

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

Since it was founded by its present CEO Wolfgang Grenke in 1978 the Baden-Baden/Germany-based GRENKELEASING has grown continuously into an independent non-bank or manufacturer-owned company with a leading market position in Europe in small ticket IT leasing for products such as PCs, notebooks, photocopiers, printers and software. It currently has a portfolio of around 223,000 leases with an average asset value of EUR 7 thousand and an average term of about four years.

Thanks to fast, stable and efficient EDP processes for handling large numbers of financings GRENKELEASING is the cost leader in a highly fragmented market. Other competitive advantages are the intensive links with over 14,000 retail partners and a long established, successful and continuously optimized scoring model based on a proprietary database that guarantees a high-quality leasing portfolio.

GRENKELEASING is represented in 14 European countries through own companies and in another six through a franchise system. If the franchise companies are successful, they are integrated into the group through a purchase option. We expect this to produce growth in the return on equity in the coming years as the proportion of young companies that are still in the investment phase of their life cycle

will decline. At the same time there will be a rising proportion of companies which, after the investment phase, will be entering a phase of strong business growth and rising profitability.

Despite a broadly diversified refinancing base GRENKELEASING's market capitalization has fallen sharply in the wake of the financial and economic crisis. What's more, GRENKELEASING typically only has full pay-back leasing contracts where asset realization risks at the end of the lease are excluded. Margins are high enough that a comparable earnings level could be achieved without debt financing, i.e. solely by concentrating on the most profitable business. The acquisition of the Hamburg-based private bank Hesse Newman & Co. AG in February 2009 has broadened the portfolio with the addition of classic online banking services and has additionally strengthened the refinancing base.

Market capitalization is only in the region of the company's intrinsic value, representing the present value of future net income from the existing leasing portfolio plus shareholders' equity. While banks and financial services subsidiaries of large industrial companies are withdrawing from the leasing business, with an equity ratio of 18% GRENKELEASING has an excellent basis for capitalizing on the long-term trend towards growth in leasing as a form of financing. Investors in our fund should profit from this development.

Sincerely yours



J. Henrik Muhle



Dr. Uwe Rathausky