



Monthly Report February 2018

Stock Market Volatility Leads to Largest Loss in the History of the Managed Futures Industry

The managed futures (CTA) indexes suffered their largest losses on record during the first week of February. For the full month the BTOP 50 dropped -5.69% and the Barclay Trend Index dropped -8.96%.

Unfortunately, Brandywine also suffered record losses during the period. Although our performance is not generally correlated with that of other CTAs, our performance began to correlate in January when we, along with the managed futures indexes, posted some of our strongest monthly returns on record (Brandywine's Symphony program was up +6.32% in January).

But historically, Brandywine's performance is uncorrelated to both stocks and CTAs. For example, the past seven years have been the most difficult performance period in the history of the managed futures industry. The BTOP 50 has lost money in five out of seven of those years. In contrast, Brandywine was profitable in 4 of those 5 down years for the index.

While the losses are painful when they occur, we feel the forces that caused those losses will be beneficial to our performance going forward, as we explain in the write-up to the right.

Brandywine Posts Largest Monthly Loss

Last month we talked about the extended period of record low volatility recorded by U.S. equity markets. This low-vol environment has held for most of the past decade, a period during which central bankers have established price-control policies towards interest rates. This has served as a headwind for the majority of managed futures traders, who tend to exploit volatility in global financial and commodities markets. Many of those same headwinds applied to us as well. And while we're displeased that our performance has not matched our long-term expectations, we are encouraged by our outperformance relative to our peers over such a difficult period.

We believe the environment is now changing to become more favorable. Although equity investors obviously prefer the steady gains they have achieved over the past decade and generally dislike volatility, we believe the resumption of free(er) market forces will provide us with opportunities similar to those that existed prior to the end of the financial crisis in 2009.

The spike in stock market volatility last month was just the first indication of this change in environment. Our performance over the past two months is also indicative of the start of a regime change. After one of our strongest monthly performances on record, Brandywine suffered a record one-month loss in February. This follows two years (both 2016 and 2017) of double digit gains combined with single-digit target volatility. Of course, past performance is not indicative of future performance. But while the early February spike in

volatility had the initial effect of negatively affecting Brandywine's performance, we believe it may also have ushered in a new market environment that may present us with better opportunities than we have seen in years.

As always, please feel free to email or call us for more information.

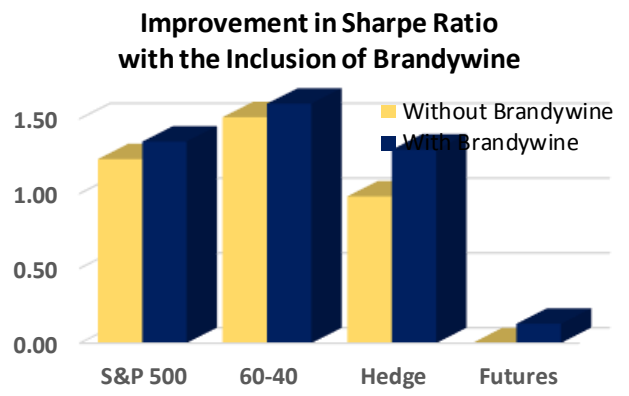
Performance Summaries of Brandywine's Programs⁽¹⁾

Brandywine Program	February Return	2018 Return	Annual Return	Annual Volatility	Maximum Drawdown	Sharpe Ratio
Symphony	-8.04%	-2.23%	2.13%	10.26%	-25.57%	0.18
Classic	-10.73%	-8.70%	3.36%	9.86%	-14.90%	0.32
Monetary	-8.82%	-3.27%	6.91%	10.70%	-14.50%	0.62
Alpha Hedge	-9.15%	-4.85%	3.80%	12.08%	-17.72%	0.29
Brandywine CPU	-9.17%	-4.52%	4.88%	9.26%	-13.26%	0.50

(1) All Footnotes and required disclosures are on the last page of this report

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. THERE IS THE RISK OF LOSS AS WELL AS THE OPPORTUNITY FOR GAIN WHEN INVESTING WITH BRANDYWINE. BRANDYWINE'S INVESTMENT PROGRAMS ARE ONLY AVAILABLE TO INVESTORS THAT QUALIFY AS "QUALIFIED ELIGIBLE PARTICIPANTS" AS THAT TERM IS DEFINED IN CFTC REG. SECTION 4.7(a)(2) PROMULGATED UNDER THE COMMODITY EXCHANGE ACT, WHICH ARE QUALIFIED TO INVEST IN THE PROGRAMS BY (a) THEIR KNOWLEDGE AND ACCEPTANCE OF THE RISKS ASSOCIATED WITH HIGHLY LEVERAGED SECURITIES AND FUTURES TRADING AND (b) THEIR FINANCIAL ABILITY TO ACCEPT SUCH RISK.

Additional Reasons to Invest With Brandywine
(Performance of the Brandywine CPU)⁽²⁾



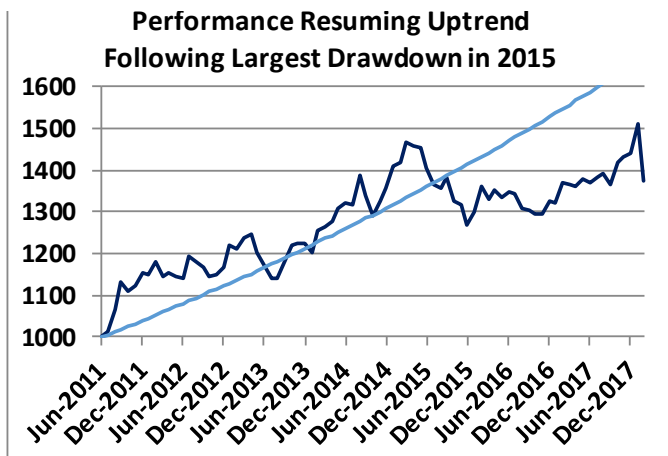
The value of adding Brandywine to a portfolio that contains stocks, bonds, hedge funds or managed futures is due to Brandywine’s non-correlation to those other investments.

This is highlighted in the table to the right

It is this non-correlation that makes Brandywine such a positive addition to most investment portfolios and results in the improvement in risk-adjusted returns shown in the chart above.

Non-correlation of the Brandywine Investment Programs to Other Investment Indexes³

Index	Symphony	Classic	Monetary	Alpha Hedge
S&P 500	0.22	0.11	0.15	-0.31
Bonds	0.18	0.22	0.38	0.33
Hedge Funds	0.26	0.09	0.14	-0.36
Mgd. Futures	0.11	0.43	0.51	0.70



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Descriptions & Performances of Brandywine's Investment Programs^{1,4}

Brandywine trades pursuant to a fully-systematic model that incorporates a wide range of both fundamental and technical trading strategies. Brandywine's Symphony Program began trading in July 2011 and the performance of the other programs is extracted from the actual performance of trades executed within the Brandywine Symphony Program.

<p>Symphony⁽³⁾ Most broadly diversified program:</p> <ul style="list-style-type: none"> • Trades in all liquid global futures markets (100+) • Systematically employs both fundamental and technical strategies 	<p>Classic⁽³⁾ Similar to Symphony:</p> <ul style="list-style-type: none"> • but excludes trading in fundamental value strategies (but includes numerous other fundamental strategies) 	<p>Monetary⁽³⁾ Trades financial markets only:</p> <ul style="list-style-type: none"> • Trades in all liquid global currency, interest rate and stock index futures markets (60+) 	<p>Alpha Hedge⁽³⁾ Competes with trend following CTAs:</p> <ul style="list-style-type: none"> • Solely employs momentum strategies. • Has out-performed Trend-followers by more than 4% / yr.
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Monthly Performance - Brandywine Symphony Program													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YEAR
2018	6.32%	-8.04%											-2.23%
2017	2.23%	2.98%	-1.41%	-1.31%	0.29%	-1.18%	0.91%	2.40%	-1.73%	2.85%	2.27%	2.29%	10.92%
2016	1.07%	0.18%	2.14%	10.46%	-1.22%	1.88%	-1.06%	-4.47%	0.04%	-0.92%	-0.27%	4.40%	12.14%
2015	-0.74%	3.55%	-0.60%	3.20%	0.01%	-1.82%	-6.72%	0.33%	-1.48%	-0.30%	-7.80%	-2.18%	-14.16%
2014	0.10%	5.68%	1.71%	1.18%	1.14%	0.05%	-1.71%	4.65%	-6.46%	-3.05%	-2.26%	-2.18%	-1.75%
2013	3.46%	-1.10%	2.55%	-0.08%	-3.03%	-1.54%	-3.09%	0.16%	3.57%	2.95%	0.32%	-0.16%	3.77%
2012	0.41%	2.17%	-3.31%	0.00%	-2.28%	0.79%	3.85%	-0.61%	-0.48%	-1.45%	0.11%	1.20%	0.20%
2011							0.92%	2.47%	2.83%	-0.45%	0.65%	1.27%	7.90%

Extracted Monthly Performance - Brandywine Classic Program													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YEAR
2018	2.27%	-10.73%											-8.70%
2017	-0.09%	3.00%	-0.64%	-0.50%	1.87%	1.22%	-0.72%	2.29%	-1.12%	4.30%	0.39%	0.76%	11.15%
2016	2.98%	4.43%	-2.44%	1.07%	-0.46%	-1.22%	-1.88%	-2.61%	-3.76%	0.07%	0.51%	3.91%	0.23%
2015	-1.14%	3.77%	1.54%	1.84%	0.71%	-3.35%	-1.58%	-0.22%	2.10%	-5.15%	0.05%	-2.60%	-4.29%
2014	0.08%	7.25%	2.25%	1.54%	1.49%	0.02%	-0.27%	5.78%	-2.60%	-4.90%	1.01%	-0.89%	7.32%
2013	4.63%	-1.56%	3.41%	-0.13%	-4.09%	-2.11%	-4.20%	0.20%	4.80%	3.97%	0.42%	-0.26%	4.63%
2012	0.47%	2.98%	-3.41%	-0.12%	-3.38%	0.41%	4.97%	-0.80%	-0.62%	-1.94%	0.15%	1.53%	-0.08%
2011							1.21%	3.34%	3.82%	-0.58%	0.84%	1.70%	10.70%

Extracted Monthly Performance - Brandywine Monetary Program													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YEAR
2018	6.08%	-8.82%											-3.27%
2017	-0.88%	5.42%	1.12%	-1.70%	1.75%	-1.43%	2.91%	0.56%	-2.24%	3.15%	0.58%	-0.05%	9.29%
2016	2.62%	5.57%	-0.09%	-0.46%	-1.86%	0.51%	0.28%	-1.87%	0.70%	0.91%	-0.18%	2.22%	8.42%
2015	3.58%	1.51%	4.78%	-0.69%	-0.58%	-3.32%	-2.05%	-0.62%	1.39%	-3.06%	-0.41%	-6.00%	-5.80%
2014	-3.85%	5.29%	1.04%	-0.11%	4.74%	1.47%	-1.41%	6.58%	-7.20%	-3.81%	2.53%	1.87%	6.38%
2013	4.65%	-0.07%	2.98%	2.28%	-4.52%	-3.28%	-2.50%	0.61%	6.31%	3.49%	-0.66%	-1.51%	7.39%
2012	1.03%	3.57%	-2.65%	1.41%	-1.86%	1.12%	5.53%	-0.67%	-0.21%	-1.39%	0.75%	1.48%	8.12%
2011							1.68%	5.65%	5.15%	1.09%	-0.16%	2.68%	17.07%

Extracted Monthly Performance - Brandywine Alpha Hedge Program													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YEAR
2018	4.73%	-9.15%											-4.85%
2017	-1.07%	1.56%	-1.22%	1.35%	0.86%	-0.57%	-0.62%	-1.28%	-2.24%	4.02%	0.42%	0.22%	1.29%
2016	2.00%	6.07%	-5.85%	-0.76%	-1.24%	2.55%	-0.19%	-1.91%	0.53%	-2.49%	-0.53%	0.71%	-1.57%
2015	9.55%	-2.61%	4.34%	-3.19%	-1.00%	-3.89%	-1.99%	-1.85%	4.40%	-6.48%	2.21%	-1.92%	-3.44%
2014	-2.00%	1.36%	-1.77%	2.19%	1.29%	1.02%	1.33%	4.19%	1.65%	-3.35%	6.11%	6.96%	20.11%
2013	5.91%	-1.23%	0.59%	-0.53%	-2.68%	-1.75%	-2.12%	-0.71%	-0.46%	2.23%	2.46%	1.82%	3.26%
2012	-2.48%	1.66%	-3.61%	0.65%	3.57%	-3.92%	4.80%	-2.62%	-2.62%	-2.35%	-0.04%	1.64%	-5.63%
2011							0.44%	8.59%	9.54%	-5.94%	2.56%	3.77%	19.60%

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Monthly Performances of Brandywine's Investment Programs^{1,4}

"Brandywine CPU" is the composite performance that could have been achieved by allocating 1/3 to Brandywine's Diversified Programs (split equally between Symphony and Classic) and 1/3 each to Monetary and Alpha Hedge, reallocating monthly.

Brandywine Symphony Preferred Fund began actual trading in July 2011 and is managed pursuant to Brandywine's Symphony program at between 3x and 5x the standard risk of that program. As a result, the Fund is cash efficient (a \$1 million allocation provides the returns that would be earned on a \$3 million to \$5 million investment in Brandywine's Symphony program) but extremely high risk relative to the potential and actual losses relative to the actual cash invested.

Extracted Monthly Performance - Brandywine CPU													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YEAR
2018	5.11%	-9.17%											-4.52%
2017	-0.31%	3.67%	-0.14%	-0.43%	1.31%	-0.68%	1.13%	0.65%	-2.00%	3.79%	0.91%	0.56%	8.61%
2016	2.20%	4.67%	-2.08%	1.51%	-1.33%	1.12%	-0.47%	-2.45%	-0.22%	-0.68%	-0.21%	2.35%	4.24%
2015	3.89%	0.74%	3.13%	-0.36%	-0.39%	-3.41%	-2.75%	-0.82%	2.03%	-4.10%	-0.70%	-3.45%	-6.38%
2014	-1.93%	4.61%	0.56%	1.04%	2.47%	0.84%	-0.31%	5.28%	-3.30%	-3.72%	2.77%	2.39%	10.76%
2013	4.69%	-0.86%	2.26%	0.61%	-3.66%	-2.29%	-2.76%	0.02%	3.34%	3.32%	0.66%	-0.09%	4.98%
2012	-0.21%	2.63%	-3.17%	0.78%	-0.48%	-0.68%	4.82%	-1.24%	-0.99%	-1.81%	0.28%	1.56%	1.26%
2011							1.09%	5.62%	5.88%	-1.70%	1.05%	2.63%	15.26%
Combined Actual Performance of Symphony plus extracted performance for Classic, Monetary & Alpha Hedge													

Monthly Performance - Brandywine Symphony Preferred Fund													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YEAR
2018	32.27%	-42.17%											-23.50%
2017	10.91%	14.70%	-7.49%	-6.94%	1.54%	-6.25%	4.31%	11.72%	-8.85%	13.90%	10.93%	11.39%	55.86%
2016	2.88%	0.24%	9.25%	45.45%	-5.64%	7.99%	-4.92%	-21.89%	0.19%	-4.87%	-1.63%	21.72%	41.55%
2015	-1.92%	10.91%	-1.83%	10.29%	-0.32%	-6.18%	-20.14%	0.67%	-5.48%	-1.87%	-33.59%	-11.14%	-51.52%
2014	0.12%	20.09%	5.13%	3.36%	3.22%	-0.04%	-5.35%	13.85%	-19.76%	-9.65%	-7.02%	-6.25%	-8.20%
2013	13.32%	-4.02%	9.26%	-0.35%	-10.56%	-5.85%	-12.22%	0.57%	15.39%	11.27%	1.03%	-0.67%	13.44%
2012	1.48%	8.27%	-12.14%	-0.07%	-9.20%	3.32%	16.13%	-2.36%	-1.91%	-5.69%	0.55%	4.85%	0.08%
2011							4.34%	11.72%	12.33%	-2.01%	2.47%	4.86%	37.88%
Aggressive: Trades at 3x - 5x standard leverage of Brandywine's Symphony Program													

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Footnotes & Disclaimers

(1) "Performance Summaries..." table on Front Page and monthly performance tables on prior pages:

- Performance since the start of actual trading in July 2011. Most recent month may be an estimate.
- Symphony performance is the composite performance of all accounts managed pursuant to Brandywine's Symphony Program.
- Classic, Monetary and Alpha Hedge performances are extracted using the performance of actual trades executed in Brandywine's Symphony Program.
- "Brandywine CPU" is the composite of allocating 1/3 to Brandywine's Diversified Programs (split equally between Symphony and Classic) and 1/3 each to Monetary and Alpha Hedge, reallocating monthly.
- Brandywine Symphony Program is also offered through Brandywine Symphony Preferred Fund, which trades at an aggressive 3x-5x standard risk. Brandywine Classic, Brandywine Monetary and Brandywine Alpha Hedge Programs are also offered through investments into funds that each trade at 2x the standard risk of each Program.

(2) "Additional Reasons" charts on Page 2:

- "Brandywine" is the composite of allocating 1/3 to Brandywine's Diversified Programs (split equally between Symphony and Classic) and 1/3 each to Monetary and Alpha Hedge.
- "With Brandywine" means, respectively, allocating 100% to each of the indexes and an additional 50% to Brandywine.
- Trendline is 8% target return for Brandywine CPU.

(3) Correlation Table on Page 2:

- * "S&P 500" is the S&P 500 Total Return Index
- * "Hedge" or "Hedge Funds" is the Barclay Hedge Fund Index
- * "Bonds" is the Barclays U.S. Aggregate Bond Index
- * "Mgd. Futures" is the BTOP 50 Index

(4) Material assumptions used in creating the extracted past performance of Brandywine's Classic, Monetary and Alpha Hedge Programs:

The performance of Brandywine's Classic, Monetary and Alpha Hedge Programs are each derived from actual trades made in Brandywine's Symphony Program. Brandywine's Symphony Program trades pursuant to a systematic trading model and every trade in every market is triggered by, and automatically allocated to, one of Brandywine's specific trading strategies. Brandywine employs an account management program to calculate the number of contracts to be traded in each market and the resultant performance for each market and trading strategy in the portfolio. Because of this automated process, Brandywine is able to create the extracted performance record for the Brandywine Classic, Monetary and Alpha Hedge Programs, pursuant to the following steps:

- The gross percentage returns are calculated for each trade made in Brandywine's Symphony Program and these returns are allocated to each Program pursuant to the strategies and markets relevant to each Program.
- The percentage returns on those trades are then translated into each applicable Program based on the percentage allocation of that Program within Brandywine's Symphony Program, as disclosed in Brandywine's July 2011 disclosure document.
- The performance is then reduced for the commissions charged on the trades.
- The performance of each Program is charged a monthly management fee and quarterly incentive fee at the following rates:
 Classic: 1/6 of 1% (approximately 2% annually) management fee & 20% incentive fee
 Monetary: 1/6 of 1% (approximately 2% annually) management fee & 20% incentive fee
 Alpha Hedge: 1/12 of 1% (approximately 1% annually) management fee & 10% incentive fee
- Performance of Brandywine's Alpha Hedge Program is then adjusted by multiplying the monthly performances by a percentage in order to represent the actual trading level employed in client accounts in that Program. The Brandywine Classic and Brandywine Monetary Programs require no further adjustment.

The past performance of Brandywine's Classic, Monetary and Alpha Hedge Programs assumes the reallocation of profits and losses.

Because no single account traded pursuant to the extracted performance displayed for the Brandywine Classic, Monetary and Alpha Hedge Programs the following disclaimer is required and relevant to the track records displayed for those Programs:

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

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