



PRIVATE MARKETS
PUBLIC MARKETS
REAL ESTATE

ALTIRA
GROUP

ENTREPRENEURIAL
ASSET
MANAGEMENT

Frankfurt, London, Zurich, Vienna, Kigali, Mumbai

ENTREPRENEURIAL ASSET MANAGEMENT

ALTIRA GROUP

Our Guiding Principles

The Altira Group is an asset management company. We manage money in private markets, public markets and real estate on behalf of institutional investors.

Our investment approaches focus on inefficient markets. This means promising developing markets and regions with above-average growth opportunities as well as established markets undergoing major structural changes.

Due to their specialised knowledge and years-long experience, our investment teams are able to generate a sustainable above-average risk/return profile (“High Alpha Strategies”) in these markets by using an active investment approach.

With this philosophy, we have been increasing the wealth of our demanding investors for many years, some of which (such as the Silvia Quandt Family) are not only investors in our funds, but also Altira Group shareholders.

Our corporate structure

The Altira Group is owner-managed and at the same time exchange-listed. Our corporate strategy is implemented into specific investment products in focussed affiliated boutiques, which act independently. While investment decisions are made by the investment teams independently, all the boutiques rely on a centralised, common institutional infrastructure.

In general, the Altira Group holds majority interests in the affiliated boutiques as founding shareholder or acquires shares in existing asset management companies that wish to attach themselves to the Altira platform.

Our corporate divisions

Private Markets

Management of private equity funds

Expertise

- Entrepreneurial capital for small to medium-sized German companies
- International fund of funds investments
- Restructuring and reorganisation
- Climate protection investments
- Development investments in Africa

Public Markets

Management of financial products that invest in liquid or exchange-listed assets

Expertise

- Mutual funds focused on areas of future interest
- Broadly diversified fund of funds

Real Estate

Management of real estate funds of a private equity character

Expertise

- Real estate development in Eastern Europe
 - Special situations in Germany
 - Agricultural investments in Eastern Europe
-

Global Presence – Local Network

Specialised knowledge and many years of experience are the only way to understand inefficient markets. That is why the Altira Group’s asset management boutiques are present in those regions in which the Altira Group invests in for its customers.



OUR INVESTMENT AND CORPORATE PHILOSOPHY

The keynote of the Altira Group is “Entrepreneurial Asset Management”, the objective being to create long-term added value for customers, shareholders and employees. To us, this means:

Teaming up with the best

— We firmly believe that independently operating, specialised investment boutiques can generate a sustainable above-average risk/return profile.

It is therefore our aim, to win over and obtain the commitment of outstanding investment specialists in their respective areas. We offer these teams broad decision-making and creative freedoms with performance-based incentive compensation on the one hand and, on the other, an organisation providing strong support, so they can reach their full potential.

At the same time, the Altira Group – exchange-listed and equipped with equity capital of more than EUR 50 million – meets the needs of institutional investors for a solid, mature infrastructure with comprehensive service, a high degree of transparency and stability. This complements the subsidiary boutiques with centralised management of the risk, performance reporting, distribution, controlling, marketing, IT and legal areas.

Focus on inefficient markets

— We strongly believe that, particularly in inefficient markets, with the use of active management, a sustainable above-average risk/return profile can be generated through specialised knowledge and many years of experience.

For us, the inefficient markets are the promising newly forming markets and regions with above-average growth opportunities as well as established markets undergoing major structural changes. Our entrepreneurial insight and our existing broad global network allows us to quickly orient ourselves in these markets and, by offering appropriate products, provide investors with access to these markets. With our institutional infrastructure and years-long experience in various markets we find the best managers, form complementary teams and thereby secure a market advantage.

Entrepreneurial Commitment

— We see ourselves as entrepreneurs.

As such, an important fundamental conviction is in thinking and acting for the long term in accordance with strategic specifications and visions. This is also reflected in our incentivising structures. The founders of Altira Group are the majority shareholders, who are also operationally represented on the management board. For the shares, long-term lock-up agreements ensure continuity. Altira Group's managerial staff also participates and is motivated long-term via stock option plans.

At the investment team level, we create a synchronisation of interests with the investors through performance-based incentive compensation and the commitment of the individual team members to their products.

For many products the Altira Group also plays an important role as a seed investor: As the first liquidity is often provided by the Altira Group, it enables the management team to establish the requisite track record that will later also provide substantiation to external, institutional investors.

Social responsibility

— We are very aware of our social responsibility.

Opportunities abound in an increasingly complex and globalised world, as do risks and imbalances. The financial industry in particular has an important allocation and equalisation role to play here. We feel that it is our responsibility not only to create value for our investors and shareholders, but also for the general public.





“THE BEST OF TWO WORLDS”

Peak performance is always achieved within a team. This is also reflected in the complementary abilities of the members of the Altira Group Management Board consisting of Michael Rieder, Peter Brumm, Andreas Lange and Christian Angermayer. All four are united by entrepreneurial drive and the joy of success.

The following interview took place in March 2008 and provides insight into the strategy followed by the Altira Group. It also describes the Group’s philosophy of entrepreneurial asset management and its focus on inefficient markets.

___ **Mr. Brumm**, what inspires you most in your position on the management board?

___ **Peter Brumm** I am inspired every day by the opportunity to continue to develop a modern asset management group as an entrepreneur. We have come a long way, but are still at the starting stage of our development.

___ **Christian Angermayer** I am especially pleased with what we have been able to achieve and can still achieve with our complementary task sharing. Whereas I am particularly responsible for detecting new investment trends and designing new products, Andreas, in his function as CIO, is responsible for setting up and expanding the investment team as well as developing investment strategies. Peter is the ideal risk manager and sparring partner for the teams. Michael is the perfect CEO, representing the organisation to the outside world and internally providing cohesion and the drive to achieve peak performance.

___ **Mr. Rieder**, you have many years of experience in the financial industry and have worked for highly regarded investment companies. What do you personally believe sets Altira apart from its competition?

___ **Michael Rieder** I firmly believe that independently operating, specialised investment boutiques can generate a sustainable above-average risk/return profile. We try to win the top investment specialists in their respective sectors, give them comprehensive decision-making autonomy and motivate them via incentive compensation that is highly performance-based.

We not only offer our investors the performance strength of our subsidiary boutiques, but also Altira Group’s solid, mature infrastructure that handles the central functions of the product management, distribution and distribution support, risk management, controlling, marketing, IT and legal, ensuring maximum service, transparency and stability.

— Michael Rieder

“I firmly believe that independently operating, specialised investment boutiques can generate a sustainable above-average risk/return profile. We try to win the top investment specialists in their respective sectors, give them comprehensive decision-making autonomy and motivate them via incentive compensation that is highly performance-based.”

— But aren't concentration and focus precisely the strengths of boutiques? Why did you choose such broad diversification?

— **Michael Rieder** The Altira Group has a very clear focus, namely on inefficient markets. Our institutional infrastructure enables the investment teams in their respective investment classes to fully concentrate on their primary task – the sustained generation of an above-average risk/return profile. The Altira infrastructure takes care of the framework. Last but not least, the diversification of our holdings across a variety of investment classes allows a broad transfer of know-how between the individual teams. This know-how transfer often makes it possible for us to achieve precisely the outperformance that sets us apart from our competition.

— **Peter Brumm** I would like to rephrase Michael Rieder's statement: Quite often there are two hearts beating in the chests of investors: On the one hand, they know a consistent outperformance can rather be obtained from a smaller boutique than a large institution, yet on the other hand they prefer a solid, well-known company and do not want any surprises. With our platform approach, we can satisfy both requirements in a singular manner. Everyone of our teams works on investment decisions like a small, independent boutique. However, with equity capital of more than EUR 50 million, more than 100 employees in 13 locations and an institutionalised organisational structure also attributable to the stock

exchange listing, the Altira Group is now one of the larger participants in the market.

— What does the interdisciplinary cooperation you mentioned look like?

— **Andreas Lange** Let me give you a concrete example: We manage one of the most successful private equity fund of funds in Europe that selects and evaluates the best private equity teams, and then invests in them. This has allowed us to cultivate personal access to legendary investment experts, which has greatly aided us in developing our own investment style and requirements profile. We have all learned a great deal and are continuously learning more. That is truly “teaming up with the best”.





— Christian Angermayer

“I have a long-term friendship with and deep confidence in my founding partners Peter Brumm and Andreas Lange. Everything that the Altira Group is today, we built up together. Michael Rieder is an ideal addition to our team, just as all of our colleagues are integral parts of our big family.”

— Mr. Angermayer, can you cite another example of interdisciplinary cooperation within the Altira Group?

— **Christian Angermayer** Our new Africa fund is also a good example of that. We recognised immediately that real estate development is one of the most promising asset classes in the booming economies of East Africa. It was therefore obvious we should combine the market access of our local Africa team with the years-long experience of our real estate management company R-Quadrat in the also emerging markets of Eastern Europe.

— In your investment philosophy, you speak of inefficient markets. Where does this focus come from?

— **Michael Rieder** The more efficient a market is, the more difficult it is to methodically achieve out-performance. And this is precisely what investors expect when they entrust their capital to a boutique. Many of the segments that our investment teams invest in are inefficient per se, such as private equity or real estate, since there are no liquid, standardised, regulated markets in these segments. In the public equity area, we therefore concentrate on niche and promising markets in order to create added value over the medium to long term.

— To date, you have quite well managed to be one of the first to recognise new trends, such as climate change and Africa, and to quickly issue relevant investable products. What are you doing to ensure you continue to have an edge?

— **Christian Angermayer** Our investment ideas result from a broad personal network that spans the globe. We have ongoing discussions with interesting people regarding their opinion on particular topics, or the future in general. Over the years, we have cultivated an intuition about the development of real, long-term megatrends and when it pays for us to invest more time on research. Lastly, one of the most important entrepreneurial abilities is to recognise change and to comprehend it as an opportunity.

— Peter Brumm

“We refer to it as ‘entrepreneurial asset management’. To a certain extent, it is expected of every one of our employees that they think and act like an entrepreneur: to be proactive, motivated, creative, and have strong decision-making abilities, while at the same time always remaining aware of their responsibilities and carefully weighing all options. I think that makes us rather unique in Germany.”

— A number of your private markets and real estate funds are structured as exchange-listed investment companies. Why?

— **Michael Rieder** Liquidity is an important property for most investors. However, private equity and real estate strategies are of a particularly long-term nature, as they in turn invest in non-liquid assets. Exchange-listed investment trusts are one possible solution. In addition to managing traditional partnership structures, several of our investment teams therefore also manage listed investment companies, which make it possible for investors to buy and sell quickly.

— The Altira Group itself is also exchange listed. Do you focus more on your shareholders or your investors?

— **Peter Brumm** Both equally, as both essentially have the same expectations from us, namely the above-average performance of our funds. Investors, as they are only prepared to pay management fees for outperformance. Shareholders, as our fee structure has a strong emphasis on performance-related fees. The Altira Group therefore only earns a good return when investors do.

— **Michael Rieder** For our investors, the listing has two decisive advantages: transparency and continuity. Although we are owner-managed, together with the supervisory board, we have already developed structures enabling the company to continue its success, for example, if something happens to a key person.





— Andreas Lange

“We manage one of the most successful private equity funds of funds in Europe that selects and evaluates the best private equity teams, and then invests in them. This has allowed us to cultivate personal access to legendary investment experts, which has greatly aided us in developing our own investment style and requirements profile. We have all learned a great deal and are continuously learning more. That is truly ‘teaming up with the best’.”

— You mention that there is a special corporate culture at the Altira Group. How would you describe your relationship with your colleagues?

— **Christian Angermayer** I have a long-term friendship with and deep confidence in my founding partners Peter Brumm and Andreas Lange. Everything that the Altira Group is today, we built up together. Michael Rieder is an ideal addition to our team, just as all of our colleagues are integral parts of our big family.

I believe that I can speak for all of us when I say that we only want to work with people we like and admire. That is one of the most important privileges of an independent entrepreneur.

— One of Altira Group’s guiding principles is “Teaming up with the best”. What would motivate a high-potential individual to work for your young company, when he could just as easily start with one of the major companies in the sector?

— **Peter Brumm** All of us have worked for renowned international asset managers and investment banks and therefore know them from the inside. Without a doubt: You can certainly gather useful experience, make important contacts, and learn a great deal at these companies.

Nevertheless, I am convinced the Altira Group can particularly attract people who like to work independently and who want to be one of the best in a specialised area. The Altira Group offers more than any large company, namely broad decision-making and creative freedoms as well as highly performance-oriented remuneration models.

We refer to it as “entrepreneurial asset management”. To a certain extent, it is expected of every one of our employees that they think and act like an entrepreneur: to be proactive, motivated, creative, and have strong decision-making abilities, while at the same time always remaining aware of their responsibilities and carefully weighing all options. I think that makes us rather unique in Germany.

— **Michael Rieder**

“In 2000, Altira Group managed EUR 15 million; today it is more than EUR 1 billion. From the beginning of 2006 to the end of 2007 – meaning in only two years – our assets grew from EUR 0.4 billion to EUR 1 billion. In 2000, Bayreuth was our only location. Today we have 13 locations around the world.”

— **Andreas Lange** Like the investors, our investment managers also have the best of two worlds: In making investment decisions, they have the same independence they would have with their own boutique and the remuneration structures are also entrepreneurial and performance-oriented. As the Altira Group provides support for non-core areas such as marketing, distribution, IT and risk management, the managers can fully concentrate on their funds.

— **As the old saying goes “Trust is good, control is better”. How does risk controlling take place?**

— **Peter Brumm** I am part of a team of ten responsible for finance, legal affairs and risk management. Andreas Lange, in his capacity as CIO, also acts as mentor to the teams performing these important controlling functions. We want to have a constructive dialogue between the respective experts on the one side – who naturally have greater expertise with the details – and my complementary team on the other side, which questions and argues more from a “big picture” point of view.

These discussions are seen by both sides to be very beneficial. Within the risk management framework, questions are also asked on an ongoing basis with respect to the composition of a fund’s overall portfolio and its balance sheet policy. We also participate in all structural decisions, such as the legal structure of the company.

— **Michael Rieder** Particularly worthy of note, is also the willingness at all levels to learn from mistakes and to continue to develop further. Even with careful planning and prudent risk management, unforeseen difficulties can arise, particularly in new markets that require new solutions. Often the best guarantee for a value-added solution is open communication where criticism is accepted, entrepreneurial thinking, and years-long experience – particularly in relation to mistakes and failures.

The nearly ten years of entrepreneurial experience gained by management in building up one of the largest independent financial services groups in Germany is therefore one of the significant value drivers of our funds.

___ **Mr. Lange, the private equity sector has been subject to strong public criticism in the last few years. What is your reaction to the well-known “plague of locusts” accusations?**

___ **Andreas Lange** Most of the criticism of these “locust” opponents is oversimplified and directed towards a small number of extremely aggressive buy-out firms or hedge funds. I can understand the criticisms as far as it relates to financial engineering methods, which in practice are used too excessively at times.

However, studies, and in particular also my own experience, show on average that private equity managed companies have better decision-making structures and are therefore frequently more successful. Everyone benefits from this, the employees, shareholders and the general public. There are presently more than 4,000 employees working at the companies financed by Heliad, our private equity fund in Germany. In this way, we are able to make our own personal contribution to the economic security of Germany.

___ **In your business philosophy, you acknowledge that you have social responsibility. Could you give us some concrete examples?**

___ **Christian Angermayer** We feel that entrepreneurship as an overarching institution crossing state boundaries and built on the principles of freedom and democracy is of crucial importance in a time of both global opportunities as well as global challenges, in particular poverty and climate change. Entrepreneurship is efficient, quick and above all global, making it the most important weapon in the fight against global problems.

In addition to generating profits for our investors, we are therefore especially proud that many of our funds also provide a valuable contribution to society. A good example is eolutions, our climate-protection private equity company. The company’s investments in CO₂ reduction projects worldwide make an important contribution in the fight against climate change. Another example is African Development Corporation, our investment trust focused on East Africa. With this company, we finance aspiring companies in Africa and make a contribution to development that could never be provided by development assistance

organisations. This is because the need of Africa’s young economies to be respected and integrated into the global economy as an equal partner is greater than the need for donations.

___ **Lastly, a question pertaining to your objectives: Where will the Altira Group be in five years?**

___ **Michael Rieder** I would first like to reply by taking a look at the past and our track record: In 2000, Altira Group managed EUR 15 million; today it is more than EUR 1 billion. From the beginning of 2006 to the end of 2007 – meaning in only two years – our assets grew from EUR 0.4 billion to EUR 1 billion. In 2000, Bayreuth was our only location. Today we have 13 locations around the world. An outstanding success story which we intend to continue over the coming years. It is our objective to continue to acquire and keep satisfied customers through products with above-average success and open communication. In three to five years, we will then be one of the largest independent German asset managers.

___ **Thank you for the interview.**



PRIVATE MARKETS
PUBLIC MARKETS
REAL ESTATE

Frankfurt, Cologne, Dortmund, London, Zurich, Vienna, Kigali,
Mumbai, Moscow, Kiev, Antalya, Beijing, Hong Kong



PRIVATE MARKETS

Private equity is pure entrepreneurship. Whether it's direct investments in fast-growing small and medium-sized German companies, restructuring projects or global fund investments – it's always about supporting people in their visions and orienting companies on a long-term basis toward the future.

This benefits investors as well as the companies being financed. And last but not least, the general public, because private equity is one of the best engines for creating jobs.

Entrepreneurial capital

— Investments in small and medium-sized companies

Using the funds it manages, the team of **Sigma Capital Management GmbH** invests in fast-growing companies in the German-speaking region. In the process Sigma relies on established, owner-managed business models that have sales between EUR 10 and 100 million. The focus is on successful and experienced entrepreneurs.

With this specialisation, Sigma is positioned in the attractive niche between venture capital and the major buy-out firms. The roughly 4,000 employees of the 14 companies currently in the portfolio together generate sales of more than EUR 700 million.

The flagship is the exchange-listed Heliad Fund (www.heliad.de).

Funds of funds

— International private equity fund investments

In addition to directly invested funds, **Sigma Capital Management GmbH** also manages private equity funds of funds that invest internationally. The task of fund management is to select the world's best from the multitude of direct investment teams in the market.

In fund investing, the human factor is the crucial element. It is not the biggest or the best-known teams that find their way into the portfolio; rather, it is those with the most sustainable investment approaches.

Restructuring

— Investments in companies undergoing restructuring and reorganisation

With **CFC Industrie Beteiligungen Verwaltungs GmbH**, the Altira Group, together with experienced reorganisation specialists, has made its way into the corporate restructuring sector.

CFC-managed funds invest in “incomplete corporate situations”. From CFC’s point of view, a corporate situation is “incomplete” if even though the company has a sound core, there are problems with its finances or its shareholders. Unlike “undesirable corporate situations”, these opportunities offer the chance to increase corporate value both in the short and long term.

Building on the sound knowledge of the management team, together with many years of experience in leadership positions in national and international companies, the goal is to make “incomplete companies” into “complete companies” within a short period of time. The model in this regard is the CFC: “Company for Companies.” The CFC team supports the company with capital and management on its path into the future.

The flagship is exchange-listed CFC Industriebeteiligungen (www.cfc-eu.com).

Another team with a similar approach is **CAESAR Special Opportunities Management S.à.r.l.**, which invests in established small to medium-sized technology and industrial firms undergoing restructuring situations or in an unresolved corporate succession. The management team has many years of experience and thus a broad network of small to medium-sized companies.

Climate protection investments

— Investments in projects to reduce CO₂ emissions

The funds managed by **ecolutions Management GmbH** invest worldwide in projects that aim to reduce CO₂ output or absorb CO₂ emissions. According to the Kyoto Protocol, operators of such projects receive “climate protection credits” (emission rights certificates) that then can be sold at a profit to institutional customers through European and other trading systems (mostly over the counter, however). Exemplary projects include sealing waste-disposal sites, building solar-energy facilities and biomass power plants, or extracting biomass fuels, preferably in newly industrialising and developing countries.

The flagship is ecolutions (www.ecolutions.de).

Africa

— Development investments in East Africa

The Altira Africa team working at **ADC African Development Management GmbH** focuses on investments in eastern Africa – both in companies and in the real estate sector. Possessing excellent economic and political contacts as well as a deep understanding of regional distinctions, ADC African Development Management GmbH is one of this region’s leading investors.

The flagship is the African Development Corporation (www.african-development.com).





PUBLIC MARKETS

The record of the last few years has shown that independent asset management boutiques often deliver the best performance. However, the prerequisite for this is that a well thought out management approach be implemented on a consistent basis. Altira Group investment boutiques can be measured by their success.

Stock funds

— Investments in fast-growing regions and industries

Stock funds are covered by our subsidiary **VCH Investment Group AG** (www.vch-group.de). True to our guiding principle "Investments with a future", VCH's product range emphasises fast-growing regions and industries. Its above-average performance is achieved by means of a stringent investment strategy and strict investment discipline.

The crucial factor in the success of VCH Investment Group AG and its funds lies in its careful selection of fund managers. While the management of "VCH-style products" relies on internally developed approaches, for its "expert-style products" VCH works with the most successful specialists in each segment. For example, as part of its "expert approach", investors have access to some of Europe's most noted asset management boutiques and investment specialists.

Funds of funds

— Creating wealth based on broad diversification

Funds of funds and individualised management of fund assets are almost ideally suited for creating wealth over the long term. That is why the product range of our subsidiary **Patriarch Multi-Manager GmbH** (www.patriarch-fonds.de) focuses on broadly diversified funds of funds. Above all, independent financial advisors provide valuable building blocks for asset allocation. For bigger partners, Patriarch also offers funds of funds under its own label.

As the product developer within the Altira Group, Patriarch is also responsible for all savings plan products.

At the same time, the success of Patriarch products is based on its collaboration with Europe's most noted fund analysts, fund of funds managers, asset managers and family offices. Like VCH, Patriarch also selects the best managers in each area for its investors, entrusting them with the management of its products.



REAL ESTATE

It has only been a few years since investors recognised the potential of actively managed real estate portfolios as an independent asset class. The investment demand and thus the demand for advice are comparatively high. Thanks to the unique corporate structure of the Altira Group, we cover a broad spectrum of various real estate segments: from developing office properties in Eastern Europe to investing in agricultural land. And our investors always receive high performance.

Development & Special Situations

— Managing real estate

Since it was founded in 2004, the Altira holding **R-QUADRAT Immobilien GmbH** Vienna (www.r-quadrat.com) has successfully positioned itself in the niches of development of residential and commercial properties with a focus on eastern Europe and investments in “special situations”.

R-QUADRAT currently manages more than EUR 500 million in real estate assets of private and institutional investors, thereby covering, from project search through development and leasing up to sales, the entire range of services in the real estate sector.

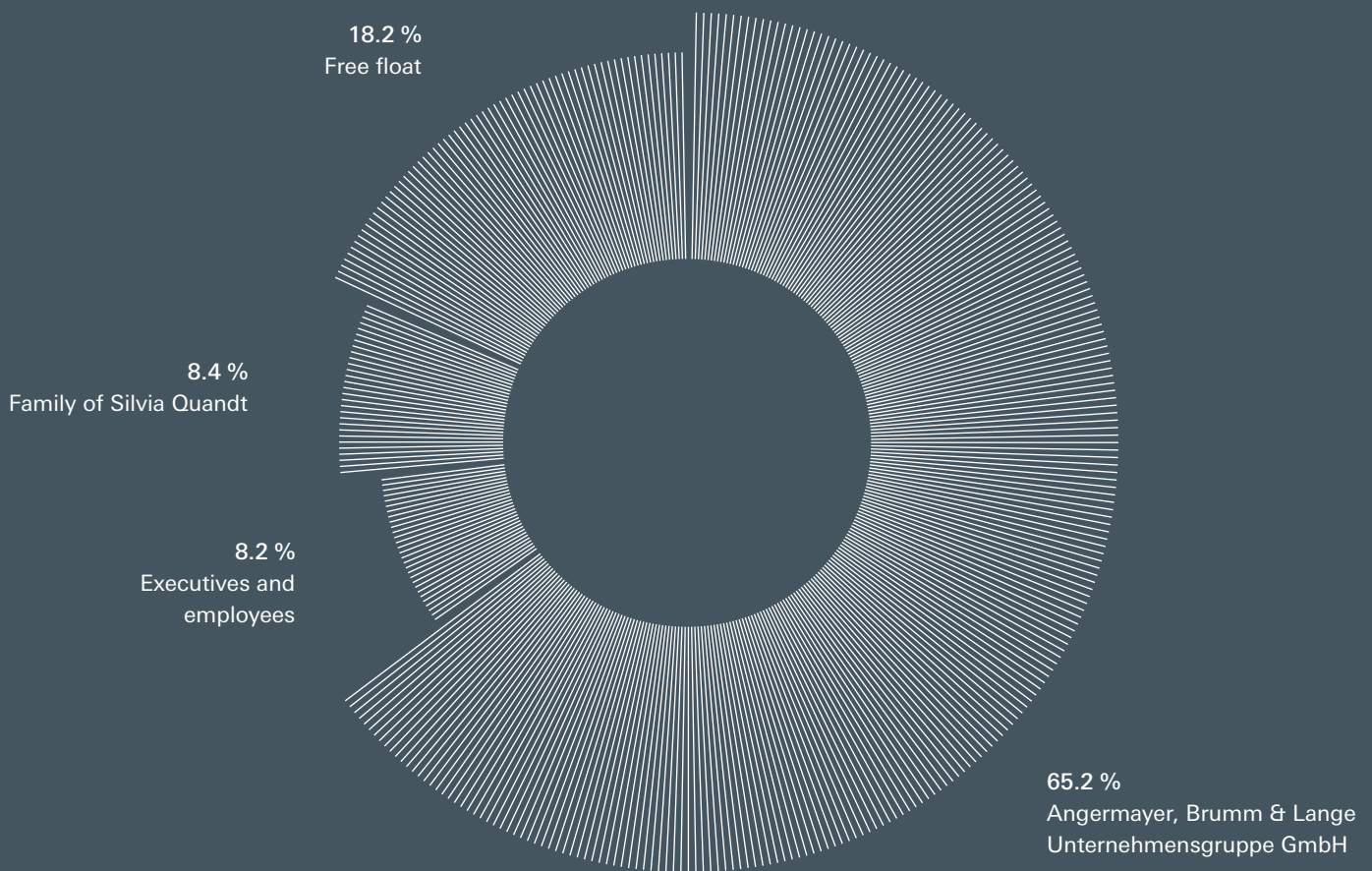
In this area, R-QUADRAT has above all built on the decades-long experience of its executives and shareholders in the real estate industry and as a result has excellent access to numerous high-earning projects. Moreover, in accordance with its motto “think global, act local”, R-QUADRAT collaborates with experienced local partners in various countries. At the same time, the company’s geographic investment focus is, in addition to Austria and Germany, central, eastern and southern Europe, in particular, as well as selected countries of the former Soviet Union – in particular Russia and Ukraine.

Agricultural investments

— Investments in land used for agriculture

With **Greenland Management GmbH**, Altira has an important pillar in the area of agricultural investments. Its experienced team invests in and manages agricultural land in eastern Europe in particular. The agricultural investments asset class is an attractive niche that many investors long ignored. Because of its minor correlation to other assets, it represents a valuable building block of asset management.

SHAREHOLDER STRUCTURE



Holding approximately 65% of the shares, the majority shareholder is Angermayer, Brumm & Lange Unternehmensgruppe (www.abl-group.de), which in turn is owned by its five partners: Christian Angermayer, Peter Brumm, Andreas Lange, Ralph Konrad and Dr. Sebastian Grabmaier.

Executives of the Altira Group and the family of Silvia Quandt, a familial branch of the heirs of Herbert Quandt, also own shares of Altira.

18.2% of exchange-listed Altira AG is in free float.



Altira Group

Altira Aktiengesellschaft

Grüneburgweg 18
D-60322 Frankfurt am Main, Germany

T +49 (0) 69.719 12 80-00
F +49 (0) 69.719 12 80-011
info@altira-group.de
www.altira-group.de

Management Board

Michael Rieder (CEO), Christian Angermayer,
Peter Brumm, Andreas Lange

Supervisory Board

Robert Depner (Chairman), Dr. Peter Schmidt,
Gerhard Lange



