

Heliad Equity Partners

German tech growth and venture portfolio

Heliad Equity Partners (HPBK) is a private equity investment company with a Germany-focused portfolio comprising listed and unlisted investments across four sectors: internet & tech, e-commerce, life sciences and media & entertainment. NAV returns of over 20% have been achieved in each of the last three financial years, driven by largest portfolio holding FinTech Group, although 2016 performance has been weaker, with listed holdings affected by market volatility. Management sees positive developments at portfolio companies supporting its aim of growing NAV by over 25% pa and also targets a narrowing of the discount through greater transparency.

Strengthened investment team

April 2016 saw managing director Stefan Feulner depart Heliad, with Thomas Hanke returning as CEO having spent a year at portfolio company FinTech Group. Gunter Greiner also joined the investment team, bringing over 15 years' experience in technology, growth and restructuring investments, alongside Hanke and Theo Woik, who each have more than 10 years' private equity experience.

Concentrated tech growth and venture portfolio

While still dominated by its €56.6m holding in FinTech Group, Heliad is diversifying its portfolio, maintaining its focus on companies with disruptive business models or structural issues. Four new investments have been made in 2016: healthcare data exchange software provider Tiani Spirit, personal life coaching platform my better life, emergency calls solutions provider Libify and Switzerland-based digital self-service platform developer MUUME Group, expanding the portfolio to 12 holdings.

Broadening its investor appeal

To increase transparency and broaden its appeal to a wider investor base, from April 2016 Heliad committed to report in both English and German and publish quarterly NAV statements. Management has implemented a sustainable dividend policy, targeting a dividend yield of at least 3%, with a dividend of €0.20 per share paid for FY15 and €0.15 paid for FY14.

Valuation: Wide discount has scope to narrow

Heliad's share price discount to NAV narrowed from 55.0% in February 2016 to 24.8% in August 2016, but has recently widened to 35.2%. Factors contributing to the wide discount may include the level of Heliad's management and performance fees as well as recent performance lagging the LPX Europe index.

12 months ending	Total share price return (%)	Total NAV return (%)	LPX Europe (%)	LPX Europe NAV (%)	DAX 30 (%)
30/09/12	(4.3)	(2.8)	15.7	(0.9)	31.2
30/09/13	8.6	14.8	36.7	14.0	19.1
30/09/14	113.1	40.8	3.8	4.9	10.2
30/09/15	25.2	2.3	14.5	5.3	2.0
30/09/16	20.7	0.9	28.0	21.0	8.8

Source: Thomson Datastream, Bloomberg, Edison Investment Research. Note: Discrete total return performance in euros up to last reported NAV.

Investment companies

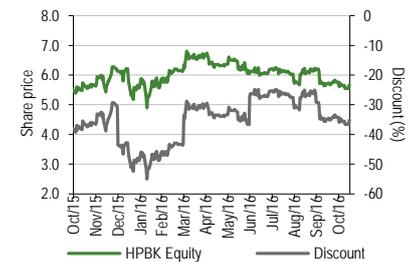
16 November 2016

Price	€5.67
Market cap	€54.0m
NAV*	€83.3m

NAV per share*	€8.76
Discount to NAV	35.2%
Dividend yield	3.5%

*NAV as at 30 September 2016

Share price/discount performance



Three-year performance vs index



Share details

Code	HPBK
Listing	Frankfurt
Shares in issue	9.5m

Business description

Heliad Equity Partners is a Germany-based listed investment company focused on listed and unlisted smaller companies in German-speaking countries. Investments typically comprise growth and venture stage technology companies operating disruptive business models or facing structural issues.

Analysts

Gavin Wood	+44 (0)20 3681 2503
Sarah Godfrey	+44 (0)20 3681 2519

investmenttrusts@edisongroup.com

Heliad Equity Partners is a research client of Edison Investment Research Limited

Edison, the investment intelligence firm, is the future of investor interaction with corporates. Our team of over 100 analysts and investment professionals work with leading companies, fund managers and investment banks worldwide to support their capital markets activity. We provide services to more than 400 retained corporate and investor clients from our offices in London, New York, Frankfurt, Sydney and Wellington. Edison is authorised and regulated by the [Financial Conduct Authority](#). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison and is not regulated by the Australian Securities and Investment Commission. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. www.edisongroup.com

DISCLAIMER

Copyright 2016 Edison Investment Research Limited. All rights reserved. This report has been commissioned by Heliad Equity Partners and prepared and issued by Edison for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Aus and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is registered as an investment adviser with the Securities and Exchange Commission. Edison US relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Edison has a restrictive policy relating to personal dealing. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (ie without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. FTSE International Limited ("FTSE") (c) FTSE [2014]. "FTSE(i)" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.