ACATIS GANÉ Value Event Fonds UI (WKN A0X754)

Investment Report July 2014 **Aschaffenburg, 5th August 2014**

We invest in winners. That means we invest in strong companies that create value for their shareholders with sustainable business models, solid balance sheets and high margins. We keep the risks low and invest when our position is fuelled by a positive event. We refer to that as the combination of value and event.

Nemetschek AG

Nemetschek, Europe's leading software provider for architects, engineers and the construction industry, already featured prominently in our monthly investment report of May 2010. When we bought our first shares in the crisis year 2009, the growth potential of the industry was deemed sluggish, and the earnings power of Nemetschek as average. The year closed with the following numbers (in EUR million):

Revenue	EAT	EBITA	OCF	CCR	ROI
136	13	28	23	82%	18%

Earnings after taxes (EAT) were burdened with the annual purchase price amortizations and interest payments from a takeover completed in 2007. However, at EUR 28 million, the operating result before the purchase price adjustment (EBITA) pointed to an increased intrinsic earnings power. Both the operating cash flows (OCF) and the good cash conversion rate (CCR) demonstrate that Nemetschek has been able to convert earnings into free cash flows. Recurring licence and service revenues and minimal capital lockup form the basis in this regard. The return on investment (ROI) of 18% justified a much higher market capitalisation than the value of only EUR 80 million that we encountered at the time.

During the next few years, Nemetschek was able to strengthen its market leadership in a booming construction industry. The year 2013 closed with the following numbers (in EUR million):

Revenue	EAT	EBITA	OCF	CCR	ROI
186	25	42	40	95%	29%

While revenues increased by an average of 8% to EUR 186 million, earnings and profitability performance indicators improved disproportionately thanks to the cost-efficient scalability of the business model. We continued to accompany these developments notwithstanding several changes to the Management Board with a fund allocation of 2–3% until the beginning of 2014. Then the capital market, intoxicated with a low interest environment and Nemetschek's first takeovers, using its built-up net liquidity of EUR 50 million, began to multiply the share price. Market capitalization first reached EUR 500, then almost 800 million. In contrast to 2009, when the expectations that had to be met were low and analysts were cautious, Nemetschek is now facing enormous expectations. Most analysts are giving the company a "Buy" rating and a number of banks are desperately searching for stocks for their Anglo-Saxon clients.

We used the euphoria in the stock market, which seems to have run way ahead of operating developments, to sell virtually all of our shares. If the situation should change again, we can certainly see ourselves investing the capital of our investors in Nemetschek again.

Sincerely yours

J. Henrik Muhle Dr. Uwe Rathausky