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**Investor Letter Four**

Dear co-investors,

With this letter, we initiate a regular reporting based on calendar quarters. This deviates from the fund's fiscal accounting cycle, which uses an August 31st year-end.

**Performance.** In prior investor letters, we struck a cautious note around the unusually low volatility in global equity markets. We also maintained liquid reserves in anticipation. In early February, volatility returned with many indices approaching correction territory. Our fund gave back the > 6% gain it had accrued since its launch with NAV retreating to €95,77 (S-class).

The fund's top performer was **Intertrust N.V.**, rising 24% to become the fund's largest position at 8.5% of AuM. This €2.2 billion EV business is the European market leader in trust & corporate services. Intertrust helps its clients to pay less tax, manage administrative complexity, and comply with regulations. Since Blackstone listed it in 9/2015, Intertrust expanded by buying foothold positions in tax-relevant jurisdictions. Recent positive catalysts included a smooth senior executive succession (both CEO and CFO), the successful integration of Elian, and private equity acquiring a large peer at significantly higher multiples. Trading at 11.9x 2018 est. EBIT, we believe that Intertrust is still cheap given its very high cash conversion (>40% EBITDA %), non-cyclical revenue base, strong organic growth rates, and deep M&A pipeline. Our position in Intertrust contributed +1.99% to portfolio performance since launch.

The worst performer was **Greencore plc** which is down 36% (-2.02% portfolio level impact) from our entry position and now constitutes 6.3% of the fund. Our long-term conviction remains high such that we used the drawdown to average down our cost base significantly. We described Greencore in a recent Equity Ride (available on our website). The company leads the fast-growing food-to-go market with a whopping 60% UK market share. The firm made a large acquisition in the US to diversify its customer and product base. The acquired firm (Peacock Food) had overcapacity and now faces wage pressure. The Greencore investor base is extremely focused on quarter to quarter margin development such that the profit warning in early March spooked the market. We believe that over the long-term these problems can be handled. Food consumption trends favoring the FTG niche as well as the wide-moat, cash cow UK business support our long-term investment thesis. We liked the business under 10x EBITDA, we like it even better at the current 7x valuation.

Our position in **Aryzta AG** is down 30% from our initial entry position (-1.83% portfolio level impact) and now constitutes 4.2% of the fund. We set out the Aryzta investment case in our very first Equity Ride. The company is the world market leader in B2B frozen baked goods. The firm had been severely mismanaged from an operational as well as capital allocation perspective. We initiated our position after the new chairman Gary McGann replaced the management team. Gary is a former buyout CEO and ran Smurfit Kappa under private equity ownership. We are confident that he will lead Aryzta through the required restructuring as the necessary measures are both obvious and entirely achievable. However, nervous equity markets severely punish even small guidance misses. This was the case when the new CEO for the US business used his first business update for kitchen-sinking. We anticipated this possibility and used the resulting drawdown to lower our average entry price. Our long-term perspective gives us an edge in this situation.

**New portfolio companies.** We used the recent market volatility to selectively top up on core positions as well as add two new names: **Eurofins** and **Stemmer**.

**Eurofins Scientific S.E.** is a €9 billion EV testing business. Eurofins tests substances that we eat, drink, ingest or inhale every day. The company is the global #1 or #2 position in each of its segments. Although Eurofins grows at a market-leading 9% organically, management has historically been even more active in M&A. Testing remains a fragmented market with ample opportunities for profitable consolidation by acquiring labs at low multiples, cross-selling new tests, and reducing costs by focusing on the most frequently performed tests at dedicated labs. Eurofins constitutes 3.8% of AuM.

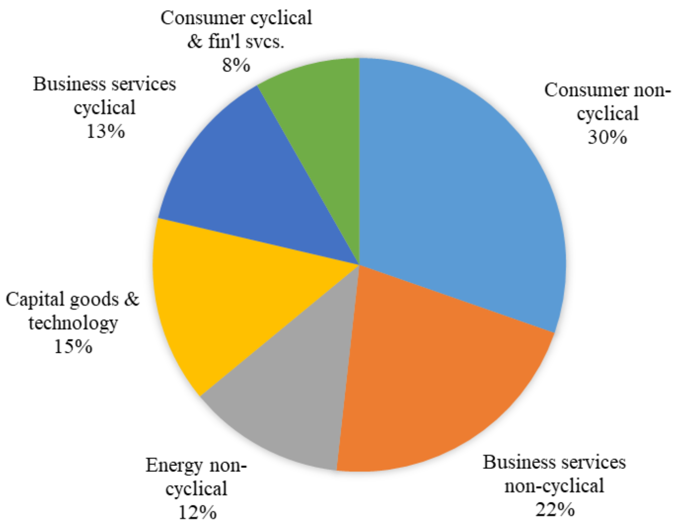
In February, the fund participated in the IPO of **Stemmer Imaging AG**. The fund's smallest position at 1.6% of AuM, Stemmer is a machine vision systems supplier supplying a wide range of industries with bespoke solutions. One well-known example is Hawkeye, used in professional tennis. A profitable, fast growing business, the company went public at a meaningful discount to its peers. Stemmer was bought only last year from the founding family by a private equity firm in a management buyout. To raise capital for its continued buy-and-build strategy, it listed shares in Frankfurt at a €250m market cap and a free float of 46%. Although CCA would typically not participate in small cap IPO's, both Portfolio Managers have experience diligencing the machine vision sector. We found Stemmer and its management team, whom we met twice prior to the IPO, to be highly compelling and increased our exposure to the name during the volatility at the end of March.

As set out below, the fund trades at meaningful discount from a EV / EBITDA perspective against indices like MDAX and SDAX. This is consistent with our strategy to purchase robust, high quality businesses at reasonable valuations. Sticking to our private equity roots, we also note that our valuations includes pensions in the enterprise valuation which is not the case for the index valuations. The valuation discount in our portfolio is thus even higher than reflected in this table.

| | **EV/EBITDA** | | **Market Cap (€ billion)** | |
|---|---|---|---|---|
| | **Average** | **Median** | **Average** | **Median** |
| **CCA** | 10,0x | 9,6x | 3.1 | 1.6 |
| **MDAX** | 13,0x | 10,9x | 7.6 | 5.8 |
| **SDAX** | 17,0x | 12,3x | 2.1 | 1.3 |
| | | | | |
| **Discount** | | | | |
| vs MDAX | -22,8% | -11,6% | | |
| vs SDAX | -40,9% | -21,9% | | |

**Macro view.** We see limited cause for concern from fundamental economic factors as the broad-based global expansion continues apace. However, we are monitoring several geopolitical risks in 2018 and see an elevated potential for a correction from a geopolitical shock. In Europe, the rise of populism continues to test governments' commitment to the EU. This will be the decisive year for Brexit; a hard exit without a trade deal could potentially have severe economic consequences in the UK and its main trading partners. President Trump continues to lead the United States and the world into an even more unpredictable phase, testing the limits of his political power at home and putting the international order under increasing strain. We view the risk of a damaging global trade war as low but are monitoring developments.

Our macro caution is reflected in the defensive positioning of the portfolio. Cash and cash equivalents make up 29% of the fund. Although we aim to be > 90% invested across the cycles, we also seek to retain sufficient fire power to act quickly when the market offers up opportunities to buy quality companies at reasonable prices…as has been the case recently.




Approximately 71% of AuM is invested in seventeen individual equities. Although we select investments on a bottom-up basis on their individual merits, 64% of the equity portfolio are non-cyclical businesses such as consumer staples and business services.

At present, CCA has not hedged its non-Euro FX exposure. We will selectively do so if the portfolio faces meaningful concentration risks. The non-euro FX exposures are GBP 17%, CHF 8%, and SEK 4% of AuM.

As always, please let us know if you have any questions.

Best regards,

Alex & Felix