



LeanVal  
INVESTMENTS

# PERFORMANCE ANALYSIS REBALANCING Q2/2022

SOLACTIVE BERYLLS LEANVAL AUTOMOBILITY LEADERS 100 INDEX

May 5<sup>th</sup> 2022

Please note the legal information on the last page

berylls

SOLACTIVE  
German Index Engineering

## **AUTO100 Index Performance**

- Performance and risk overview
- Performance of the last 12 months / since inception
- Performance since index launch / backtest
- Performance comparison to other auto theme indices

## **Allocation**

- Change Regions, Sectors, Shares

## **Comments on individual shares**

- MERITOR, NEXTEER AUTOMOTIVE GROUP, CARGURUS, GOODYEAR TIRE & RUBBER, NIO

## **Performance Segments**

- Performance Regions vs. AUTO100
- Performance Europe, NAFTA, China, RoW vs. broad stock market

## **Important note:**

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future performance. A pure performance view should never be the sole decision-making factor when designing an investment strategy. The performance of the two indices are shown in USD.

## Overview

- Name: Solactive Berylls LeanVal Automobility Leaders 100 Index
- ISIN: DE000SL0D0S2 (Net Return), DE000SL0D0T0 (Gross Return), DE000SL0D0R4 (Price Return)
- Bloomberg-Ticker: AUTO100 <Index> (Net Return)
- [Link Solactive](#)

## Objective

- Mapping of structural change in the global automotive sector. The universe consists of companies that generate at least 50% of sales in the individual mobility business segment.
- The composition of the index is based on fundamental factors
  - Berylls Strategy Score (Top-Down View): Assessment of corporate strategy with regard to industry change
  - LeanVal Multifactor Score (Bottom-Up View): Relative attractiveness based on fundamental company valuation

## Index overview

- Base currency: USD
- Index Start (Certified Backtest): 12/31/2018, Index Launch (Live Data): 27.07.2021
- 100 shares
- Limitation of maximum weighting of a share to 2.5% and minimum weighting of a share to 0.5%.
- Quarterly rebalancing (end of January, April, July, October)
- Due to various holidays, rebalancing will take place on 10.05.2022.



# *Auto100 Index Performance*

*Berylls LeanVal Automobility Leaders Index*

# Performance overview in USD

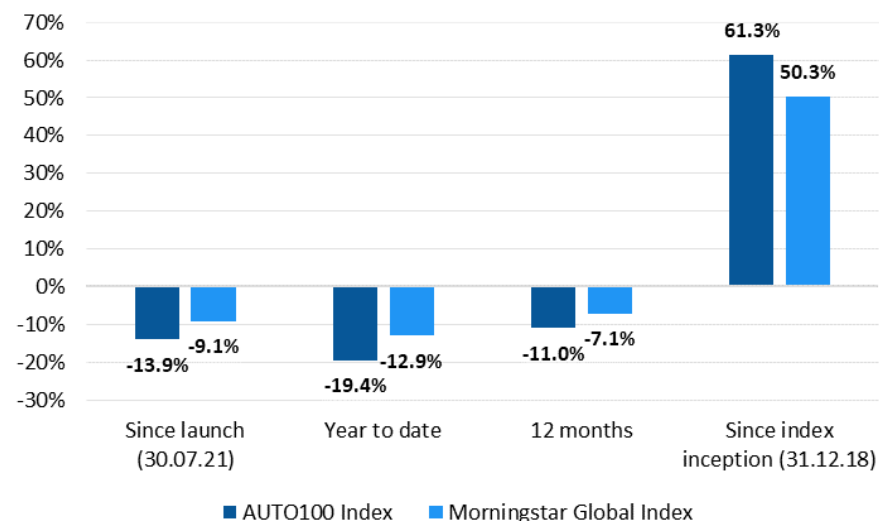
## RETURN AND RISK

Performance	AUTO100 Index	Morningstar Global Index	Aktive Rendite
Last 3 months	-14.8%	-8.1%	-6.7%
Since launch (30.07.21)	-13.9%	-9.1%	-4.9%
Year to date	-19.4%	-12.9%	-6.5%
12 months	-11.0%	-7.1%	-3.9%
Since index inception (31.12.18)	61.3%	50.3%	11.0%
Year 2021	19.8%	17.8%	2.0%
Since backtest beginn (31.12.15)	81.0%	81.7%	-0.8%

## Risk figures

Volatility (36 months)	19.7%	18.0%
Value-at-Risk (95%, 12M)	-28.6%	-25.7%
Maximum Drawdown (36M)	-38.4%	-34.4%

## PERFORMANCE



The Automobility Leaders 100 Index comprises companies from the industrial, information technology and telecommunications sectors. In the analysis, we compare the AUTO100 with the broad, global stock market. All figures are in USD unless otherwise indicated.

# Performance overview in EUR

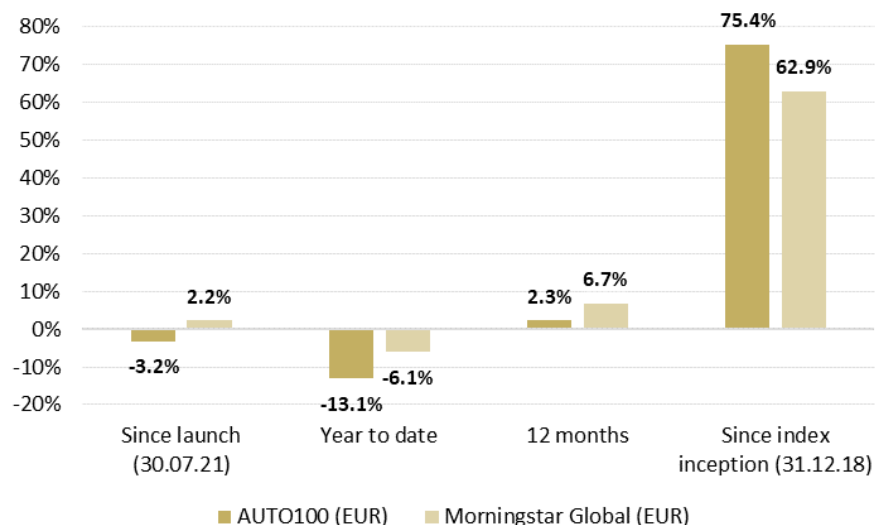
## RETURN AND RISK (EUR)

Performance	AUTO100 (EUR)	Morningstar Global (EUR)	Aktive Rendite
Last 3 months	-9.2%	-2.4%	-6.9%
Since launch (30.07.21)	-3.2%	2.2%	-5.4%
Year to date	-13.1%	-6.1%	-7.0%
12 months	2.3%	6.7%	-4.4%
Since index inception (31.12.18)	75.4%	62.9%	12.5%
Year 2021	28.8%	26.7%	2.0%
Since backtest beginn (31.12.15)	86.3%	87.1%	-0.8%

## Risk figures

Volatility (36 months)	18.9%	17.8%
Value-at-Risk (95%, 12M)	-27.8%	-23.7%
Maximum Drawdown (36M)	-36.5%	-34.1%

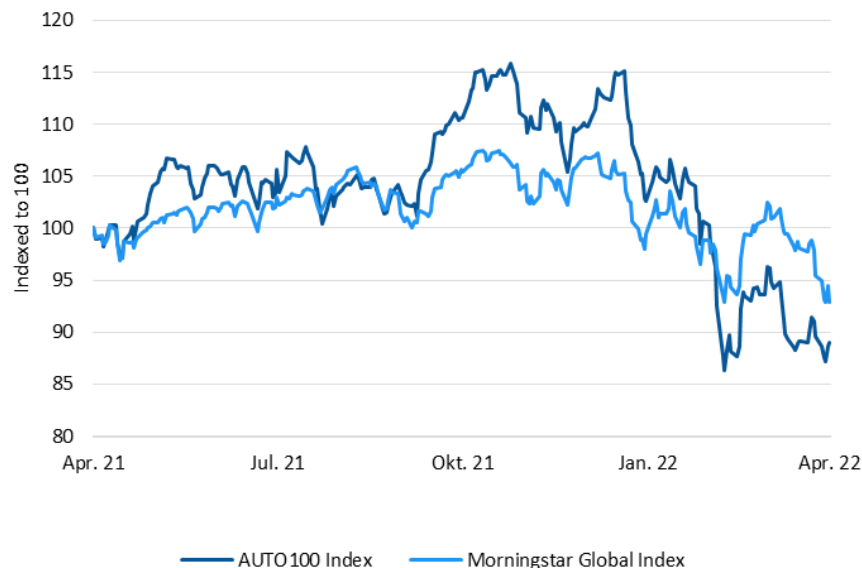
## PERFORMANCE (EUR)



Since inception in July 2021, the Auto100 Index has returned -13.9% in US dollar terms, or -3.2% in euro terms. Year-to-date performance is -13.2% in U.S. dollars, or -8.3% in euros.

# Performance vs. Global Stock Market

ONE YEAR (30.04.2021-29.04.2022)



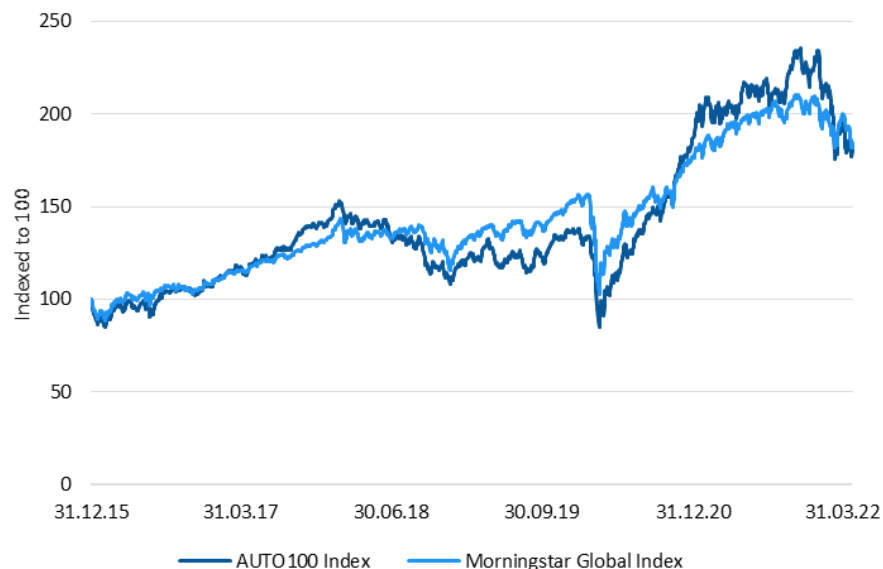
SINCE LAUNCH (30.07.2021-29.04.2022)



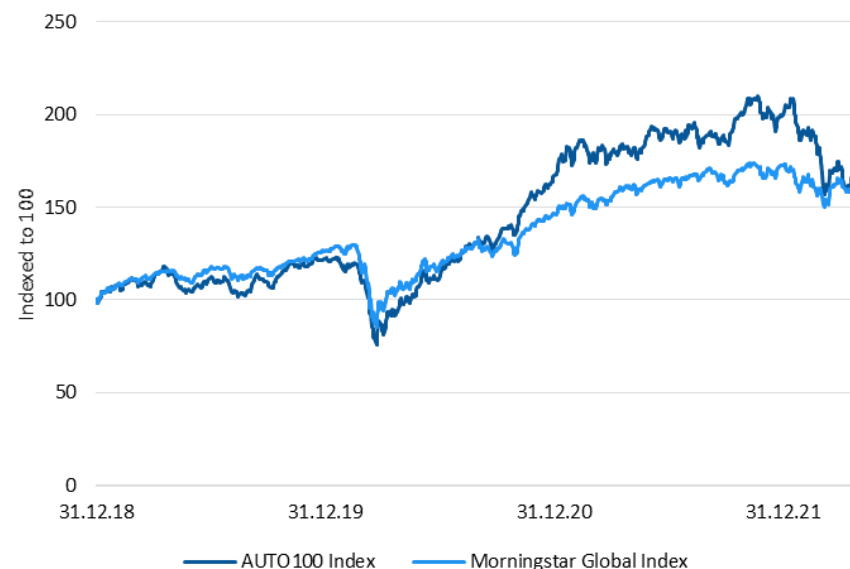
In the last 12 months the index declined by 11.0% vs. -7.1% (Morningstar Global Equities), due to supply problems in the auto sector exacerbated by the war in Ukraine.

# Performance vs. Global Stock Market

SINCE START OF BACKTEST (31.12.2015-29.04.2022)\*



SINCE INDEX START (31.12.2018-29.04.2022)



The structural realignment of the automotive sector in recent years has been positively received by the market. Driven by electromobility, the index has achieved a performance of 61.3% since its launch on Dec. 31, 2018, while the global stock market has posted a gain of 50.3%.



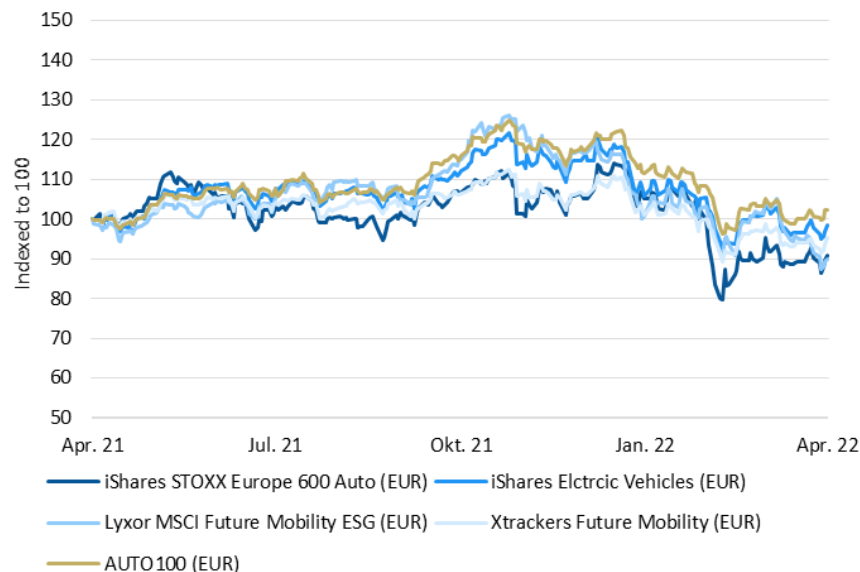


## *Auto100 Index compared to other Auto Indices*

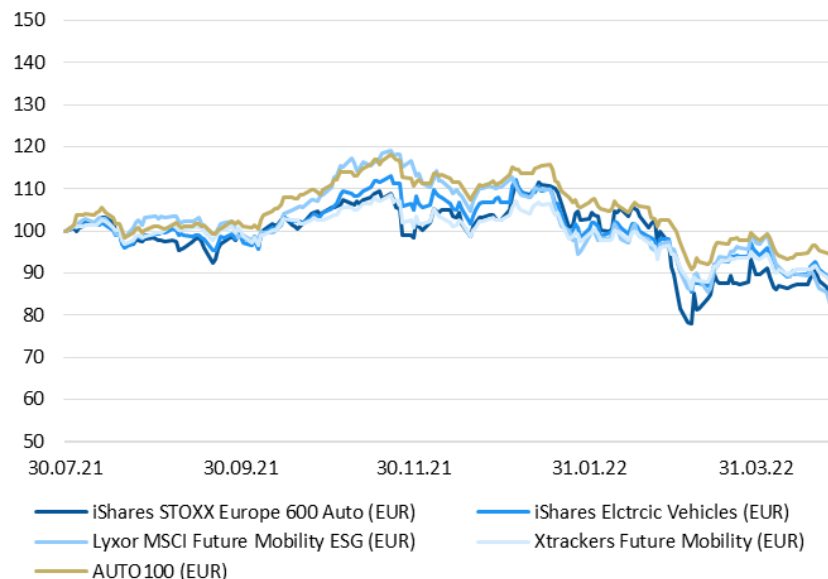
*Berylls LeanVal Automobility Leaders Index*

# Performance vs. Other Thematic Investments (in EUR)

## ONE YEAR (30.04.2021-29.04.2022)



## SINCE LAUNCH (30.07.2021-29.04.2022)



Compared to other indices/ETFs from the automotive sector, the AUTO100 performs pretty well. Especially in the current market phase, the balanced weighting of the shares and the consideration of the fundamental and strategic evaluation in the construction contribute to a slight "outperformance".

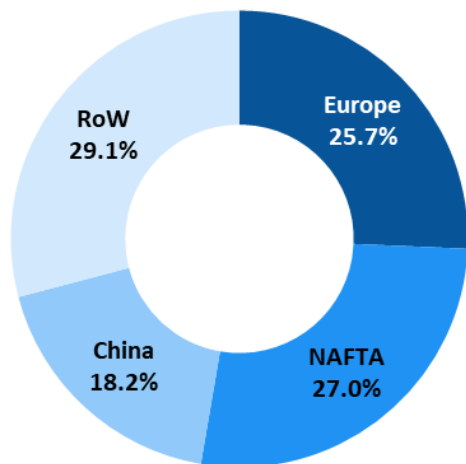


## *Allocation before and after rebalancing*

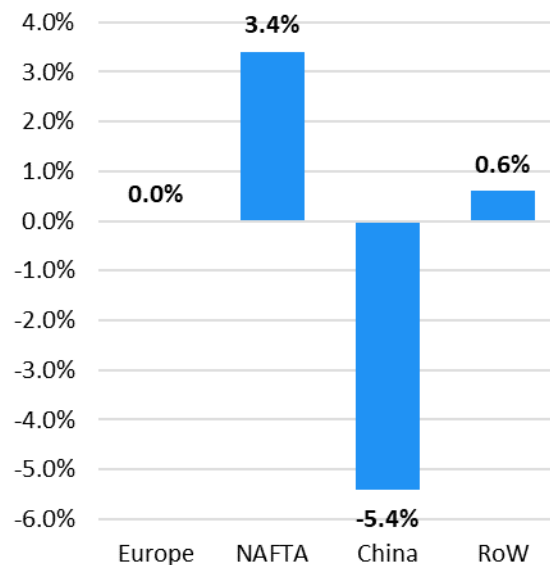
*Berylls LeanVal Automobility Leaders Index*

# Regional Allocation

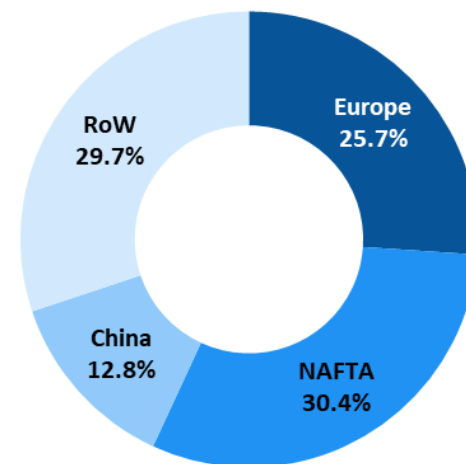
## BEFORE REBALANCING



## DEVIATION



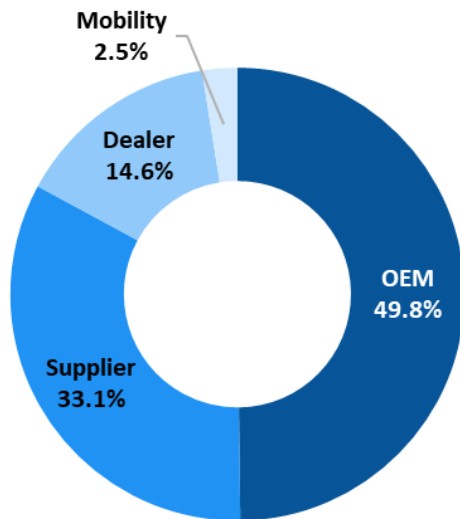
## AFTER REBALANCING



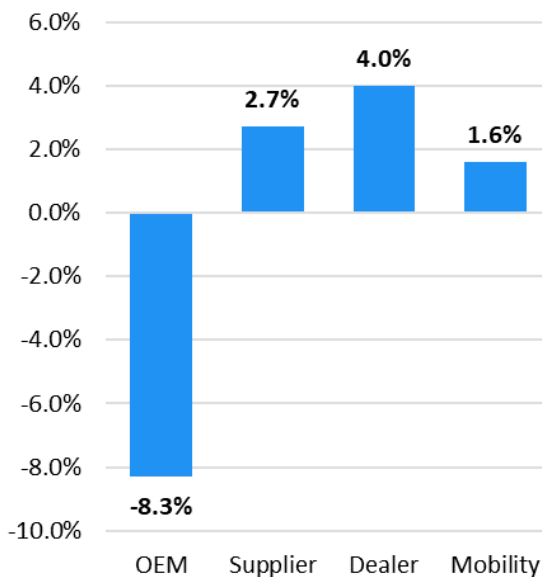
The index is broadly diversified globally. Europe, North America and China are the most important regions. Due to the rather high attractiveness and performance of US equities, the share of the NAFTA region was increased in favor of China during rebalancing.

# Allocation by Sector

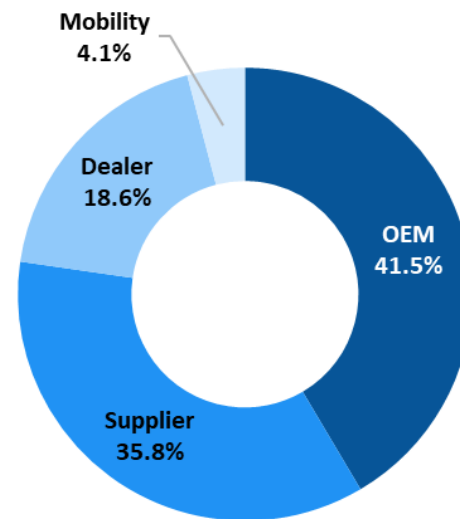
## BEFORE REBALANCING



## DEVIATION



## AFTER REBALANCING



Automotive OEMs continue to be the most important sector in the index, although their weighting in the index has decreased due to performance declines and rebalancing.

# Rebalancing April 2022: Changes in the index

## SOLD

JE00B783TY65	APTIV PLC
US05278C1071	AUTOHOME INC-ADR
CNE1000011H2	CHANGZHOU XINGYU AUTOMOTIV-A
INE066A01021	EICHER MOTORS LTD
US3825501014	GOODYEAR TIRE & RUB.
INE158A01026	HERO MOTOCORP LTD
JP3792600003	HINO MOTORS LTD ORD
INE585B01010	MARUTI SUZUKI INDIA LTD
KYG6145U1094	MINTH GROUP LTD
US62914V1061	NIO INC - ADR
INE155A01022	TATA MOTORS LTD
US98422D1054	XPENG INC - ADR

## NEW ADMISSIONS (WITH WEIGHTING)

US01973R1014	ALLISON TRANSMISSION HOLDING	0.7%
US0434361046	ASBURY AUTOMOTIVE GROUP	0.7%
ES0105630315	CIE-AUTOMOTIVE	0.7%
BRLCAMACNOR3	COMPANHIA DE LOCAÇÃO DAS AMÉRICAS	0.7%
US2358252052	DANA INCORPORATED	0.7%
FR0000121147	FAURECIA SA	0.7%
US42806J7000	HERTZ GLOBAL HOLDINGS INC ORDINARY SH/	0.7%
US48238T1097	KAR AUCTION SERVICES INC	0.7%
US5367971034	LITHIA MOTORS INC	0.7%
BRRENTACNOR4	LOCALIZA RENT A CAR	0.7%
DE000SHA0159	SCHAEFFLER AG VZ	0.7%
US92839U2069	VISTEON CORP	0.7%



In the first rebalancing, 12 stocks, or about 8% of the index weighting, were exchanged.

# Top-10-Positions

ISIN	NAME	GEWICHTUNG	Theoretical weighting due to market cap	REGION	SEKTOR
US88160R1014	Tesla Inc	+2.4%	+34.6%	NAFTA	OEM
JP3633400001	TOYOTA MOTOR CORPORATION	+2.4%	+7.9%	RoW	OEM
CNE100003662	CONTEMPORARY AMPEREX TECHNOLOGY CO	+2.4%	+5.1%	China	Supplier
CNE100000296	BYD Company Limited (class A)	+2.4%	+3.6%	China	OEM
DE0007664005	VOLKSWAGEN AG (ordinary)	+2.4%	+3.5%	Europe	OEM
DE0007100000	Daimler AG	+2.4%	+2.5%	Europe	OEM
US3453708600	Ford Motor Co	+2.4%	+2.1%	NAFTA	OEM
US37045V1008	General Motors Co	+2.4%	+2.0%	NAFTA	OEM
DE0005190003	BMW AG St	+2.4%	+1.9%	Europe	OEM
US67103H1077	O'Reilly Automotive Inc	+2.2%	+1.6%	NAFTA	OEM



The weighting of individual shares in the index is limited to 2.5%. Shares such as Tesla, Toyota, CATL or VW would have a significantly higher weighting if the index were composed only by market capitalization. The top 10 consists almost exclusively of car manufacturers.

# Winners and Losers (31.01.2022 – 29.04.2022)

## TOP 10 WINNERS (IN EUR)

NAFTA Supplier	MERITOR	+66.0%
NAFTA Mobility	AVIS BUDGET GROUP	+61.9%
RoW OEM	TVS MOTOR CO LTD	+17.1%
RoW OEM	BAJAJ AUTO LTD	+13.7%
NAFTA Dealer	AUTONATION INC	+13.3%
NAFTA Dealer	DORMAN PRODUCTS INC	+12.3%
NAFTA Dealer	PENSKE AUTOMOTIVE GROUP	+9.9%
NAFTA Dealer	GROUP 1 AUTOMOTIVE INC	+9.2%
NAFTA Dealer	CARGURUS INC	+9.1%
China OEM	BYD Company Limited (class A)	+8.2%

## TOP 10 LOSERS (IN EUR)

NAFTA Supplier	NEXTEER AUTOMOTIVE GROUP	-48.9%
China Supplier	MINTH GROUP	-48.6%
China OEM	GREAT WALL MOTOR COMPANY	-46.6%
China Supplier	SHANDONG LINGLONG TYRE	-42.1%
China OEM	CHANGZHOU XINGYU AUTOMOTIV	-39.3%
China Supplier	CONTEMP. AMPEREX TECH. (CATL)	-34.9%
China OEM	CNHTC JINAN TRUCK COMP	-31.8%
China Dealer	CHINA YONGDA AUTOMOBILES SERVICES	-31.8%
NAFTA Supplier	GOODYEAR TIRE & RUBBER	-31.6%
China Dealer	CHINA MEIDONG AUTO HOLDINGS	-30.7%



Due to the strong market distortions, the performance differences of individual stocks in the index are very high.





## *Comments on individual shares*

*Berylls LeanVal Automobility Leaders Index*

## **MERITOR**

- Meritor Inc is a manufacturer of automobile parts for commercial vehicles and industrial markets. They offer drivetrain, axle, brake, and suspension solutions for commercial trucks, trailers, buses, coaches, and defense contractors. Q1 and Q2 results saw sales growth of 11% and 17% year over year to \$984 million and 1,154 million respectively. Adjusted EBITDA increased in Q1 and Q2 as well to \$113 million (Q1/2021 \$102 million) and \$127 million (Q2/2021 \$111 million) resulting from higher sales volumes, which were partially offset by higher steel costs. The Commercial Truck and Trailer segment is up 14% year over year due to higher truck production in all markets. Meritor's guidance is unchanged for the current fiscal year. Sales are projected to be \$4.1 - \$4.3 billion with cash flow from operations and free cash flow being \$275 - \$320 million and \$175 - \$200 million respectively. Furthermore, Cummins the top manufacturer of diesel engines used in commercial trucks, and Meritor have reached an agreement where Cummins will acquire Meritor for \$3.7 billion (\$36.50 per share, which is a 48% premium to the closing price on Feb 18, 2022). As a result, the stock is up 45% YTD, and the deal is expected to be finalized this calendar year.

## **NEXTEER AUTOMOTIVE GROUP**

- Nexter Automotive Group LTD is a global leader in intuitive motion control and is engaged in developing, manufacturing, and supplying steering and propulsion systems. Products include electric and hydraulic power steering, steering columns and intermediate shafts (CIS), drive systems (DL), and advanced driver assistance systems. Nexteer managed to expand and diversify their reach across OEM customers which drove revenue growth. Revenue for fiscal year 2021 was \$3,4 billion (+10.8% Y/Y). Operating income and net income for FY 2021 were \$115 million (-3% Y/Y) and \$126 million (+3.4% Y/Y) respectively. Q1 2022 results have yet to be published. Although, analysts are expecting earnings forecasts to miss expectations for FY 2022 due to geopolitical issues caused by the Ukraine invasion and renewed measures to control the pandemic in parts of China.

## CARGURUS

- CarGurus Inc is a multinational online automotive marketplace connecting buyers and sellers of new and used cars through the use of proprietary technology, search algorithms, and data analysis. They will report Q1 2022 financial results at market close on May 9th, 2022. CarGurus predominately generates its revenue from marketplace subscriptions, which accounted for 89% and 88% of total revenue in 2019 and 2020 respectively. However, in January of 2021, CarGurus obtained a 51% interest in CarOffers, which is a platform that enables automotive dealers to instantly buy and sell vehicles from one another. As a result, CarGurus managed to increase its revenue percentage from non-subscription revenue (wholesale and other revenue) to 34% in Q2 2021 and 35% in Q3 2021. For the fiscal year 2021, CarGurus had total revenue of \$951 million (+ 73% Y/Y). Furthermore, GAAP and Non-GAAP operating income for the fiscal year 2021 were \$148 million (+52% Y/Y) and \$256 million (+70% Y/Y) respectively. Although, cash flow from operations (\$98 million) and free cash flow (\$84 million) were down compared to fiscal year 2020, where cash from operations was \$156 million and free cash flow was \$149 million. CarGurus will be hosting an investor's day on May 25th, 2022, at 1:00 pm EST.

## **GOODYEAR TIRE & RUBBER**

- Goodyear Tire and Rubber develops, manufactures, markets, and distributes rubber tires under the Goodyear brand as well as produces and markets rubber chemicals. The company operates in North and Latin America, Europe, the Middle East, and Africa (EMEA), and Asia Pacific. Q4 2021 revenue of \$5.05 billion (+38% Y/Y) was mostly driven by the Copper Tire merger (acquired Copper tire at a valuation of \$2.8 billion in February). Full-year revenue was \$17.5 billion (+ 42% Y/Y). Goodyear expects a benefit of \$250 million in run-rate synergies by mid-2023, which is an increase from the original forecast of \$165 million upon the integration of Cooper Tire. Merger adjusted segment operating income in Q4 2021 was \$398 million (+ 32% Y/Y) and a full-year operating cash flow of \$1.1 billion. CEO Richard Kramer noted that the company managed to achieve its highest Q4 revenue in 10 years as demand remained strong and managed to capture higher selling prices. However, inflationary pressures are expected to last for the next few quarters along with continued supply chain challenges (semiconductor shortage). Moreover, management adjusted guidance for free cash flow in 2022 to "breakeven" compared to analyst predictions of at least \$471 million. Goodyear shares were removed from the Auto100 index during this quarter's rebalancing.

## NIO INC (ADR)

- NIO Inc designs, develops, jointly manufactures, and sells premium smart electric vehicles, innovations in next-gen technologies in autonomous driving, and electric powertrains and batteries. Moreover, NIO is an industry leader in battery swapping technologies. In late March and April 2022, vehicle production and deliveries had been impacted by supply chain volatilities and other constraints caused by new outbreaks of Covid-19 in certain regions throughout China. This stopped the production of its electric cars in several places as suppliers in Jilin, Shanghai, and Jiangsu felt the effects of the pandemic. As a result, NIO only delivered 5,074 vehicles in April compared to 9,985 in March. Furthermore, it was announced it would be raising the price of its 3 SUVs (ES8, ES6, and EC6) by \$1,572 to offset the increased prices of raw materials. Revenue for FY 2021 was \$5.67 billion (+128% Y/Y) and a loss from operations of \$705 million (-0.83% Y/Y) was also recorded. NIO CEO William Li noted during the Q4 2021 earnings call that the company expects to have its first profitable year in 2024. The share price has fallen 57% in the past 6 months. NIO shares were removed from the Auto100 index during this quarter's rebalancing.

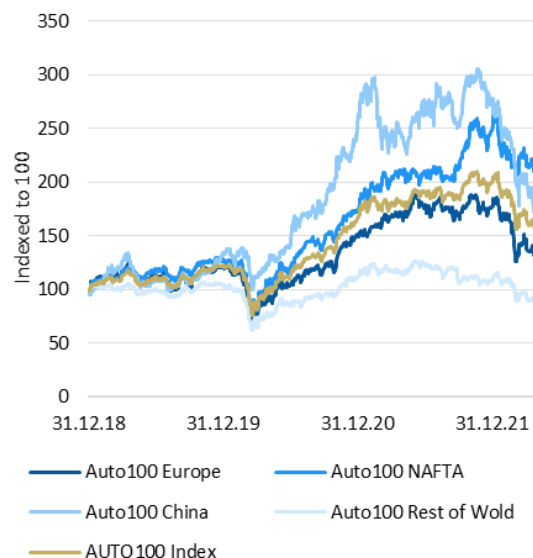


# *Performance Segments*

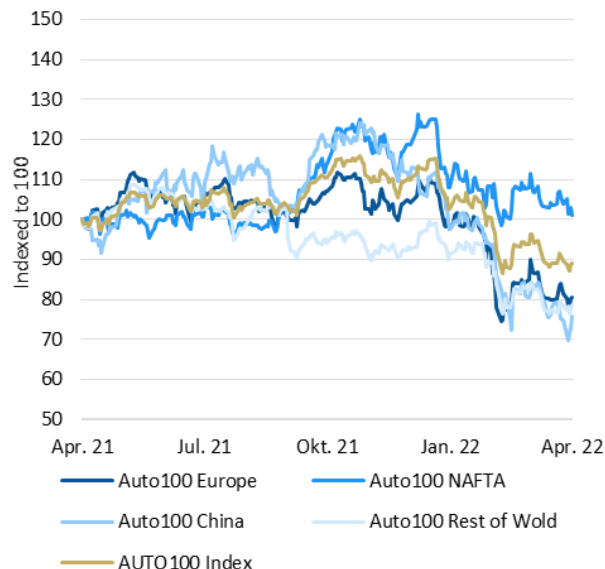
*Berylls LeanVal Automobility Leaders Index*

# Performance Comparison Index vs. Regional Segments

SINCE INDEX START (31.12.2018)



ONE YEAR (APR. 2021 – APR. 2022)



SINCE LAUNCH (30.07.2021)

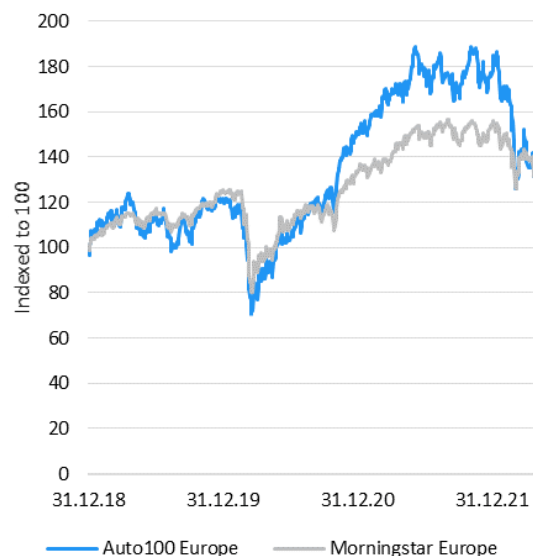


The index is globally diversified. There is no regional focus in the index weighting. The performance fluctuations of individual regions are significantly high. The volatility of the AUTO100 is (depending on the period) 5 to 10 percentage points lower than the volatility of the regional segments.

# Performance Comparison Europe

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SINCE INDEX START (31.12.2018)



ONE YEAR (APR. 2021 – APR. 2022)



SINCE LAUNCH (30.07.2021)

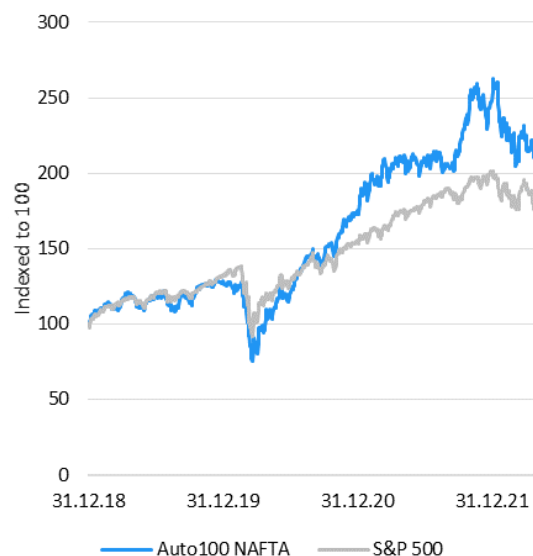


European stocks from the automotive sector are suffering from supply bottlenecks, which are still corona-related on the one hand and have been exacerbated by the war in Ukraine on the other.



# Performance Comparison NAFTA

SINCE INDEX START (31.12.2018)



ONE YEAR (APR. 2021 – APR. 2022)



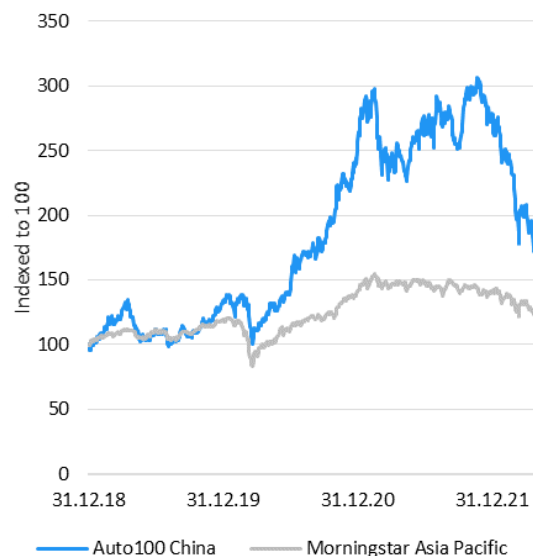
SINCE LAUNCH (30.07.2021)



U.S. equities are the most important performance driver in the Auto100 Index. The relatively stable performance of the segment compared to the US stock market is achieved by a few stocks. Avis Budget Group and Mertior Inc show a performance of over 60% (in EUR) for the last three months.

# Performance Comparison China

SINCE INDEX START (31.12.2018)



ONE YEAR (APR. 2021 – APR. 2022)



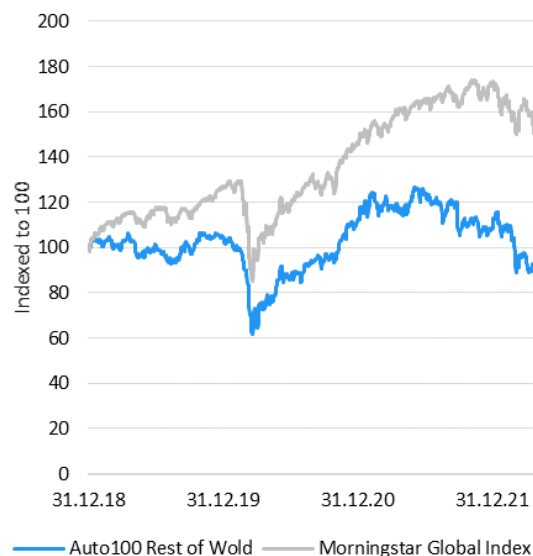
SINCE INCEPTION (30.07.2021)



In recent years, the China segment has benefited from high growth expectations for e-mobility. In recent months, the lockdowns in China and higher risk aversion have weighed on the sector. The segment is likely to remain volatile.

# Rest-of-World Performance Comparison

SINCE INDEX START (31.12.2018)



ONE YEAR (APR. 2021 – APR. 2022)



SINCE LAUNCH (30.07.2021)



The Rest-Of-World segment consists mainly of Japanese stocks, followed by India, Korea and Taiwan. The problems in the supplier industry are reflected in the performance of this regional segment.



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