

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.

GRENKELEASING AG

We already introduced GRENKELEASING in our December 2009 investment report. At the time, we believed that the European market leader for small ticket IT leasing had an "excellent basis for participating in the long-term trend of increased leasing as a form of financing". This assessment turned out to be entirely correct. At the centre of our successful core investment is the strategic objective of founder and CEO Wolfgang Grenke, namely sustainable growth and the resulting dynamic growth of profits.

Accordingly, GRENKELEASING only focuses on high-margin transactions and consistently manages these in accordance with the profit contribution 2 (present value of a leasing contract's operating income less risk and individual contract costs). That requires that costs and risks are efficiently managed. This is achieved with a mature and continuously enhanced risk management system, a scoring model, which is based on a proprietary database. In this way, GRENKELEASING is flexible to respond to market changes and can generate the appropriate risk premiums. This in turn guarantees a high-quality leasing portfolio and means that the primarily digital business model can be scaled to currently 24 European and five non-European countries.

At this time, the company manages approximately 458,000 leasing contracts with an av-

erage property value of EUR 8,300 and an average term of 48 months as fully amortised contracts, i.e. without recovery risks. The profit contribution 2 for the new business grew to EUR 218 million in 2014 (table).

2014	2013	2012	2011	2010	2009	2008	2007
218	190	157	123	102	85	86	65

At the same time, the profit contribution 2 margin also increased to 19.3% as a result of consistent risk management and riskadequate margins, which corresponds to new business of EUR 1,133 million in the year 2014 (table).

2014	2013	2012	2011	2010	2009	2008	2007
19.3	19.0	17.4	16.0	15.6	18.8	15.8	14.2

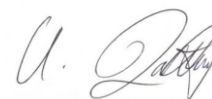
This guarantees the future profit growth of GRENKELEASING. The criteria for future sustained new business growth are also created on a consistent basis by driving forward regional expansion and diversifying the service range into factoring products and bank deposits. We expect that GRENKELEASING will be adding many new chapters to the success story that started in 1978. Our fund investors should benefit in the long term from the increase in the earnings per share, which are also expected to experience dynamic growth in the future (table).

2016e	2015e	2014	2013	2012	2011	2010	2009
6.22	5.29	4.41	3.23	3.10	2.87	2.03	1.80

Sincerely yours



J. Henrik Muhle



Dr. Uwe Rathausky