



DJE - MITTELSTAND & INNOVATION IS PROSPECTING FOR FAST-GROWING MID-SIZED COMPANIES



RENÉ KERKHOFF | MAXIMILIAN KÖHN

Minimum investment: 75,000 EUR

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Fund Advisor: DJE Kapital AG

Leading Fundmanager René Kerkhoff

since 01.01.2019

Co-Fundmanager Maximilian-Benedikt Köhn

since 01.01.2019

Fund Facts

ISIN: LU1227570485

WKN: A14SKI

Bloomberg: DJEMIE LX

Asset Class: Equity Funds (Small/Mid Cap) - DE, AT, CH

Minimum equity 51%

Partial exemption of income⁴ 30%

Investment Company²: DJE Investment S.A.

Fund Advisor: DJE Kapital AG

Type of Share: retention²

Financial Year: 01/01 - 31/12

Launch Date: 03/08/2015

Fund Currency: EUR

Fund Size (08/11/2019): 97.88 million EUR

TER p.a. (30/06/2019)²: 1.87 %

Reference Index of the fund²

- 30% MDAX Performance Index, 30% SDAX Performance Index, 30% SMIM Price Index, 10% AUSTRALIAN TRADED ATX Index

Ratings & Awards³ (08/11/2019)

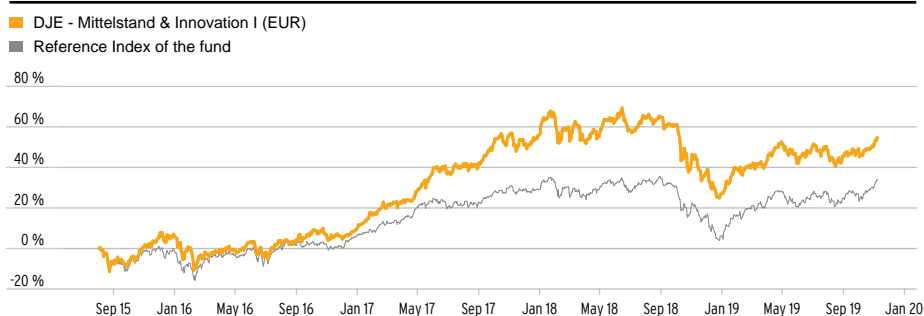
Morningstar Rating Overall¹: ★★★★★

DJE - MITTELSTAND & INNOVATION I (EUR)

INVESTMENT STRATEGY

The DJE - Mittelstand & Innovation is an equity fund focused on Germany, Austria and Switzerland. Within this region its investment priority lies on innovative medium-sized enterprises with a promising growth potential and a market capitalization up to 5 bn. Euro. German speaking Europe forms the core region of the so-called "Hidden Champions" with more than 1,500 enterprises. The fund's selection criteria: The company is top 3 globally or no. 1 domestically regarding its market share, its annual turnover is below 3 bn. Euro and it is not well known. Over years these companies convince with their innovational power, their growth rates and with a high market share in structurally growing (niche) markets. In case of a generation change these mostly founder- and family-run enterprises are often listed at the stock exchange. With the appropriate knowledge investors are offered various opportunities to benefit from this development.

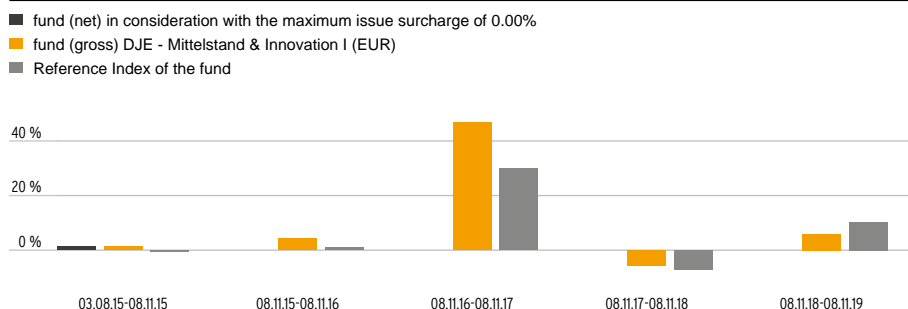
PERFORMANCE IN PERCENT VS. REFERENCE INDEX SINCE INCEPTION (03/08/2015)



Data: Bloomberg, own illustration.

As at: 08/11/2019

PERFORMANCE IN PERCENT VS. REFERENCE INDEX SINCE INCEPTION (03 August 2015)



Data: Bloomberg, own illustration. Calculated according to the BVI Bundesverband Investment und Asset Management e.V.) method, i.e. not taking into account the front end load.

As at: 08/11/2019

PERFORMANCE VS. REFERENCE INDEX IN PERCENT

	1 Mo	YTD	1 Yr	3 Yrs	SI
Fund	5.75%	22.52%	5.92%	46.51%	54.74%
Reference Index	7.57%	26.24%	10.30%	33.34%	33.73%

As at: 08/11/2019

The presented charts and tables concerning performance are based on our own calculations according to the gross performance (BVI) method² and illustrate past development. Future results may vary both positively and negatively. The BVI method takes into account all costs incurred at the fund level (e.g. management fees), the net performance and the issue fee. Additional individual costs may be incurred at the customer level (e.g. custodian fees, commission and other charges). Model calculation (net): an investor wishes to purchase shares for Euro 1,000. With a maximum issue surcharge of 0.00%, he has to spend a one-off amount of Euro 0.00 when making the purchase. In addition, there may be custodian costs that reduce performance. The custodian costs are decided by your bank's price list and service charges. Information regarding past development is not a reliable indicator of future performance.

1 | see also on page 4

2 | see also on (www.dje.de/DE_en/fonds/fondswissen/glossar)

3 | sources on homepage (www.dje.de/DE_en/unternehmen/ueberuns)

4 | The fiscal treatment depends on the personal circumstances of the respective client and can be subject of change in the future.



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Asset Allocation in percent of fund volume (31/10/2019)²

Stocks	99.52 %
Cash	0.48 %

Top Countries in percent of fund volume (31/10/2019)

Germany	70.82 %
Switzerland	14.85 %
Austria	9.03 %
Luxembourg	2.75 %
Sweden	1.36 %

Fund prices per 08/11/2019

Bid:	154.74 EUR
Offer:	154.74 EUR

Fees²

Initial Charge:	0.00%
Management Fee p.a.:	1.10%
Custodian Fee p.a.:	0.09%
Advisory Fee p.a.:	0.35%

² | see also on (www.dje.de/DE_en/fonds/fondswissen/glossar)

DJE - MITTELSTAND & INNOVATION I (EUR)

TOP TEN SECTORS IN PERCENT OF FUND VOLUME (31/10/2019)

TECHNOLOGY	24.24 %
INDUSTRIAL GOODS & SERVICES	18.20 %
HEALTH CARE	9.61 %
REAL ESTATE	7.95 %
FINANCIAL SERVICES	7.16 %
RETAIL	5.16 %
MEDIA	4.40 %
PERSONAL & HOUSEHOLD GOODS	4.33 %
CHEMICALS	3.95 %
INSURANCE	2.84 %

TOP HOLDINGS IN PERCENT OF FUND VOLUME (31/10/2019)

SCOUT24 AG	2.84 %
HYPOPORT AG	2.73 %
WIRECARD AG	2.41 %
PARTNERS GROUP-REG	2.36 %
VARTA AG	2.33 %
MEDIOS AG	2.29 %
KION GROUP AG	2.20 %
STROER OUT-OF-HOME MEDIA AG	2.11 %
GODEWIND IMMOBILIEN AG	2.07 %
DEUTSCHE INDUSTRIE REIT AG	1.89 %

RISK MEASURES²

Standard Deviation (2 years)	17.19%	Sharpe Ratio (2 years)	0.18
Tracking Error (2 years)	7.22%	Correlation (2 years)	0.83
Value at Risk (99% / 20 days)	-10.99%	Beta (2 years)	1.10
Maximum Drawdown (1 year)	-13.96%	Treynor Ratio (2 years)	2.86

As at: 08/11/2019

MONTHLY COMMENTARY

In September, the value of the DJE - Mittelstand & Innovation increased by 2.08%. Its benchmark index (30% MDAX Performance Index, 30% SDAX Performance Index, 30% SMIM Price Index, 10% AUSTRIAN TRADED ATX Index) rose by 1.75%. During the reporting period, the Fund benefited mainly from its exposure to the non-cyclical consumer and technology sectors (where the Fund was significantly overweight). In addition, the healthcare industry and stock selection in the slightly overweighted Construction & Materials sector and in the heavily underweighted Industrial Sector also made positive contributions to the Fund's performance. At the individual stock level, the strongest contributions to performance came from the Austrian software development company Fabasoft, the Munich semiconductor industry company Siltronic, the Hanover-based tourism group TUI and the battery group Varta from Ellwangen. On the other hand, negative impetus came primarily from positions in the financial services sector. In addition, the fund was only able to benefit to a limited extent from the positive development of the industry due to the stock selection in the oil & gas sector. Particularly disappointing results were achieved by both the chemicals and mechanical engineering divisions of the Munich-based Wacker Group, the Cologne-based engine manufacturer Deutz and the Düsseldorf-based machinery and plant engineering group GEA. Over the course of the month, the fund management reduced its exposure primarily in the healthcare, financial services and household goods sectors. In return, it increased its weighting in the industrial sector and also slightly expanded its positions in the technology and real estate sectors. At country level, it increased the proportion of German, Swiss and Luxembourg stocks in its portfolio. In return, it reduced its exposure, particularly in Austria and Sweden. As a result of the adjustments, the equity exposure rose slightly from 96.93% in the previous month to 97.63%.



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Target group

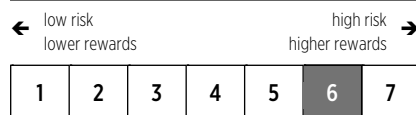
The fund is suitable for investors

- + with a medium-to-long term investment horizon
- + who prefer European titles
- + who would like to invest in medium-sized companies

The fund is not suitable for investors

- with a short-term investment horizon
- who seek safe yields
- who will not accept any increased value

Risk class (SRRI 1-7)²

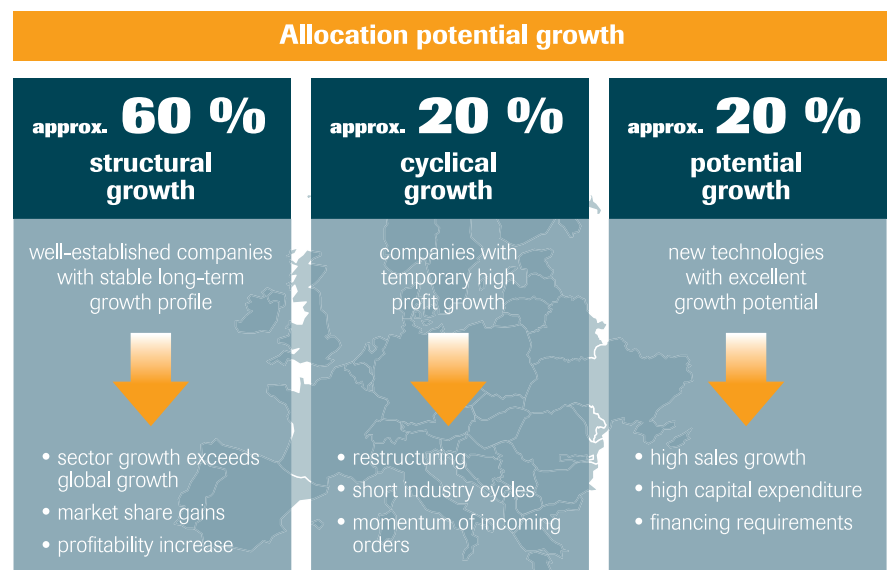


DJE - MITTELSTAND & INNOVATION I (EUR)

INVESTMENT APPROACH

An active business analysis approach is used for the decision making, by taking into consideration fundamental data. The share selection takes also into consideration the degree of innovation, measured by the share of the market within the sector, patent rights as well as investments into research and development. Attention is also paid on sufficient liquidity. Great value is placed on company visits, in order to analyze together with the management of the company the opportunities and the risks as well as to get profound knowledge of the business activities. Mainly the economic development, which is monitored by our own database, affects the weighting of the countries within the portfolio.

PORTFOLIO STRUCTURE



Data: DJE Kapital AG

OPPORTUNITIES AND RISKS

Opportunities

- + Germany, Austria and Switzerland are equipped with: robust domestic markets, strong exports (diversification), excellent legal security.
- + With more than 1500 enterprises the German speaking region forms the core region of the Hidden Champions.

Risks

- If shares are used as long-term investment they offer outstanding returns. But the prices may fluctuate because of the market situation or because of the development of the single title.
- There are also countries with risks apart from market price risks (equity, interest, currency risk) like country or credit risks (comeback of a recession in Europe)
- Therefore, investments into the DJE - Mittelstand & Innovation equity fund may suffer price losses. All details regarding risks are given in the sales prospectus.

² | see also on KIID <https://www.dje.de/de-en/documents/LU1227570485/KIID/inline>



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DJE Kapital AG

DJE Kapital AG has more than 45 years of experience in wealth and asset management and is today one of the leading bank-independent financial service providers in German-speaking Europe. Our investment strategy, both in equities and bonds, is based on the FMM method developed in-house: a systematic analysis which takes three views on securities and the financial markets: fundamental, monetary and market-technical. DJE follows sustainability criteria when selecting securities and is a signatory to the United Nations Principles for Responsible Investment.

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LEGAL INFORMATION / DISCLAIMER

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All data and estimates are indicative and may change at any time. This information is based on our assessment of current legal and tax regulations. The data were carefully compiled, but no guarantee can be given for the accuracy of such information. All data are subject to change.

The performance is calculated using the BVI (Bundesverband Investment und Asset Management e.V.) method, i.e. without taking into account the subscription fee. Individual expenses such as fees, commissions and other charges are not taken into account in the data and would have a detrimental effect on the performance if they were. The subscription fees payable reduce the invested capital as well as the performance depicted. Data on past performance are not a reliable indicator of future performance.

The tax treatment depends on the individual circumstances of the investor and may be subject to change. Please see the prospectus for more detailed tax information.

In connection with brokering fund units, the Dr. Jens Ehrhardt Group and its distribution partners may receive reimbursements from costs charged to the funds by the investment companies in accordance with the respective prospectuses.

The units of this fund that are issued may only be sold or offered for sale in jurisdictions in which such offer or sale is permitted. Therefore the units of this fund may not be offered for sale or sold in the USA, or offered for sale or sold to or for the account of US citizens or US persons resident in the USA.

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