

GEHLEN BRAEUTIGAM VALUE HI FUND

**GEHLEN
BRÄUTIGAM
CAPITAL**

GEHLEN BRÄUTIGAM CAPITAL GMBH. HERDERSTRASSE 28. 12163 BERLIN.
+49 30 42141851. info@gbcvalue.com. gbcvalue.com

NOVEMBER 2023

Marketing information suitable for private as well as professional investors or eligible counterparties.

Disclaimer/Imprint

This document is a customer information ("CI") within the meaning of the German Securities Trading Act, the "CI" is addressed to natural persons and legal entities with their habitual residence or registered office in Germany and is used exclusively for informational purposes.

This "CI" cannot replace an individual investment- and investor-friendly advice and does not justify a contract or any other obligation. Furthermore, the contents do not constitute investment advice, an individual investment recommendation, an invitation to subscribe for securities or a declaration of intent or a request to conclude a contract for a transaction in financial instruments. Also, it was not written with the intention of providing legal or tax advice. The tax treatment of transactions depends on the personal circumstances of the respective customer and may be subject to future changes. The individual circumstances of the recipient (including the economic and financial situation) were not taken into account in the preparation of the "CI".

Past performance is not a reliable indicator of future performance. Recommendations and forecasts are non-binding value judgments about future events and may therefore prove to be inaccurate with respect to the future development of a product. The listed information refers exclusively to the time of the creation of this "CI", a guarantee for timeliness and continued correctness cannot be accepted. An investment in mentioned financial instruments / investment strategy / securities services involves certain product specific risks - e.g. Market or industry risks and risk in currency, default, liquidity, interest rate and credit - and is not suitable for all investors. Therefore, potential prospects should make an investment decision only after a detailed investment advisory session by a registered investment advisor and after consulting all available sources of information.

For further information, you will find the basic investor information (PRIIPs) and the securities prospectus here for free:

<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fonds-id=720>

The information will be made available to you in German. A summary of your investor rights in German can be found in digital form on the following website:

<https://www.hansainvest.de/unternehmen/compliance/zusammenfassung-der-anlegerrechte>.

In the event of any legal disputes, you will find an overview of all instruments of collective legal enforcement at national and EU level under the following hyperlink:

<https://www.hansainvest.de/unternehmen/compliance/zusammenfassung-der-anlegerrechte>.

The management company of the advertised financial instrument may decide to cancel arrangements it has made for the distribution of the shares of the financial instrument or to revoke the distribution altogether. The purchase of fund shares constitutes the acquisition of shares in an investment fund, not in its assets. Fees and expenses paid by the Fund reduce the return on an investment. Certain securities and cash held by the Fund can be classified in GBP, SEK, DKK. Fluctuations in currency exchange rates may affect the return of an investment both positively and negatively.

The above content reflects only the opinions of the author, a change of opinion is possible at any time, without it being published. The present "CI" is protected by copyright, any duplication and commercial use are not permitted. Date: 06.11.2023

Editor: Gehlen Bräutigam Capital GmbH, Herderstrasse 28, 12163 Berlin acts as a tied agent (section 3 (2) German Wertpapierinstitutsgesetz (WpIG) on behalf of, in the name of, for account and under the liability of the responsible legal entity BN & Partners Capital AG, Steinstrasse 33, 50374 Erftstadt. BN & Partners Capital AG has a corresponding license (section 15 WpIG) from the German Federal Financial Supervisory Authority (BaFin) for the provision of investment advice in accordance with section 2 (2) no. 4 WpIG and investment brokerage according to section 2 (2) no. 3 WpIG.

Risk/return profile



The Gehlen Braeutigam Value HI is classified in category 4 because its unit price has fluctuated strongly and therefore both the risk of loss and the chances of profit can be high.

This indicator is based on historical data; it is therefore not possible to predict future developments. The fund's classification may change in the future and does not constitute a guarantee. Even a fund that is classified in category 1 does not constitute a completely risk-free investment.

THE FOLLOWING ADDITIONAL RISKS MAY BE SIGNIFICANT TO THE FUND:

LIQUIDITY RISKS

The Fund invests a substantial part of its assets in financial instruments that are not traded on the official market of a stock exchange or similar market or that are difficult to sell for other reasons and for which it may therefore not be possible to find a buyer in the short term. This may increase the risk of suspension of unit redemption of the fund.

CUSTODY RISKS

Custody of assets, particularly abroad, may involve a risk of loss resulting from insolvency, breach of duty of care or improper conduct by the custodian or a sub-custodian.

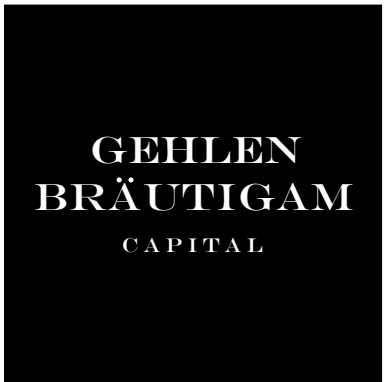
DEFAULT RISKS

The Fund enters into transactions with various contractual partners. There is a risk that contractual partners may no longer be able to meet their payment or delivery obligations.

OPERATIONAL RISKS

Human or technical failure, inside or outside the company, but also other events (such as natural disasters or legal risks) can cause losses to the fund.

Note: The prospectus and other investor information about the Gehlen Braeutigam Value HI fund can be found at www.hansainvest.com.



As we have communicated at our founding:

“We are not a conventional equities fund. We do not intend to become one.”

Daniel Gehlen

Marc-Lennart Bräutigam



INVESTMENT PHILOSOPHY

Long-term, concentrated, selective, investing

Investment philosophy (I/II)

1. **Long-term**: We pursue a long-term oriented value approach and are ourselves co-invested with most of our assets in the Gehlen Braeutigam Value HI fund
2. **Concentrated**: We advise the fund, targeting a portfolio of around 20-25 stocks, with over 75% of the portfolio allocated in the 15 largest positions and the 5 largest positions accounting for over 35% of the portfolio
3. **Selective**: We prefer to invest in companies with high returns on capital, healthy balance sheets, sustainable competitive advantages and attractive growth opportunities, as well as opportunistically in selected special situations where we can achieve an IRR of >20% in the medium term

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.

We are opportunistic in our investment approach

Investment philosophy (II/II)

1. Long-term investments

- Alignment of interest, management quality and fair corporate governance
- Consistently high returns on capital, very good growth opportunities and healthy financial situation
- Margin of safety

2. Special situations

- Turnarounds; merger arbitrage; spin-offs; distressed situations; capital increases; special dividends; passive-activist situations; tender offers; regulatory changes; divestments

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.



WHY EUROPEAN SMALL & MICRO CAPS?

Challenges with active funds & passive ETFs

Problem

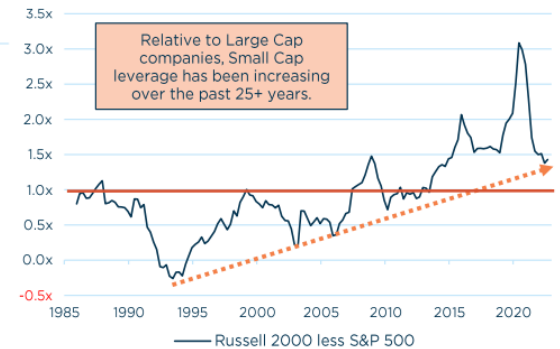
Most active fund managers do not add value compared to passive ETF products, as they are unable to outperform their benchmarks sustainably over time

Passive investing in ETFs poses significant challenges due to an increasing number of unprofitable companies in small cap indices, accompanied by an increasing deterioration of the companies' balance sheet situations.

Percent of Russell 2000 Non-Earners
(Based on Companies with Available Data)



Leverage Ratio Spread
Small Caps Less Large (ex. Financials)



OUR FUND SOLUTION OFFERS ALPHA POTENTIAL BY FOCUSING ON EUROPEAN SMALL & MICRO CAPS.

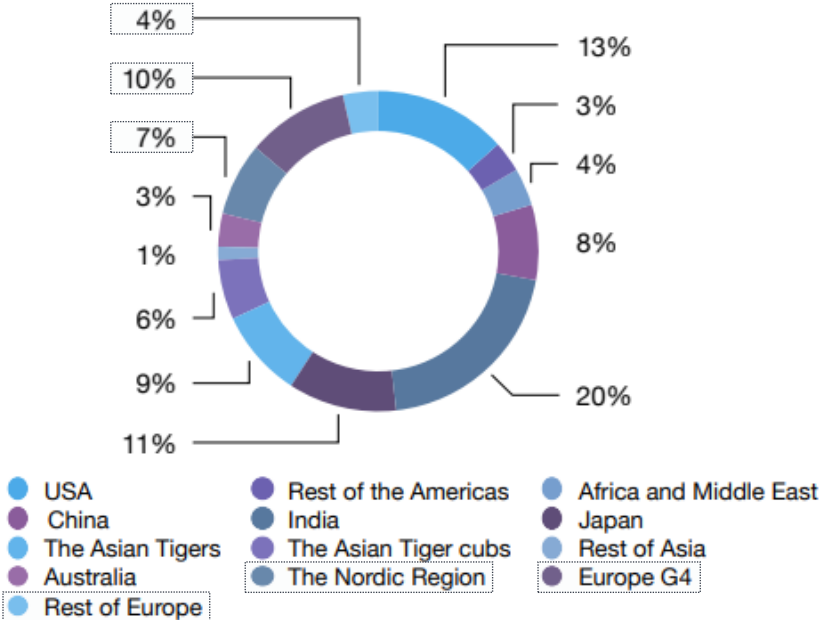
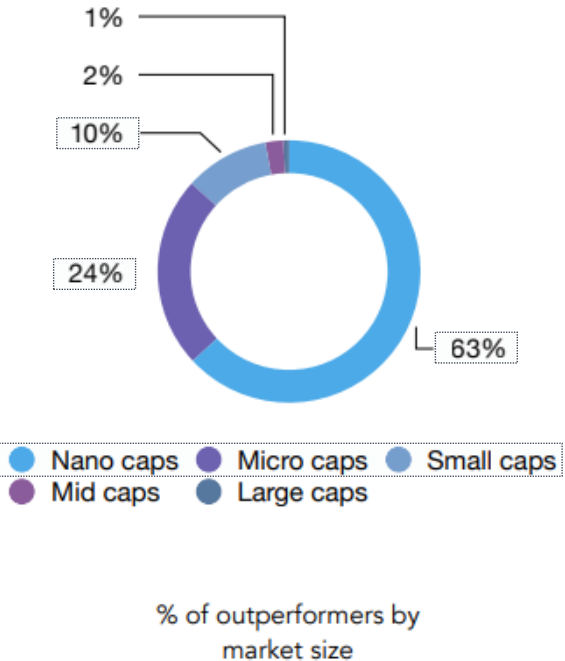
Source: [A Time for Small Cap Quality \(tlcadvisory.com\)](https://www.tlcadvisory.com); as of 23 June 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus: <https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>. Past returns are not a reliable indicator of future returns.

European small & micro caps offer excellent opportunities in a global comparison

A study of the top performing global listed companies of the last decade (1,000% in 10 years; 27% CAGR)

97% OF OUTPERFORMERS ARE SMALLER COMPANIES (USD <2bn MCap)

HIGHEST SHARE OF OUTPERFORMERS FROM EUROPE (>20%)



Source: Gehlen Bräutigam Capital; [Global Outperformers - Jenga Investment Partners \(jengaip.com\)](#); as of 31 March 2023.

Small caps outperformed for several reasons

Small-caps vs. large-caps (I/II)

1. **Undervaluation**: Small- & micro-cap stocks can be overlooked or undervalued by investors, leading to price discrepancies. When these stocks attract attention, their prices can rise to reflect their true value, which can lead to significant returns for investors
2. **M&A**: Small-cap companies are often attractive takeover targets for larger companies looking to expand their portfolios or enter new markets. If an acquisition occurs, this can lead to a significant premium for shareholders
3. **Market inefficiencies**: Smaller companies may not be followed as closely by analysts and institutional investors as large cap stocks. This can lead to market inefficiencies and mispricing, creating opportunities for sophisticated investors
4. **Growth potential**: Small-cap companies often have more room for growth compared to their large-caps. They may still be in the early stages of development and offer significant opportunities to expand and gain market share

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.

Small caps outperformed for several reasons

Small-caps vs. large-caps (II/II)

5. **Innovation and disruption**: Smaller companies are often at the forefront of innovation and disruptive technologies. When they successfully introduce innovative products or services, this can lead to rapid growth and an increase in the share price
6. **Business cycles**: Small-cap stocks can be more sensitive to business cycles. During economic upturns, these companies may experience faster growth, which can drive up their share prices
7. **Risk tolerance**: Investors with a higher risk tolerance may be more inclined to invest in small-cap stocks because of the potential for higher returns, while accepting the associated volatility

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.



INVESTMENT APPROACH

Risk-averse, performance-oriented, research-driven

Investment approach

1. **Risk-averse**: We are focused on preserving the investment of our co-investors by trying to identify and avoid unnecessary mistakes and potential risks at an early stage
2. **Performance-oriented**: We have high return expectations and target situations that can provide us with an IRR of over 20% per year in the medium term
3. **Research-driven**: We follow and analyse potential investments in depth through a multi-stage and detailed due diligence process, which also extends over the holding period of the investment

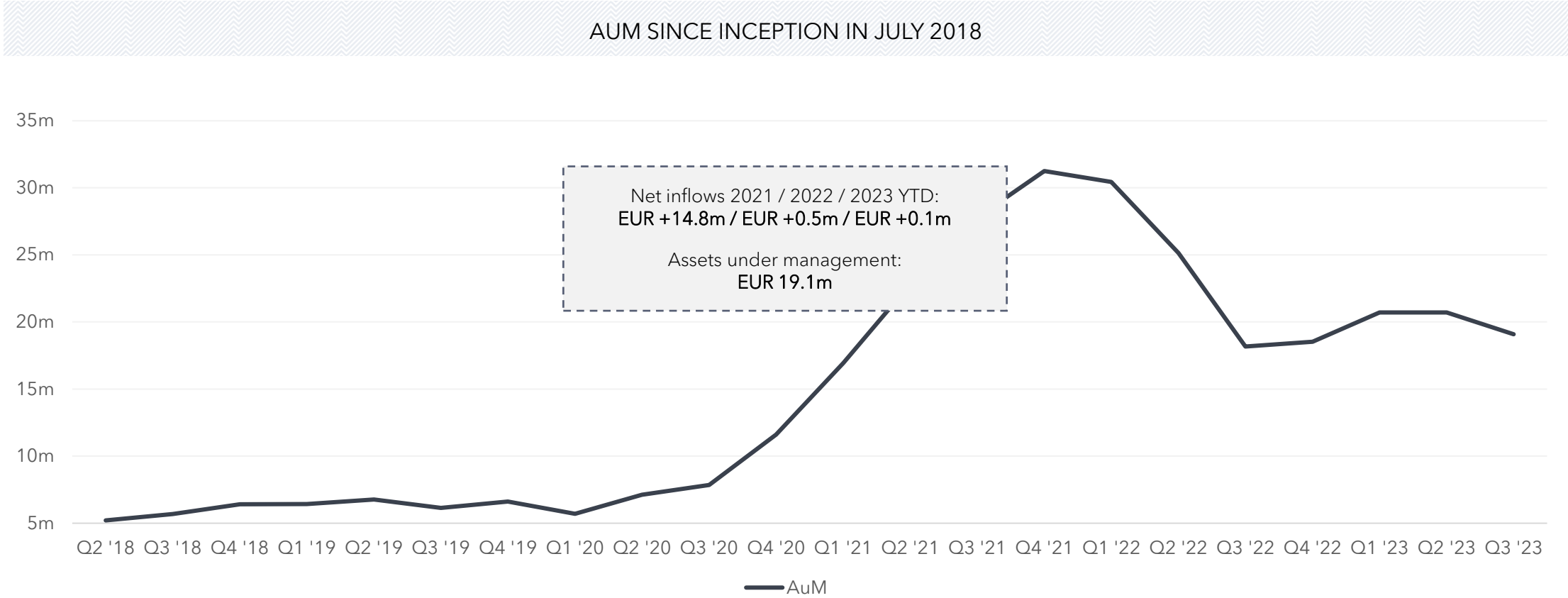
Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.



TRACK RECORD & PERFORMANCE

Sustainability through limitation of the fund volume

Track record (I/II)



Source: HANSAINVEST, as of 30 September 2023.

Value enhancement from M&A

Track record (II/II)

Mergers and acquisitions are drivers for the performance of small & micro caps. The reasons are manifold. For example, the companies may have a high level of innovation, dominate a specific niche or offer a platform for accelerated organic growth or further acquisitions.

Due to their smaller size and often lower profile, they are often easier to buy for strategic or financial investors than mid & large caps. We can already look back on several successful transactions in which buyers recognised deep undervaluations.

Selected examples:



The current portfolio also includes attractive takeover candidates as well as companies that could act as acquirers. We would not be surprised by this news.

Selected examples:

TAKEOVER CANDIDATES

POTENTIAL ACQUIRERS



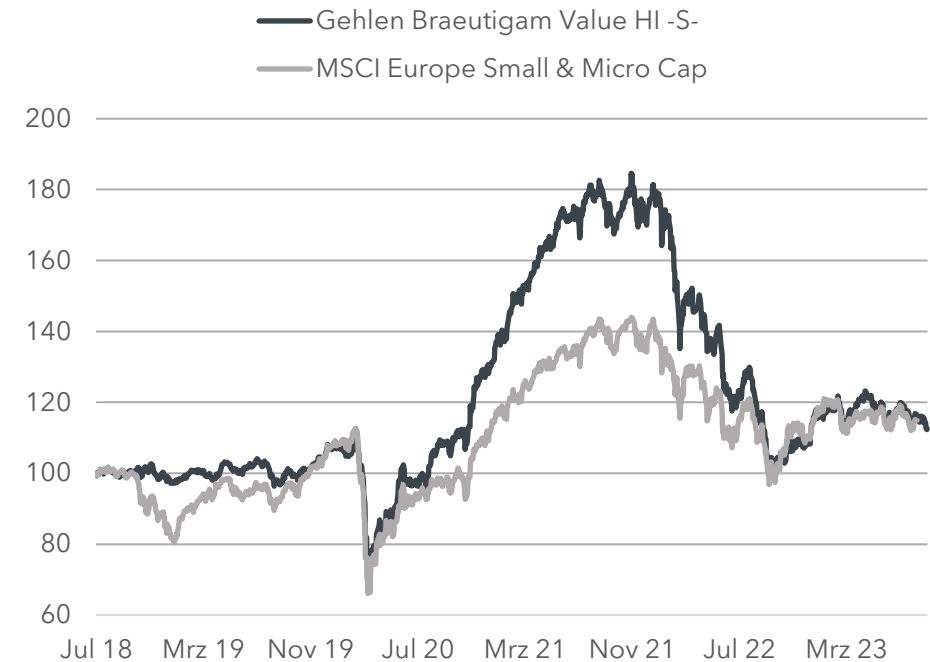
Source: Gehlen Bräutigam Capital, as of 30 September 2023. Note: The past return is not a reliable indicator of future returns.

Expectation of a double-digit net return per year

Performance

PERFORMANCE VS. BENCHMARK SINCE INCEPTION

Period	Gehlen Braeutigam Value HI -S-(¹)	MSCI Europe S&M Cap(³)
2018(⁴)	-2.87%	-17.22%
2019	+10.36%	+30.59%
2020	+22.29%	+5.82%
2021	+35.31%	+24.20%
2022	-38.26%	-22.83%
2023 YTD	+2.79%	+1.77%
Cumulative net return	+12.56%	+11.57%
Annualized net return	+2.28%	+2.10%



Source: HANSAINVEST; MSCI, as of 30 September 2023. 1. Gehlen Braeutigam Value HI S-Tranche; net return, after deduction of all costs, incl. dividend. 2. Gehlen Braeutigam Value HI I-Tranche; net return, after deduction of all costs, incl. dividend. 3. MSCI Europe Small & Micro Cap Index; net return (EUR). 4. 6 months, since inception of -S- Tranche on 2 July 2018. Note: The past return is not a reliable indicator of future returns.



INVESTMENT PROCESS

We find opportunities through a variety of sources

Idea generation

We find reasons why something might be mispriced. Once we have found a reason why something is likely to be mispriced, we decide if it is cheap

We have an extensive and deep network with specialist fund managers and other investors

We use quantitative screens to pick the most promising stocks from a wide range of stocks

We are on many mailing lists and read specialised research from analysts, investors and other sources

We maintain regular interactions with company management, industry experts and other market participants

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.

Superior basis for decisions through comprehensive analyses

Due Diligence process (I/III)

1. **Company and industry analysis**: We research the company's history, management team and corporate governance, looking for potential red flags (exclusion criteria). In addition, we investigate potential growth factors and competitive advantages
2. **Financial analysis**: We examine the historical annual and quarterly financial statements, including the income statement, balance sheet and cash flow statements and notes. We assess, among other things, the balance sheet quality as well as the margin and cash flow stability
3. **Competitive analysis**: We analyse the competitive position of the company within its industry and examine, for example, market share developments, product differentiation and entry barriers for competitors
4. **Due diligence interviews**: We conduct interviews with management, industry experts and customers to gain insights into the company's operations, competitive situation and potential risks

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus: <https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.

Superior basis for decisions through comprehensive analyses

Due Diligence process (II/III)

5. **Management quality**: We examine the management team's track record, experience and alignment with shareholder interests. In addition, we review executive remuneration and historical capital allocation
6. **Alignment of interests**: We check whether insiders hold a significant stake in the company, as this can be a sign of confidence in the company. We check institutional holdings and recent buying or selling activity
7. **Growth prospects**: We assess the company's growth potential, including expansion plans and acquisition strategy. In doing so, we also take into account macroeconomic factors that may influence the growth of the industry
8. **Risk assessment**: We identify and assess the risks associated with the investment, including industry-specific risks, competitive threats and macroeconomic factors. Geopolitical and regulatory risks are also taken into account here

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.

Superior basis for decisions through comprehensive analyses

Due Diligence process (III/III)

9. **Valuation:** We calculate the intrinsic value of the company using appropriate methods, e. g. discounted cash flow analysis (DCF), relative valuation (comparison with competitors) and historical valuation trends as well as transaction valuations. We then compare the calculated intrinsic value with the current market price to identify any under- or overvaluation
10. **Final investment decision:** We make an informed decision on whether to invest based on the results of our due diligence process
11. **Continuous monitoring:** We regularly monitor post-investment developments, discuss relevant news and events internally and keep our co-investors informed
12. **Reassessment and reweighting:** We regularly check our investments and whether something has fundamentally changed, and make adjustments if necessary

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.



PORTFOLIO

High quality, attractively valued portfolio

Portfolio overview (I/II)

	Name	ROIC*	LTM Price/Tangible Book	Normalized EV/EBIT	Normalized P/E	Net Cash	Insider Ownership
1	KSB SE & Co. KGaA Vz.	12%	1.1x	6.5x	7.2x	Yes	Yes
2	The Gym Group plc	18%	n/m	7.5x	7.8x	No	Yes
3	Kamux Oyj	25%	2.5x	7.2x	9.2x	No	Yes
4	Sto Se & Co KgaA	15%	1.3x	5.5x	9.6x	Yes	Yes
5	Anima Holding SpA	100%	n/m	5.8x	8.3x	Yes	Yes
6	Petershill Partners plc	100%	n/m	8.0x	8.7x	No	Yes
7	SAF Holland SE	20%	n/m	6.8x	8.0x	No	No
8	Solar A/S	20%	2.2x	7.2x	7.5x	No	Yes
9	Akwel SA	12%	0.8x	5.5x	8.5x	Yes	Yes
10	Enad Global 7 AB	35%	n/m	4.6x	6.5x	Yes	Yes
11	HelloFresh SE	30%	n/m	10.5x	15.0x	Yes	Yes
12	Koenig & Bauer AG	6%	0.8x	5.2x	5.0x	No	Yes
13	Basic-Fit NV	24%	n/m	9.0x	10.5x	No	Yes
14	Mortgage Advice Bureau plc	100%	n/m	12.0x	16.0x	No	Yes
15	Traumhaus AG	8%	0.9x	10.0x	9.0x	No	Yes
16	Origin Enterprises plc	24%	3.4x	6.6x	7.0x	No	No
17	Catana Sa	25%	3.0x	5.1x	8.0x	Yes	Yes
18	CTAC N.V.	100%	n/m	6.0x	8.8x	Yes	Yes
19	Italian Wine Brands Spa	30%	n/m	10.0x	9.0x	No	Yes
20	Groupe Crit SA	20%	1.4x	3.3x	10.7x	Yes	Yes
21	Guillemot Corporation SA	15%	1.3x	5.4x	9.7x	Yes	Yes
22	Villeroy & Boch AG	20%	1.4x	5.3x	8.2x	Yes	Yes
23	Naked Wines PLC	n/m	0.4x	2.5x	3.3x	Yes	Yes
24	Undisclosed	50%	3.5x	7.5x	12.2x	Yes	Yes
25	Undisclosed	100%	n/m	8.5x	11.5x	Yes	Yes
Average			1.7x	6.9x	9.0x		
Median		24%	1.4x	6.6x	8.7x		

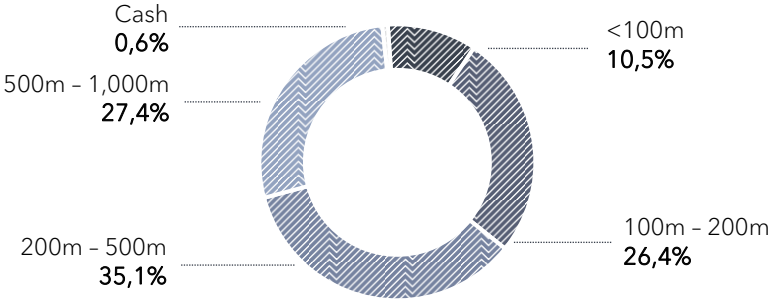
Source: Gehlen Bräutigam Capital; company data; Tkr.com; as of 12th October 2023. Note: values for ROIC, EV/EBIT and P/E are based on our own estimates for the normalized earnings power of the businesses. In some cases, these figures can differ significantly from current valuation multiples (e.g. when based on this or next year's broker forecasts) as in the current environment some companies are underearning and some are overearning in our view. The estimates do, however, not take into account the medium-term potential for profitability improvements which can be significant (e.g. for Koenig & Bauer). For GYM Group and Basic-Fit the metrics are based on (mature) EBITDA minus sustainable maintenance and other capex instead of EBIT (and interest and a normalized tax expense is deducted from that to get to earnings). * ROICs relate to organic ROICs, i.e. the invested capital excludes goodwill and other acquired intangible assets. ROICs of 100% indicate very high (up to "infinite") ROICs. The respective companies need to invest no or only very little capital to grow organically.

Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus: <https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.

Unique portfolio of hand-picked European small and micro caps

Portfolio overview (II/II)

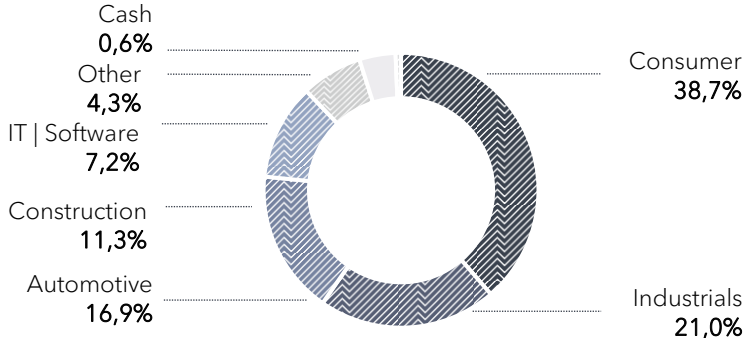
ALLOCATION BY FREE FLOAT MARKET CAPITALISATION (EUR)



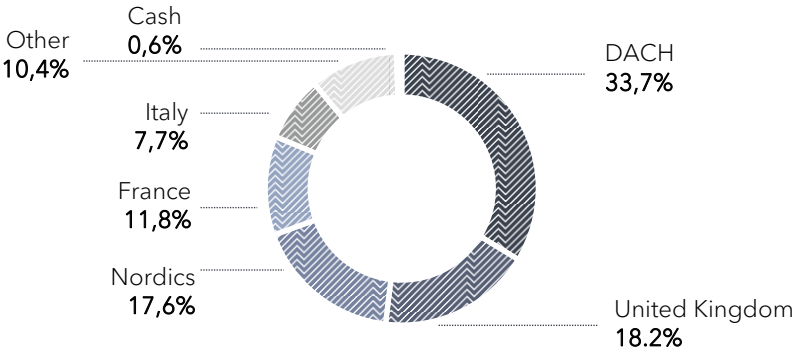
TOP 10 POSITIONS BY WEIGHTING⁽¹⁾

1	KSB	9.5%	6	Petershill	5.0%
2	The Gym Group	8.2%	7	SAF Holland	4.7%
3	Kamux	7.7%	8	Solar A/S	4.7%
4	Sto	6.4%	9	Akwel	4.5%
5	Anima	5.0%	10	Enad Global	4.5%

ALLOCATION BY SECTOR



ALLOCATION BY COUNTRY



“THE SINGLE GREATEST EDGE AN INVESTOR CAN HAVE IS A LONG-TERM ORIENTATION.” - SETH KLARMAN

Source: HANSAINVEST, as of 30 September 2023. 1. Top 10 of 25 positions.

Case study: KSB (GER)

Current portfolio company (weighting: ~9.5%)



INVESTMENT CASE & MOAT

KSB SE & Co. KGaA (KSB) is a global industrial company from Frankenthal (Germany). KSB **develops, produces and sells pumps and valves**. Through its own **global service network**, customers are looked after with spare parts and services

KSB was founded in 1871 and is currently one of the **top 3 manufacturers** worldwide in terms of sales. More than 15,000 employees work for around 450,000 customers in **various end markets**

In the past ten years (before 2020), KSB has not delivered any significant growth or increased earnings. In addition, a tax scandal in 2017 damaged the reputation

KSB is currently showing **strong operational momentum**, characterized by a high level of incoming orders and a full order book

IDEA GENERATION & VALUATION⁽¹⁾

We first got the idea from an investor friend (family office)

Low free float of approx. EUR 350m. **Listed in the entry segment** of the Frankfurt Stock Exchange (General Standard). **No relevant index listing** (once listed in MDAX)

2023/24e P/E of ~5.5-6.5x, significantly below peer group multiple of ~13.0-24.0x. Strong balance sheet with **high cash position**

CATALYSTS

Uplifting operational performance and strong focus on growing high-margin aftermarket business

Intensification of capital market communication

Increase of dividend yield to >5% and uplisting to Prime Standard

SO FAR RETURN OF ~50% SINCE FIRST INVESTMENT IN JANUARY 2023⁽²⁾

Source: Gehlen Braeutigam Capital; KSB SE & Co. KGaA; as of 30 September 2023. 1. At the time of the first purchase in January 2023. 2. Return on weighted entry price incl. dividends.
Note: The past return of this investment example is not a reliable indicator of future returns.

Case study: Kamux (FI)

Current portfolio company (weighting: ~7.7%)



INVESTMENT CASE & MOAT

Finnish used car dealer Kamux was founded in 2003 by long-time CEO and largest shareholder Juha Kalliokoski

With its omnichannel approach, Kamux was able to become number 1 in Finland. In a fragmented industry, the company has steadily gained market share over many years

Kamux has increased its turnover more than sixfold between 2013 and 2022. In the process, the company has always been profitable with EBIT margins between ~3.5 and ~5% (before 2022) and RoEs of 25%

The current macroeconomic environment, lack of supply of used cars (new car supply issues) and uncertainty on the customer side have also affected Kamux's business. Since the beginning of this year, there are signs of normalisation and recovery

IDEA GENERATION & VALUATION⁽¹⁾

We have been following the company since the end of 2020 and bought the first shares in mid-2022 after a sharp share price decline

Low market capitalisation of ~EUR 225m and lower free float as ~13% is owned by the founder

EV/EBIT of ~7x⁽²⁾. Opportunity to double EBIT in the next few years - return to revenue growth and further recovery of margins, which are under pressure in the current market environment

CATALYSTS

Normalisation of the market environment and further recovery of the margin in the coming quarters

Increase in profitability abroad (Germany and Sweden)

Resumption of the continuous growth of the past

ATTRACTIVE VALUATION BASED ON CURRENT LOW MARGINS. PLENTY OF UPSIDE POTENTIAL WITH EXPECTED FURTHER RECOVERY.

Quelle: Gehlen Bräutigam Capital; Kamux Oyj; as of 30 September 2023. 1. At the time of the first purchase in January 2023. 2. Based on own assumptions. Note: The past return of this investment example is not a reliable indicator of future returns.

Case study: Sto (GER)



Current portfolio company (weighting: ~6.4%)

INVESTMENT CASE & MOAT

Sto is one of the **leading manufacturers and distributors of wall insulation systems**, headquartered in Stühlingen (South Germany)

Focus on value-add services, historical ROCEs in the high-teens

Very solid and resilient business with an excellent long-term track record. The value of an **investment into Sto 20 years ago would have increased roughly 20-fold**

The environment for external wall insulation systems (EWIS) has not been supportive in the last years. Between 2012 and 2020, **market volumes in Germany have decreased by 20%**. During the same timeframe, **Sto has managed to increase its revenues by 25%**

Different situation today. Very ambitious targets in Germany and the EU for reduction of energy consumption and greenhouse gas emissions of buildings. **Large subsidy programs and new building laws**

IDEA GENERATION & VALUATION

We first got the idea from an investor friend (family office)

Market capitalisation of ~EUR 1.1bn, ~60% owned by founding family (Stotmeister)

Strong balance sheet with net cash of >EUR 200m

2022e EV/EBIT of ~7x or a **double-digit FCF yield⁽¹⁾** - based on trough margins (7% vs. our expectation of a sustainable margin >9%)

CATALYSTS

Retreat of investor fear around construction-related names

Margin recovery due to lag between increases in procurement prices and price increases

More favourable market conditions, need for energetic renovation

Value-accretive M&A. Special dividend if cash continues to pile up⁽²⁾

FIRST INVESTED IN 2019 AT PRICES AROUND EUR 90. RETURNED ~100% SO FAR. TODAY'S VALUATION IS AGAIN AT SIMILARLY LOW LEVELS

Source: Gehlen Braeutigam Capital; Sto SE; as of 30 September 2023. 1. Based on own estimates. FCF yield assumes normalized investment level (slightly higher investments planned for next two years to support mid-term growth ambitions). 2. In 2015, Sto has already paid a special dividend of EUR 25.14 per share. Note: The past return of this investment example is not a reliable indicator of future returns.



INVESTMENT TEAM

Highly-motivated team of passionate value investors

Team



DANIEL GEHLEN

Founder & Managing Partner

2015 - 2017: Investment banking at Barclays in Frankfurt

Previously, investment banking at Goldman Sachs, portfolio management at Union Investment as well as equity and macro research at DZ Bank

Studied at London School of Economics (MSc Finance 2015, best student of the year) and at Frankfurt School of Finance and Management (BSc) as well as Harvard University and MIT



MARC-LENNART BRÄUTIGAM

Founder & Managing Partner

2015 - 2017: Investment banking at Barclays in London

Previously, investment banking at UniCredit, portfolio management at a value investing boutique and ECM, equity research and equity sales at Commerzbank in Frankfurt and New York

Co-op degree programme with Commerzbank (BA Hons) in Stuttgart and San Diego (UCSD), including two academic studies on value investing



KORY KAUNISTO

Partner

2016 - 2020: Corporate & transaction banking at Citi in Hong Kong

Previously, M&A analyst at Amwins in Charlotte (US). Ice hockey player (Minor professional & NCAA Division 1) in various locations across the US

Studied at London School of Economics (MSc Finance, 2015) and at Northern Michigan University (BSc Finance with a minor in Computer Science, summa cum laude)



RISK MANAGEMENT

Investments in small caps have special risks

Risk management (I/III)

1. **Monitoring**: Internally, we discuss individual positions and our portfolio several times a week in writing and in person. We also maintain a close exchange with other investors, management and experts for this purpose
2. **Long-term horizon**: We have a long-term investor base that shares our way of thinking. We keep them informed through regular written reports and personal meetings. Our fund structure creates scope for capital withdrawals (T+5)
3. **Liquidity management**: We take the liquidity situation into account in advance and during the holding period in the weighting and are monitored externally on regulatory and internal requirements and receive daily reports
4. **Diversification**: We hold a concentrated portfolio of European small- and micro-caps, which may have deliberate concentrations to geographies, industries and/or sectors

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.

We weight according to a clearly defined system

Risk management (II/III)

1. Reward ranking: Quality; growth; corporate governance; price
2. Risk ranking: Balance sheet quality; company-specific risks
3. Investment ranking: Combination of reward & risk ranking
4. Other factors: diversification & liquidity

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.

We sell for clearly defined reasons

Risk management (III/III)

1. A deterioration in corporate governance standards
2. Blatant misallocation of capital
3. Irreparable damage for the company

We only consider selling for price reasons if a share has reached its fair value as defined by us and the management is not in a position to reallocate capital at sufficiently high returns or in the case of special situations or takeovers

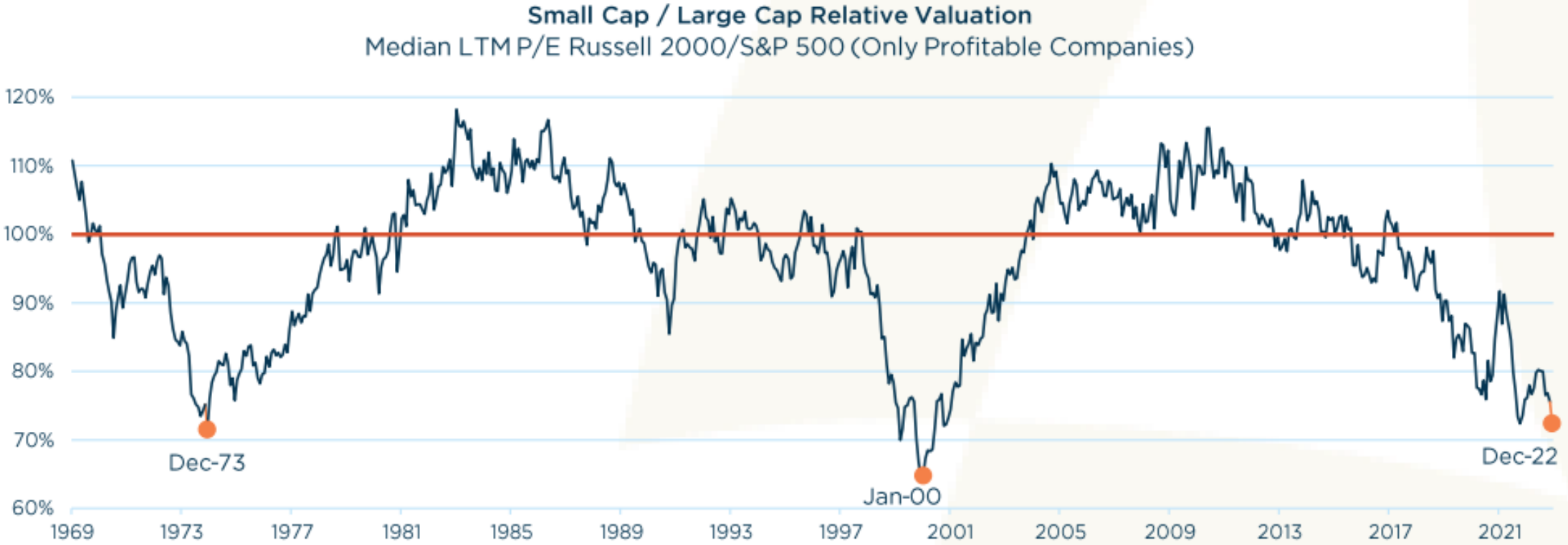
Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.



MARKET UPDATE

Small caps are (once again) historically cheap

Market update (I/III)

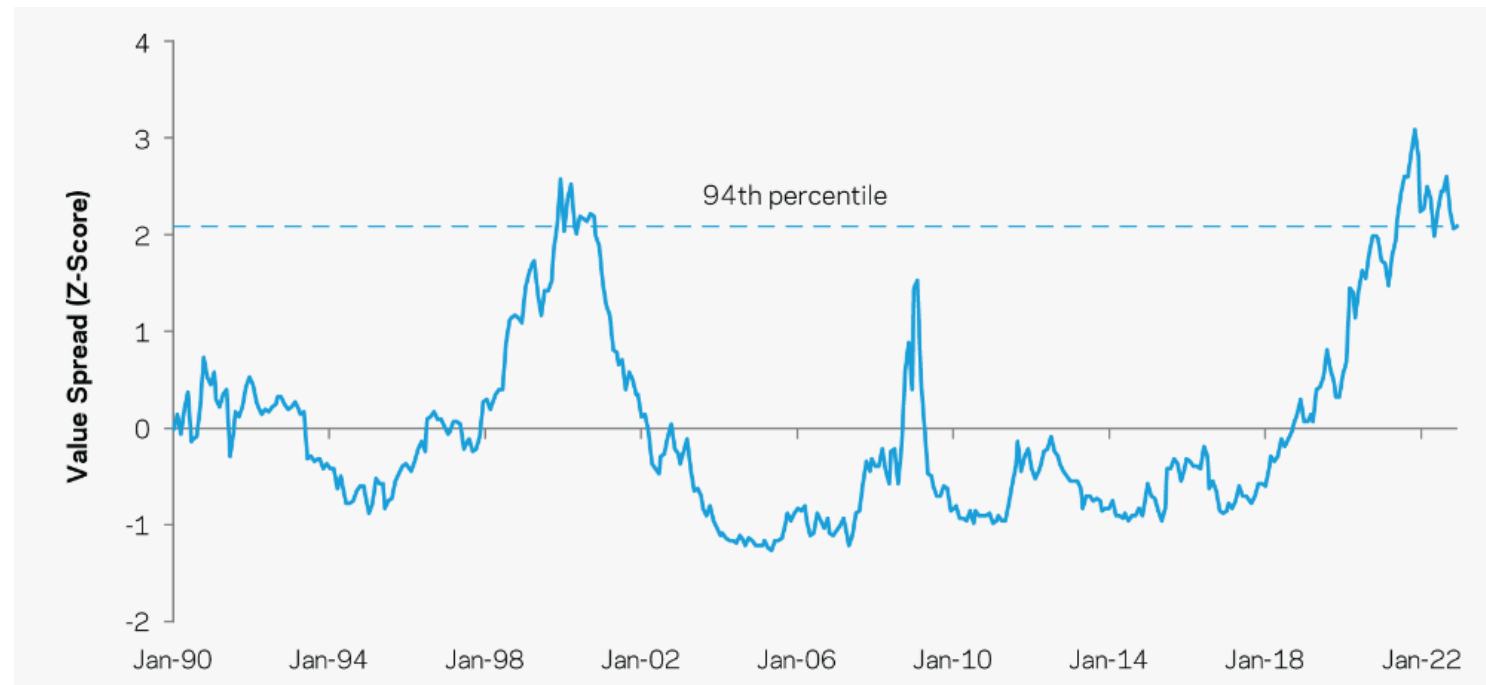


Source: : [A Time for Small Cap Quality \(tlccadvisory.com\)](https://www.tlccadvisory.com); as of 31 June 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus: <https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>. Past returns are not a reliable indicator of future returns.

Value stocks are (once again) historically cheap

Market update (II/III)

GLOBAL VALUATION SPREADS REACH TECH BUBBLE HIGHS



Source: [Value Spreads Are Back to Tech Bubble Highs: Is Everyone Out There Cray-Cray? \(aqr.com\)](https://www.aqr.com/Insights/Perspectives/The-Bubble-Has-Not-Popped); <https://www.aqr.com/Insights/Perspectives/The-Bubble-Has-Not-Popped>; as of 31 December 2022. Hypothetical sector- and dollar-neutral all-country value portfolio. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus: <https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsrid=779>. Past returns are not a reliable indicator of future returns.

Small cap value historically offers the highest returns

Market update (III/III)

United States: 1963 - 2022

	Value	Neutral	Growth
Large	12.1%	10.3%	10.2%
Small	15.2%	13.6%	8.4%

Developed International: 1990 - 2022

	Value	Neutral	Growth
Large	5.9%	6.1%	4.0%
Small	8.5%	5.8%	2.4%

Source: Verdad Capital – The Size Factor; Ken French data library; as of 31 July 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus: <https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>. Past returns are not a reliable indicator of future returns.



TERM SHEET

Simple, sustainable and transparent fund solution

Term Sheet

Fund	Gehlen Braeutigam Value HI	
Investment objective	Compound co-investors' capital over the long-term	
Recommended holding period	Minimum 5 years	
Category	European equity fund (min. 60% in equities)	
Legal form	OGAW	
	-R- Tranche	-I- Tranche
ISIN	DE000A2JQHQ2	DE000A2N8119
Inception date	7 th September 2018	2 nd January 2019
Currency	Euro	Euro
Use of proceeds	Distributing	Distributing
Minimum investment	No minimum investment	EUR 200,000.00
Subscription fee	Currently 0.00%	Currently 0.00%
Redemption fee	Not applicable	Not applicable
Savings plan eligible	Yes	No
Management fee % p.a.	1.60%	1.20%
Performance fee	15% of the capital gain over 4%, with High-Water-Mark*	15% of the capital gain over 4%, with High-Water-Mark*
Order acceptance deadline	4pm CET of the previous day (forward pricing); Closing day: T+1 (buy) / T+5 (sell)	4pm CET of the previous day (forward pricing); Closing day: T+1 (buy) / T+5 (sell)
Pricing frequency	Daily	Daily

WE EXCLUSIVELY WORK WITH INDUSTRY LEADING PARTNERS

* 15% per year of positive performance above the reference value 4% p.a. (absolutely positive share value development) calculated as performance fee, however a maximum of 15% in total. A negative performance must be caught up.

Note: The sales prospectus and further investor information on the Gehlen Braeutigam Value HI fund are available at www.hansainvest.com.



ADVANTAGES FOR INVESTORS

Advantages of investing in our fund

Summary (I/II)

1. **Performance**: We target a double-digit net return for our co-investors over the cycle
2. **Small- and micro-caps**: We provide access to a difficult-to-access and time-consuming segment of the European equity market that is, in our view, not ideally covered via ETFs due to hidden risks
3. **Independence**: We are 100% independent and can therefore fully focus on the long-term success of our fund without institutional restrictions
4. **Aligned interests**: Through the co-investments of Daniel Gehlen and Marc-Lennart Bräutigam, our interests are aligned with our co-investors

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.

Investment opportunity: European small cap value stocks

Summary (II/II)

1. The equity market has a historically high valuation differential between small and large caps in developed equity markets
2. Value stocks show significant catch-up potential, especially compared to growth stocks
3. Overall, the data suggests that European small-cap value stocks could offer attractive return opportunities over the medium to long term
4. We look for the most attractive opportunities in the European small & micro cap space

WE LOOK FORWARD TO FURTHER EXCHANGE WITH YOU



DANIEL GEHLEN



MARC-LENNART BRÄUTIGAM

Source: Gehlen Bräutigam Capital; as of 30 September 2023. Note: Investments in financial instruments guarantee certain risks, please consult the Fund's Key Investor Information Document and Prospectus:
<https://www.hansainvest.com/deutsch/fondswelt/fondsdetails.html?fondsId=779>.