**ACATIS GANÉ Value Event Fonds UI (WKN A0X754)**

**Investment Report November 2011** **Aschaffenburg, 5th December 2011**

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**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.

**HeidelbergCement Bond 2009 (14)**

The building materials group HeidelbergCement had already been the subject of our monthly investment report in April 2009. Despite the company's precarious financial situation at that time after the British Hanson PLC acquisition, investing in a bond with only four weeks to run was a very low risk. Today, the financial stability of this world market leader for aggregates is much better.

A number of measures to improve the capital and financing structure were implemented swiftly and resolutely in 2009. € 1.5 billion of liquidity was raised through a "cash is king" initiative involving the divestment of marginal activities, the reduction of working capital, and a significant cut in capital expenditure. Additionally, a fitness program generated savings of € 0.5 billion. To reduce debt, a capital increase of € 2.3 billion was launched.

It was also possible to resolve the maturity problem in the company's refinancing by issuing a nominal € 2.5 billion of various Eurobonds with maturities of five to ten years.

The determination with which these measures were implemented and the open communication with which management appears to have learned the lessons from the errors of insufficient risk aversion is impressive and at the same time exceptional. Meanwhile, the bank liabilities have been almost completely run off. Net debt has been reduced since December 31, 2008 from € 11.6 billion to € 8.5 billion. The operating result before depreciation and amortization currently covers interest expense with a satisfactory factor of 3.6.

That is commanding respect even from the rating agencies. Despite sovereign debt and economic worries Standard &Poor's, Moody's and Fitch have upgraded HeidelbergCement's credit rating. Since 2011 the rating has been only just one notch shy of the targeted "investment grade" status with a positive outlook.

Against this backdrop the eurobond issued in 2009 with the shortest maturity of five years and an annual coupon of 7.5% looked so attractive to us that, at prices of around 100% of par, we increased our initial investment to about 3% of the fund's net asset value.

We took advantage of the strong price rise to 107% within a few weeks to sell off our entire position in October 2011. On the one hand, we saw no further upside potential and, on the other, we valued the opportunity cost of foregoing the 3% extra liquidity more highly than the remaining yield of 5% p.a.

We will again buy into bonds with event protection (e.g. through improvements in the capital structure) in the future if the market offers attractive opportunities. Possibly HeidelbergCement again.

Sincerely yours

J. Henrik Muhle Dr. Uwe Rathausky