



**Berenberg European Small Cap / Berenberg European Micro Cap:**

## **Berenberg to set up two new equity funds with Peter Kraus with a focus on European second-tier stocks**

Hamburg. Private bank Berenberg is extending its range of funds to include two new equity funds with a focus on European second-tier stocks. The funds will be managed by renowned fund manager Peter Kraus, who moved from Allianz Global Investors (AGI) to Berenberg at the beginning of October.

“With the **Berenberg European Small Cap** and the **Berenberg European Micro Cap**, we will invest in European second-tier stocks that display well above average growth and lasting high profitability.” This is how Peter Kraus explains his approach. “Based on a fundamental selection of individual stocks and a stringent investment process, we will select the securities with the best prospects from a large investment universe of more than 5,000 stocks.” The two new funds will feature a diversified portfolio and a large share of founder-managed companies. For the Berenberg European Small Cap, stocks with a market capitalisation up to €5 billion will be selected, while the focus for the Berenberg European Micro Cap will be on stocks with a market capitalisation of less than €500 million. The average holding period for a stock will be more than three years.

The overall concept involves a careful fundamental stock analysis, a stringent investment process and a long-term investment horizon. Fund management is centred on an in-depth analysis of the business model, the competitive position and the financial ratios. Intensive discussions with the company representatives as well as analysts and industry experts will help to select the stocks. “We will focus on the most innovative companies with robust balance sheets and sustainably

increasing cash flows that occupy a leading position on their niche markets and also have a (technological) lead. On this basis, it is our objective to outperform the benchmark in the medium to long term”, says Kraus.

### **European second-tier stocks with high growth potential**

In the long term, the performance of second-tier stocks is much better than that of standard stocks, as they generate higher growth rates. “European second-tier stocks offer interesting investment opportunities”, says Peter Kraus emphatically. “We will be paying particular attention to hidden champions and high-growth niche providers in the industry, health and technology sectors. The current sturdy economic situation is also supporting this development.”

With the new equity funds, Berenberg is extending its fund range and, alongside the **Berenberg European Focus Fund** and **Berenberg Eurozone Focus Fund** also set up in early October as well as the flagship fund **Berenberg Aktien-Strategie Deutschland** and **Berenberg-1590-Aktien Mittelstand**, is providing a comprehensive offering in the core areas of German and European equities.

Peter Kraus (42), CFA, initially worked as an analyst for European second-tier stocks before moving to AGI in 2006 as a fund manager for European Small and Mid Caps. In the years that followed, he made a key contribution to the major success of the team for second-tier stocks there. He was responsible for managing various European Small and Mid-Cap funds and for acquiring and taking care of significant international institutional clients. “For many years, Peter Kraus has been providing successful proof of his stock-picking skills, in particular in a European Micro-Cap product. He invests long term in hidden champions and companies with strong growth prospects”, explains Henning Gebhardt, Head of Wealth and Asset Management at Berenberg.

You can get more information at [www.berenberg.de/nebenwerte-fonds](http://www.berenberg.de/nebenwerte-fonds)

**Overview of the funds and their share classes:**

<b>Fund:</b>	<b>Berenberg European Small Cap (share class R)</b>	<b>Berenberg European Small Cap (share class I)</b>
<b>Securities ID</b>	A2DVQD	A2DVQE
<b>ISIN</b>	LU1637619120	LU1637619393
<b>Management company:</b>	Universal-Investment-Luxembourg S.A.	
<b>Issue date:</b>	2 October 2017	2 October 2017
<b>Fund managers:</b>	Peter Kraus	
<b>Fund currency:</b>	EUR	
<b>Sales charge:</b>	up to 5.00%	not applicable
<b>Ongoing costs:</b>	1.79% p.a.	1.00% p.a.

<b>Fund:</b>	<b>Berenberg European Micro Cap (share class R)</b>	<b>Berenberg European Micro Cap (share class I)</b>
<b>Securities ID</b>	A2DVQA	A2DVQB
<b>ISIN</b>	LU1637618742	LU1637618825
<b>Management company:</b>	Universal-Investment-Luxembourg S.A.	
<b>Issue date:</b>	2 October 2017	2 October 2017
<b>Fund manager:</b>	Peter Kraus	
<b>Fund currency:</b>	EUR	
<b>Sales charge:</b>	up to 5.00%	not applicable
<b>Ongoing costs:</b>	1.79% p.a.	1.00% p.a.

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**About Berenberg**

Founded in 1590, Berenberg is one of Europe's leading private banks today, with over 1,500 employees in its Wealth Management, Asset Management, Investment Banking and Corporate Banking divisions. Headquartered in Hamburg and led by managing partners, Berenberg maintains a strong presence in the financial centres of Frankfurt, London, New York, and Zurich.

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