A28K2A1) from issuer OPUS – CHARTERED ISSUANCES S.A. in which all details about the investment and the certificates is described. We request you to read this document carefully before considering to participate in the certificate scheme. [Please send an email to info@iconasset.com.](mailto:info@iconasset.com)



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