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LeanVal
INVESTMENTS

FEBRUARY 2022

**QUARTERLY INDEX REBALANCING:
SOLACTIVE BERYLLS LEANVAL
AUTOMOBILITY LEADERS 100 INDEX**

ISIN: DE000SL0D0S2

PERFORMANCE OVERVIEW



PROFIT AND RISK

Return (USD)	AUTO100 Index	Benchmark		Active return	
		Sector*	Market#	Sector	Market
Last 3 months	-5.6%	-6.6%	-5.7%	1.0%	0.1%
Since inception (30.07.2021)	1.0%	-5.0%	-2.7%	6.0%	3.7%
YTD	-5.4%	-7.2%	-6.8%	1.8%	1.4%
Last 12 months	9.7%	2.6%	10.1%	7.1%	-0.4%
Since index start (31.12.2018)	89.3%	49.8%	60.8%	39.4%	28.5%
Year 2020	36.9%	33.7%	16.1%	3.1%	20.8%

Key risk figures

Volatility (36 months)	19.2%	25.9%	17.9%
Value-at-Risk (95%, 12 months)	-28.0%	-39.5%	-20.1%
Maximum Drawdown (36 months)	-38.4%	-42.8%	-34.4%

*iShares Electric Vehicles and Driving Technology UCITS ETF
#Morningstar Global Index

Background information

Few things shape modern life as much as individual mobility. Be it as an expression of freedom and individuality, or as an economic driver. To reflect this, we have developed the **Solactive Berylls LeanVal Automobility Leaders 100 Index** – the AUTO100. It tracks the performance of the 100 most relevant publicly listed automobility players worldwide.

By design, the AUTO100 covers the industry's entire value chain – from vehicle manufacturers and suppliers, to dealer groups, and providers of mobility services or infrastructure.

Rebalancing updates

Due to Chinese New Year and the

associated bank holidays, the timing of this second rebalancing of AUTO100 has been slightly adjusted and took place on 07.02.2022.

After a bullish market throughout October and November, December 2021 was quite volatile and foreshadowed a market correction. In January 2022 global equities experienced their worst monthly overall performance since March 2020.

Nonetheless, the automobility industry's performance has been received largely positive by investors: Driven by for example electromobility-related activities, the index has achieved a performance of 89.3% since its start (31.12.2018), totaling an active return (market) of 28.5%.



PERFORMANCE OVERVIEW



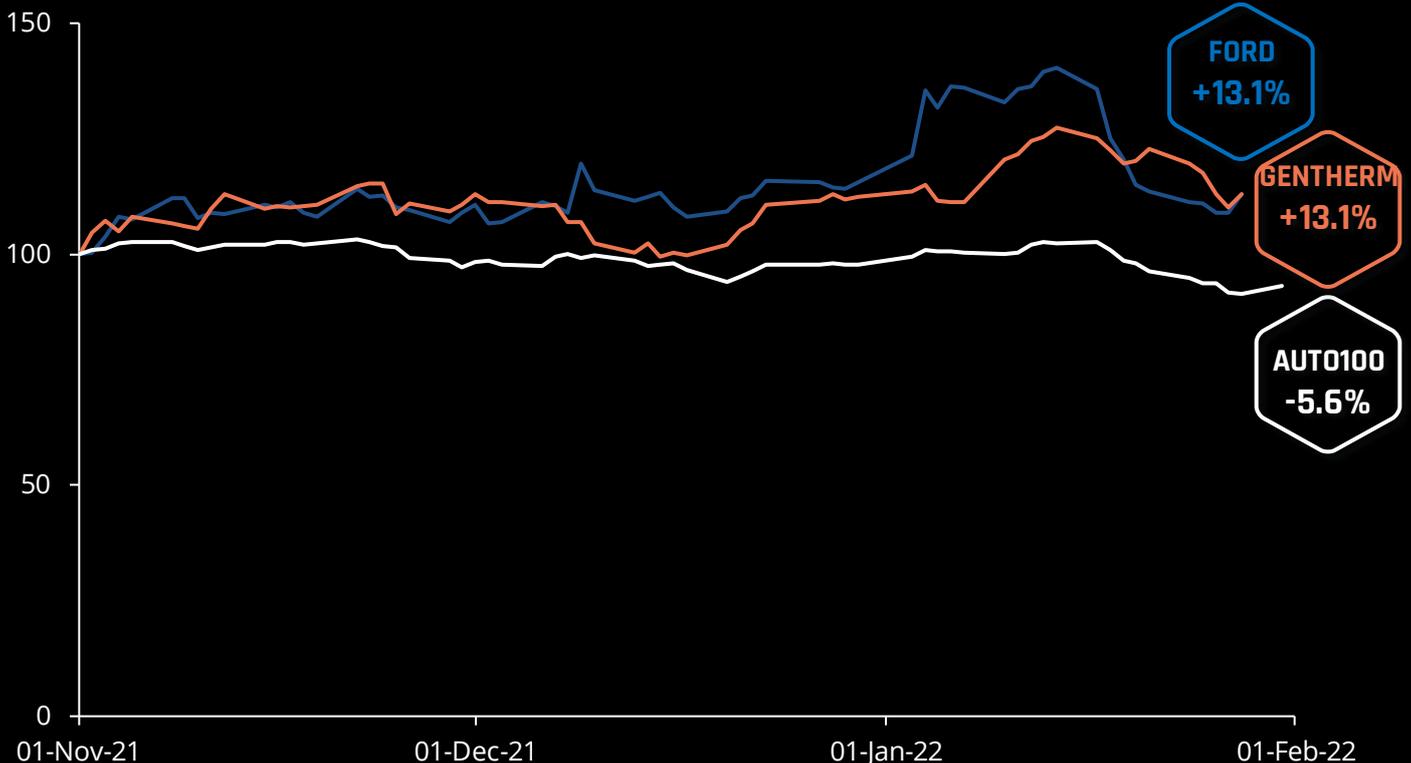
Although the AUTO100 actively limits the weight of individual components to 2.5%, there are some stocks pushing the overall performance: Last quarter, these were **Ford and Gentherm**.

One of the best performing stocks in the index was **Ford Motor Company**. This was due to the company's strong order book. However, the phenomenon of high demand due to a significant drop in supply and thus significantly increased selling prices can be observed industry-wide. This shows that Ford has successfully managed to regain market share with its current product lineup. Based on the current order book, Analysts project sales of approximately \$149 bn and operating income of \$13 bn for the fiscal year 2022. The

company's goal is to generate up to 50% of sales through electric cars by 2030.

Another example of last quarters top performers is **Gentherm**, a smaller auto parts manufacturer specializing in seat heating and cooling. With 60% market share in the market of temperature-controlled seats, the company is far ahead of the runner up with only 10% market share. The product range no longer appears to be a niche product. The fact that the company's products (e.g., battery cooling systems) are also anchored in the fast-growing electric vehicle segment, means that sizeable additional sales potential can be expected. In addition, the results in three of the last four reporting periods were a positive surprise.

SELECTED TOP PERFORMERS OF LAST QUARTER (USD)



COMPETITOR ANALYSIS



Compared to other indices/ETFs covering the automotive industry, the AUTO100 performs very well. Particularly during the market correction, the approach of a purposefully balanced weighting of shares and the consideration of detailed fundamental and strategic factors during index construction contributed to an outperformance. In addition, over time the AUTO100 has shown less volatility than its peers validating our approach to look for steadiness and reliability of the index.

In contrast, most competitor indices follow market capitalization-weighted approaches. Thus, (recently) they are driven largely by the skyrocketing outperformance of very few individual stocks – such as Tesla. Over the last couple

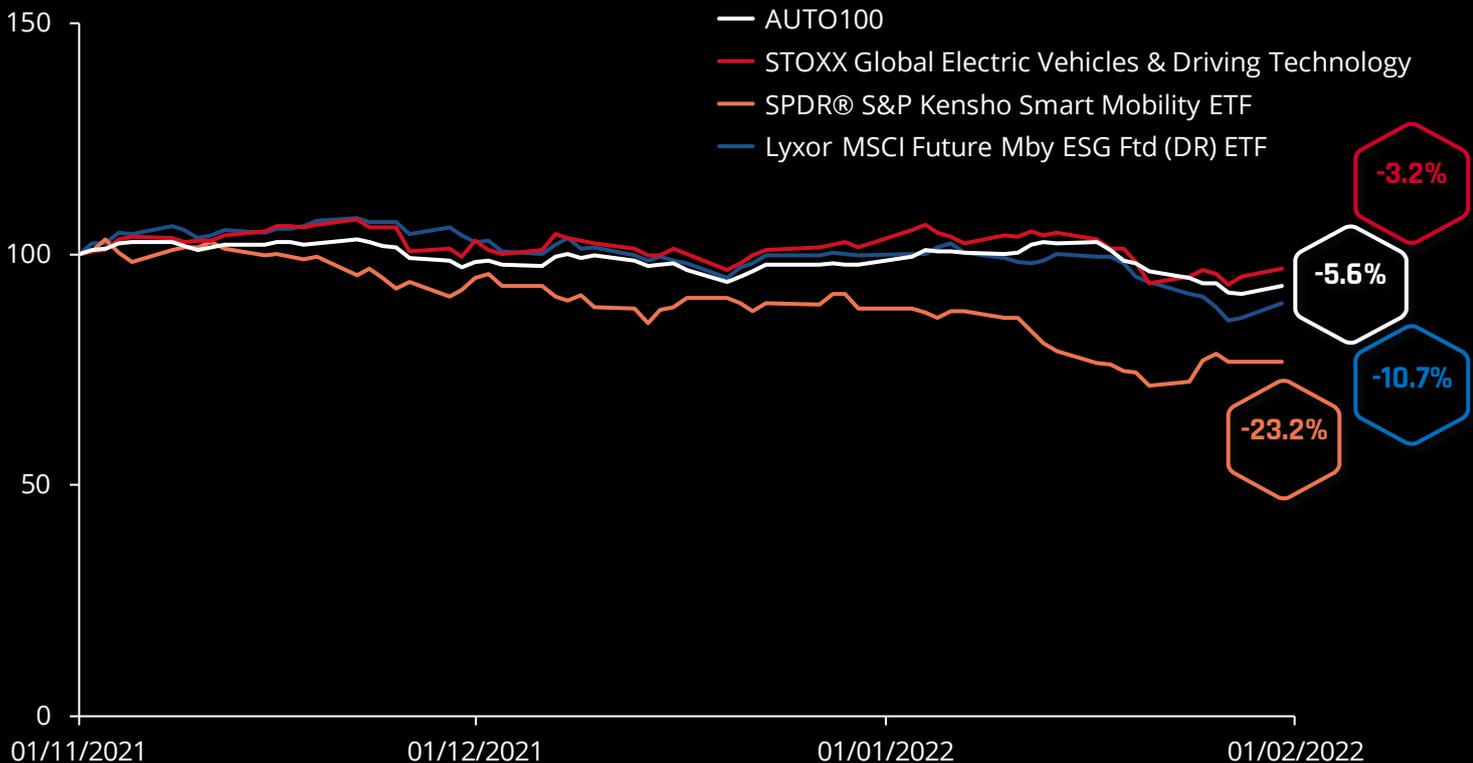
of weeks, Tesla stock saw some major setbacks which also caused above-average downturns for comparable indices with high stakes in Tesla.

Other Auto indices simply filter for Global Industry Classification Standards (GICS) and thus fail to cover the entire industry or include companies that are not predominantly auto & mobility related.

AUTO100 is truly automobility!

We are convinced that our domain-specific and fundamental approach to assessing the quality of a stock allows us to draw accurate market comparisons, thereby selecting high-class individual stocks.

PERFORMANCE OF COMPETITIVE LANDSCAPE (EUR)



REBALANCING RESULTS

MOST NOTABLE CHANGES (NON EXHAUSTIVE)



 **ALD**
Automotive

GEELY

DESAY SV
automotive

 **Inchcape**

 **NIO**

 **O'Reilly** AUTO PARTS
PROFESSIONAL PARTS PEOPLE

 **YUTONG**

The most recent quarterly rebalancing replaced 17 constituents, or approx. 14% of the index. Daimler Truck AG for example, the spin-off of Daimler AG, remained in the index. Other prominent stocks like LI Auto, Pirelli or Traton SE fell out of the index.

The Chinese car manufacturer **Geely**, whose portfolio includes Volvo and Lotus, as well as the electric vehicle manufacturer Polestar, was newly included in the AUTO100. The subsidiary Polestar just recently announced the completion of a SPAC merger to

conduct an IPO.

Also newly included was **Huizhou Desay SV**, a provider of software and components for vehicle control, infotainment systems, and system controls. Desay SV is benefiting greatly from the implementation of new technologies, especially in the field of electromobility as well as in driver assistance systems. Sales growth in the mid double-digit range (25% to 30%) is expected for the next two years.

SEGMENT

		SEGMENT
Bajaj Auto Ltd		OEM
LI Auto Inc		OEM
Melexis NV		Supplier
Ningbo Tuopu Group Co		Supplier
Pirelli & C Spa		Supplier
Sinotruk		OEM
Traton SE		OEM

		SEGMENT
ALD SA		Mobility
Geely		OEM
Huizhou Desay Sv		Supplier
Inchcape		Dealer
NIO Incorporated		OEM
O'Reilly Automotive Inc		Dealer
Zhengzhou Yutong Bus		OEM

 **BAJAJ**



 **Melexis**
INSPIRED ENGINEERING

 **TUOPU** 拓普

 **PIRELLI**

 **CNHTC**

TRATON



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LeanVal is an independent financial services provider for institutional and semi-institutional investors with offices in Frankfurt, Cologne and Munich. The range of services includes equity research, asset management and digital platforms for investment management.

As a provider of in-depth analyses, LeanVal Research GmbH has extensive expertise in the analysis, valuation and selection of stocks as well as in the design of equity strategies. The research universe currently includes the 600 largest listed companies in Europe and around 500 US stocks. The digital solution of LeanVal Research allows all client groups, with very high data quality and data depth, a well-founded individual analysis of the underlying equity universe as well as independent portfolio design according to individual and predefined investment strategies.

The asset management competence is bundled in Conservative Concept Portfolio Management AG (CCPM). Founded in 1991, the company offers investment solutions in special and mutual funds. The focus of daily business is on the development

and management of option-based volatility strategies, factor-based equity strategies and multi-asset solutions. The well-rounded product range is complemented with private debt products.

Further information at: www.leanval.investments

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The Berylls Group's services are fully dedicated to the automotive industry. From offices in Germany, China, the UK, South Korea, North America and Switzerland Berylls experts cover all current and future topics of the automotive ecosystem. Their expertise is combined in four specialized units – the Berylls Quartet.

Berylls Strategy Advisors – With its comprehensive know-how, the top management consultancy serves the entire automotive value chain – from strategic conception to improving operational performance.

Berylls Digital Ventures – The Digital Ventures team offers to build new business models for clients or develops and operates digital products for them – end-to-end. Berylls Digital Ventures invests in start-ups and builds white-label digital products that customers can integrate in their digital presence.

Berylls Equity Partners – In the Berylls Quartet, Equity Partners is an investment company backed by strong anchor investors that acquires companies in the mobility industry to improve them operationally and realign them strategically.

Berylls Mad Media – Mad Media's experts develop and implement data-driven marketing, integrated portfolio, and service design, all the way to holistic process and IT architectures.

Further information at: www.berylls.com

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INTERESTED?

LET'S DISCUSS.



**THE
AUTO100**
Index



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