

# B&NDON

## CAPITAL MANAGEMENT

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### Q Describe your firm, its offerings and its mission.

Bandon Capital Management is a private, Portland, Oregon-based investment management firm focused on the democratization of alternative investment strategies. Alternative strategies possess valuable investment characteristics – specifically an absolute return vs. a relative return orientation and a lack of correlation to traditional financial markets, but have historically only been available to elite investors in private partnership structures. Bandon believes these characteristics are valuable to all investors and offers convenient access to institutional strategies through Bandon mutual funds and separate accounts.

### Q Describe your investment strategy and how it might be unique.

Bandon Isolated Alpha Fixed Income (BANIX) is a global absolute return-oriented fixed income strategy. The fund is intended to be an “all season” strategy for investors seeking consistent returns through all market environments. In the pursuit of its objectives the fund has the flexibility to invest in an unconstrained fashion across global fixed income securities and sectors including strategies that go both long and short in an attempt to capitalize on market opportunities in both directions.

The philosophy underlying the strategy is to incorporate an absolute return approach in the management of the two principal risk/return drivers for fixed income investing - interest rates and credit – within predefined exposure bands and a rigorous, quantitative risk management framework.

### Q Describe how your investment products fit into a well-rounded asset allocation strategy.

As the manager of alternative, absolute return oriented investment strategies we are incorporated into asset allocation strategies in one of two primary approaches. Traditional asset allocation approaches based on cash, stocks and bonds will look through our investment products to the underlying securities and include them with their respective asset class, as a diversification tool.

An increasingly popular asset allocation approach is to include an absolute return asset class, in addition to stocks, bond and cash in acknowledgement of the unique investment characteristics alternative strategies possess.

Bandon seeks to provide solutions which have little to no correlation to traditional financial markets and as such believe its offerings provide an excellent source of diversification from traditional portfolio risk factors.

### Q How has your firm adapted during the recent economic downturn?

The recent economic downturn highlighted both the value and need for the type of alternative, absolute return oriented investment strategies we manage. Investors are still reeling from the loss of capital in long only, non risk managed investment products as well as the failure of diversification to preserve capital as all markets became highly correlated. We have adapted by focusing more resources on educating investors about the benefits of incorporating non-correlated, absolute return oriented strategies in their asset allocation process.

By providing solutions that have an absolute rather than relative return orientation Bandon measures its results not versus a benchmark but on the returns it generates for investors regardless of economic condition.

### AT A GLANCE

**Firm name:** Bandon Capital Management, LLC  
**Principals:** Bill Woodruff & Mike Miller  
**Employees:** 5  
**Location:** Portland, OR  
**Years in business:** 3  
**Assets under management:** \$70 million  
**Minimum investment:** \$10,000