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LeanVal  
INVESTMENTS

AUGUST 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	4.8%	2.5%	-2.2%	2.3%	7.0%
Since inception (30.07.2021)	-11.4%	-16.5%	-11.0%	5.1%	-0.4%
YTD	-15.5%	-18.6%	-14.8%	3.1%	-0.7%
Last 12 months	-11.4%	-16.5%	-11.0%	5.1%	-0.4%
Since index start (31.12.2018)	69.2%	28.1%	47.1%	41.1%	22.1%
Year 2021	21.7%	16.2%	17.8%	5.5%	3.9%

### Key risk figures

Volatility (36 months)	19.8%	26.7%	18.3%
Value-at-Risk (95%, 12 months)	-34.1%	-49.4%	-28.0%
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

There are several major effects impacting the global capital markets.

Global economy is suffering due to ongoing COVID lockdowns, especially in China, leading to disruptions in the supply chains, shortage of semiconductor and other shortcomings in resources. Nevertheless, the sector is benefiting from recent increases in domestic demand and expansion in the US and Europe.

Besides, the ongoing war in Ukraine has major impacts not only on Europe but also on several industries worldwide. Gas cut-offs and further increases in energy prices as well as a general uncertainty about the outcome of the Russian invasion led to a bearish capital market trend.

Finally, inflation is still rising and many central banks, including ECB recently increased interest rates as countermeasures.



# PERFORMANCE OVERVIEW



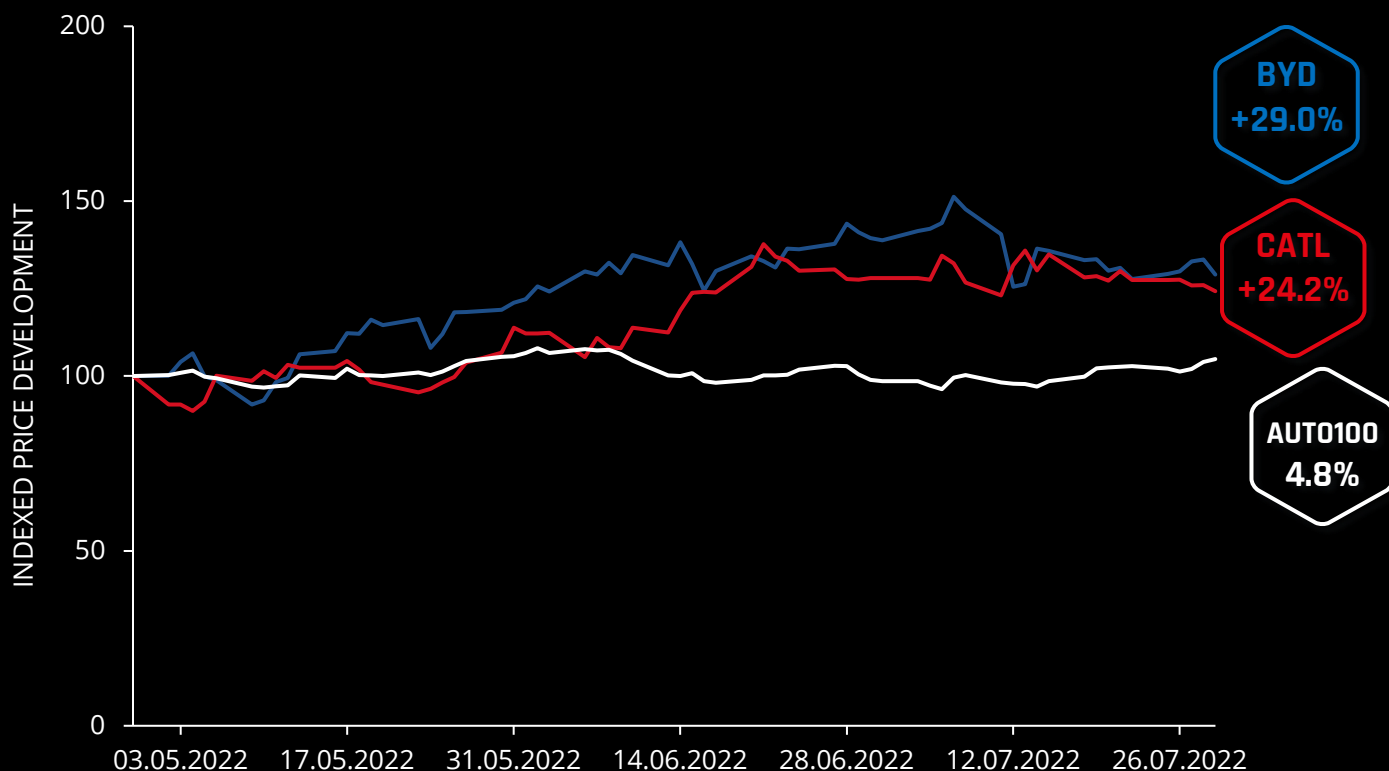
Although the AUTO100 actively limits the weight of individual components to 2.5%, there are some stocks pushing the overall performance:

Last quarter, among the best performing stocks was **BYD Company Ltd.**, one of China's largest privately owned enterprises. They have successfully expanded their renewable energy solutions globally with operations in over 50 countries and regions. BYD currently operates in the four core fields of Automotive, Electronics, New Energy, and Rail Transit among the industry leaders in the energy and transportation sectors. Q1/2022 presented strong growth in revenue and operating profit at BYD. Remarkably, unit sales increased by 315% (641,350 EVs) during H1/2022, in contrast to 154,579 EVs in H1/2021. Lastly, BYD recently announced expansion plans to begin offering passenger

EVs in Germany and Sweden, where sales are expected to begin in 10/2022 followed by deliveries in Q4/2022.

Another notable company was **CONTEMPORARY AMPEREX TECHNOLOGY COMPANY LIMITED (CATL)**, specialized in the design, manufacture, and marketing of automotive battery systems products. CATL is currently China's largest power battery maker with almost a 50% market share, as well as being ranked first globally with a market share of approx. 35% in H1/2022. Revenue for Q1/2022 was up 154% to 48.69 billion yuan (Q1/21 19.17 billion yuan) due to strong demand for batteries in the electric vehicle sector. Furthermore, there are reports that CATL is looking to expand in North America as it seeks potential locations in Mexico for future battery factories which would serve both Tesla and Ford.

## 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 the AUTO100 outperformance. In addition, over time the AUTO100 has shown less volatility than its peers validating our approach of steadiness and reliability of the index.

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

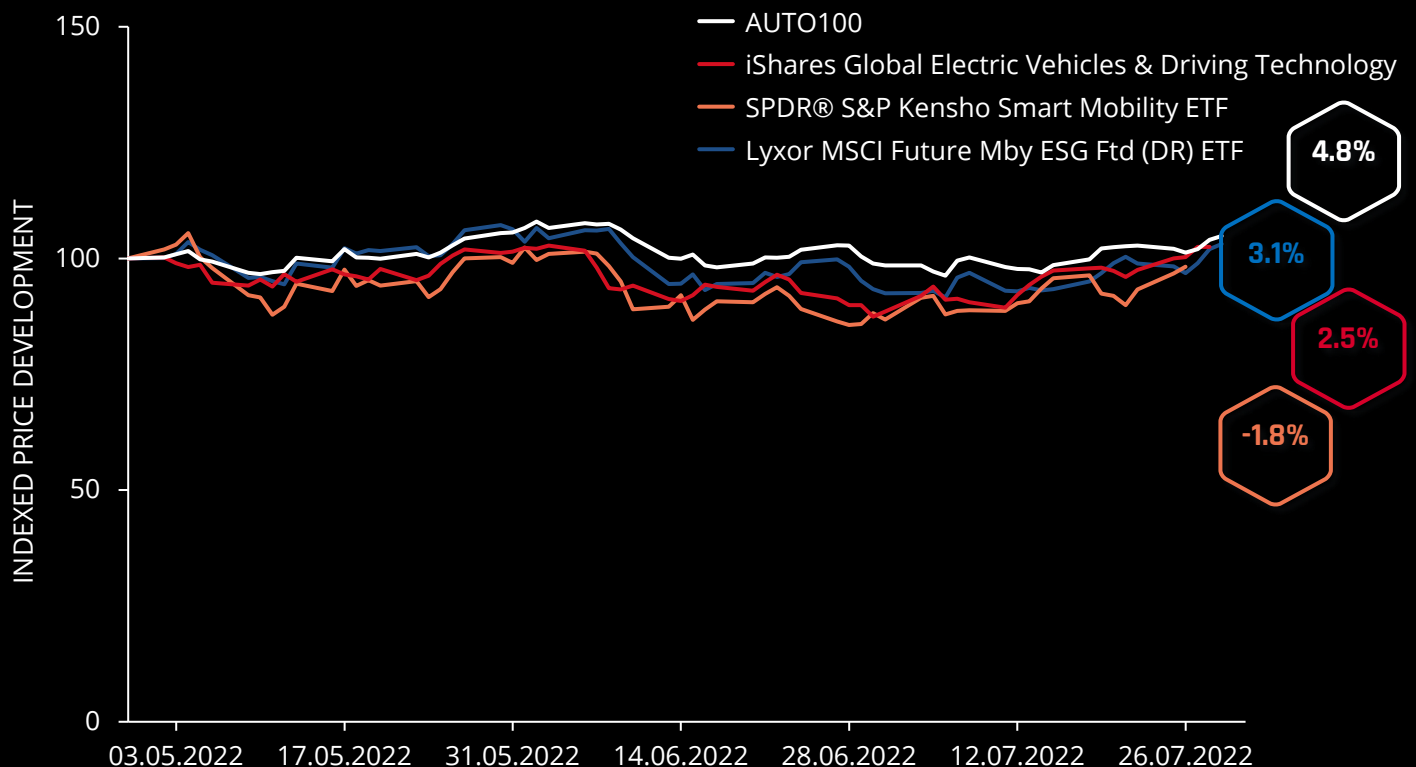
last couple of weeks, however, Tesla's stock experienced some major setbacks which also caused above-average downturns for comparable indices with high stakes in Tesla.

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 (USD)



# REBALANCING RESULTS

MOST NOTABLE CHANGES (NON EXHAUSTIVE)



		SEGMENT
Changzhou Xingyu Automotiv		OEM
Cheng Shin Rubber Ind. Co Ltd.		Supplier
Li Auto		OEM
Mando Corporation		Supplier
Ningbo Tuopu Group Co Ltd.		Supplier
Nio Incorporated		OEM
Xpeng		OEM

The most recent quarterly rebalancing replaced eight constituents, or approx. 7.6% of the index. While players like Nio Inc. or Xpeng rejoined the index, other prominent stocks like AVIS Budget Group or Cargurus Inc. fell out of the index.

Prominent newcomer is **Mando Corp** a Korea based company engaged in the production and sale of automobile parts such as brakes, steering, and suspension systems. On 30 June, Mando concluded the acquisition of additional 10% shares in MMT (Mayson Mando Turkey), bringing its ownership in MMT to 60%.

A prominent dropout is **China Motor Corp**, a Taiwan based company principally engaged in the manufacture and sales of automobiles, as well as its related parts and components. They are currently Taiwan's second largest vehicle manufacturer. Their products include commercial vehicles, cars, recreational business vehicles, and electric vehicles. Due to a drop in revenues as well as EBIT the stock got under pressure and fell under the minimum required size of one billion euros in market cap, in order to stay in the index.

		SEGMENT
Avis Budget Group Inc.		Mobility
Cargurus Inc.		Dealer
China Motor Corporation		OEM
CIE Automotive SA		Supplier
Dana Inc.		Supplier
KAR Auction Services Inc.		Dealer
Shandong Linglong Tyre Co.		Supplier



# CONTACTS LEANVAL INVESTMENTS

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](http://www.leanval.investments)

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# CONTACTS BERYLLS

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](http://www.berylls.com)

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# INTERESTED?

LET'S DISCUSS.



**THE**  
**AUTO100**  
Index



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