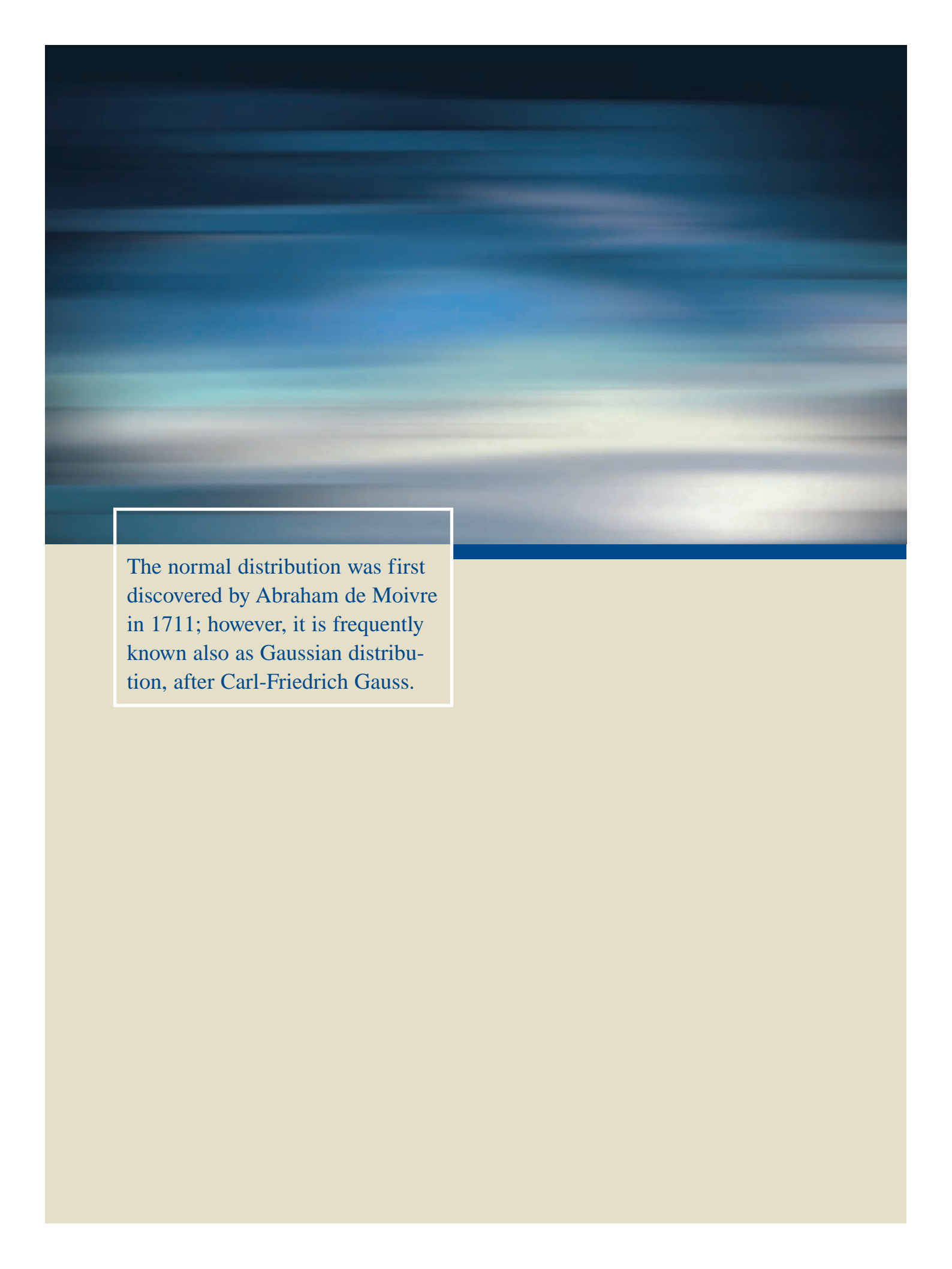


The Multi-Manager Experts.
Worldwide.



The normal distribution was first discovered by Abraham de Moivre in 1711; however, it is frequently known also as Gaussian distribution, after Carl-Friedrich Gauss.

About us	4 5
History	6 7
Core tasks	8 9
Service promise	10 11
Solutions	
Life cycle provisions model	12 13
Asset management advice	14 15
Fund manager selection	16 17
Guided architecture	18 19
Asset management	20 21
Special projects	22 23


$$E(r_i) = r + (E(r_M) - r) \cdot \beta_i$$

Our success is our customers' success. Our work is always result-focused.



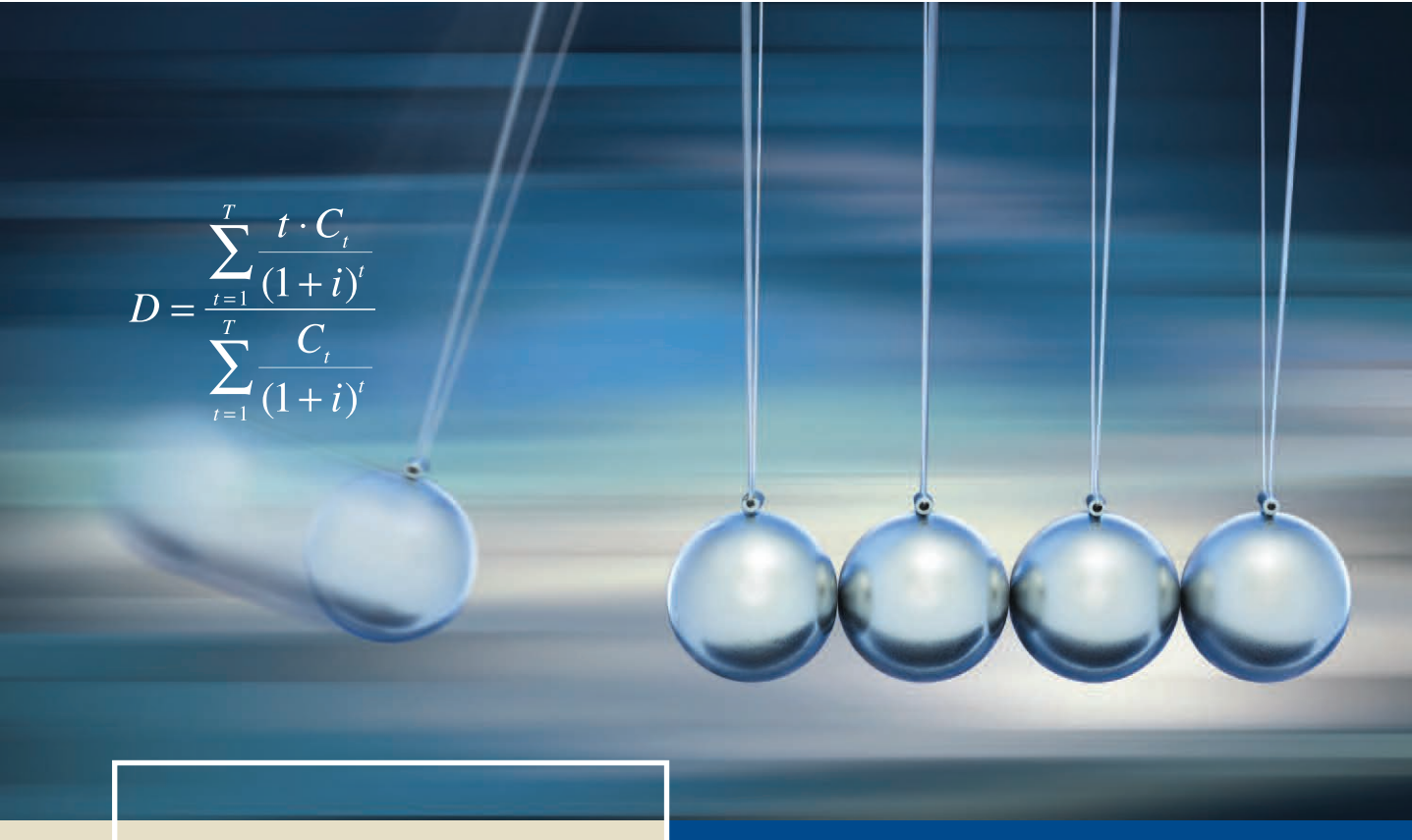
About us

H.C.M. Capital Management AG advises institutional customers in the areas of investment and asset management.

As we are independent, we can guarantee our customers objectivity and that we will act solely in their interests.

Our market-oriented innovative strength shapes our company's performance and efficiency.

The fact that our staff have been with us for many years, combined with their considerable personal commitment and awareness of need for practical solutions form the solid foundation of our customer relationships.

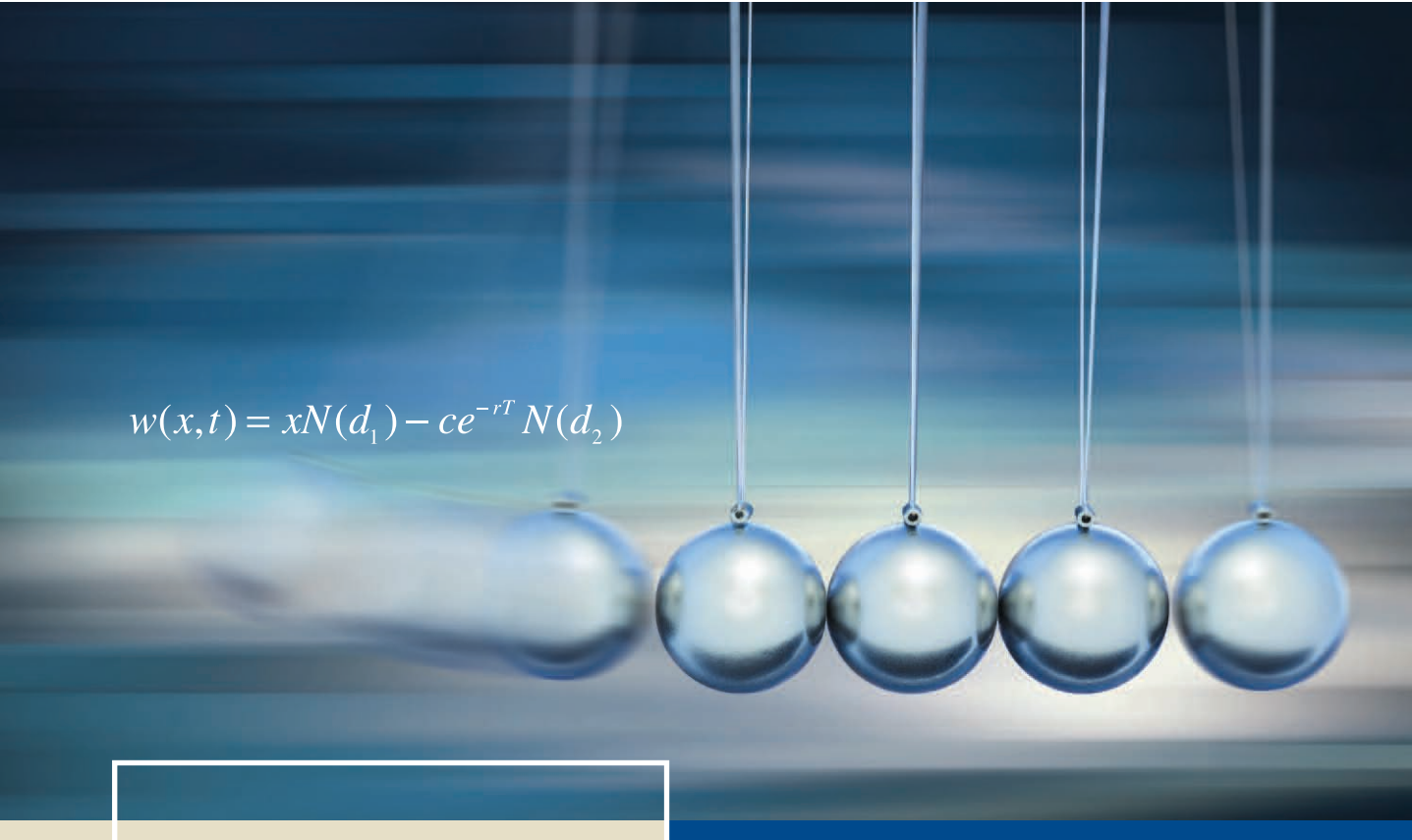

$$D = \frac{\sum_{t=1}^T \frac{t \cdot C_t}{(1+i)^t}}{\sum_{t=1}^T \frac{C_t}{(1+i)^t}}$$

Our history is a history of
innovations for our customers.
And it will remain so.



History

- | | | | |
|------|--|------|---|
| 1989 | founded by the Bayerische Hypotheken- und Wechsel-Bank, which is now HypoVereinsbank | 1997 | plan of a multi-manager fund for a large international group |
| 1992 | expansion to Austria, Luxemburg and Switzerland | 2000 | independence under corporate law as a result of sale |
| 1993 | asset management with investment funds for internationally aligned investors | 2001 | start-up of Germany's largest database for the selection of fund managers |
| 1994 | expansion of our expertise through collaboration with Foreign & Colonial, London | 2002 | implementation of multi-manager concepts in the institutional area |
| | | 2005 | integration of multi-manager products in the area of current value accounts |


$$w(x,t) = xN(d_1) - ce^{-rT}N(d_2)$$

We look for the best fund managers
for our customers.
And we find them. Worldwide.




Core tasks

With our database containing more than 85,000 investment funds throughout the world we choose the best fund managers according to precise criteria.

The in-house developed methodology only selects managers who have proven their exceptional performance in one investment style through several economic phases.

We contract these fund managers according to the market situation and change them consistently in the event of a trend reversal.

In this way we can ensure that the best fund managers are working for our customers in every phase.


$$IR = \frac{\bar{r}_P - \bar{r}_{BM}}{TE}$$

Our top priority is to extend our customers' competitive strength and productivity.



Service promise

Our customers have different requirements and they expect individually tailored solutions.

A worldwide comparison of all existing investment funds creates the optimum requirements for us to implement our customers' ideas precisely in the way they wish.

Besides, selection from the extended global investment universe offers the best perspectives for well above average performance.

Through continuous controlling and monitoring, H.C.M. guarantees that the prescribed targets are always met.


$$dS = \mu S + \sigma \cdot \varepsilon_t \cdot \sqrt{dt}$$

Requirement

A leading international auditing company wants an intelligent age pension concept for partner provisions.



Life cycle provisions model

Solution

The company specifies the taxation and legal concept for its 450 partners.

From this, H.C.M. – in close collaboration with the customer – developed a life cycle provisions model, which takes account of three differentiated risk profiles for the partners.

To implement this model, H.C.M. formed two investment funds based on the multi-manager concept. Restrictions from the auditing company's operations were strictly observed.


$$(r_{p,t} - r_t) = \alpha_p + (r_{BM,t} - r_t) \cdot \beta_p + \varepsilon_{p,t}$$

Requirement

An industrial company listed on the German DAX index wanted to optimize its asset management through outsourcing.



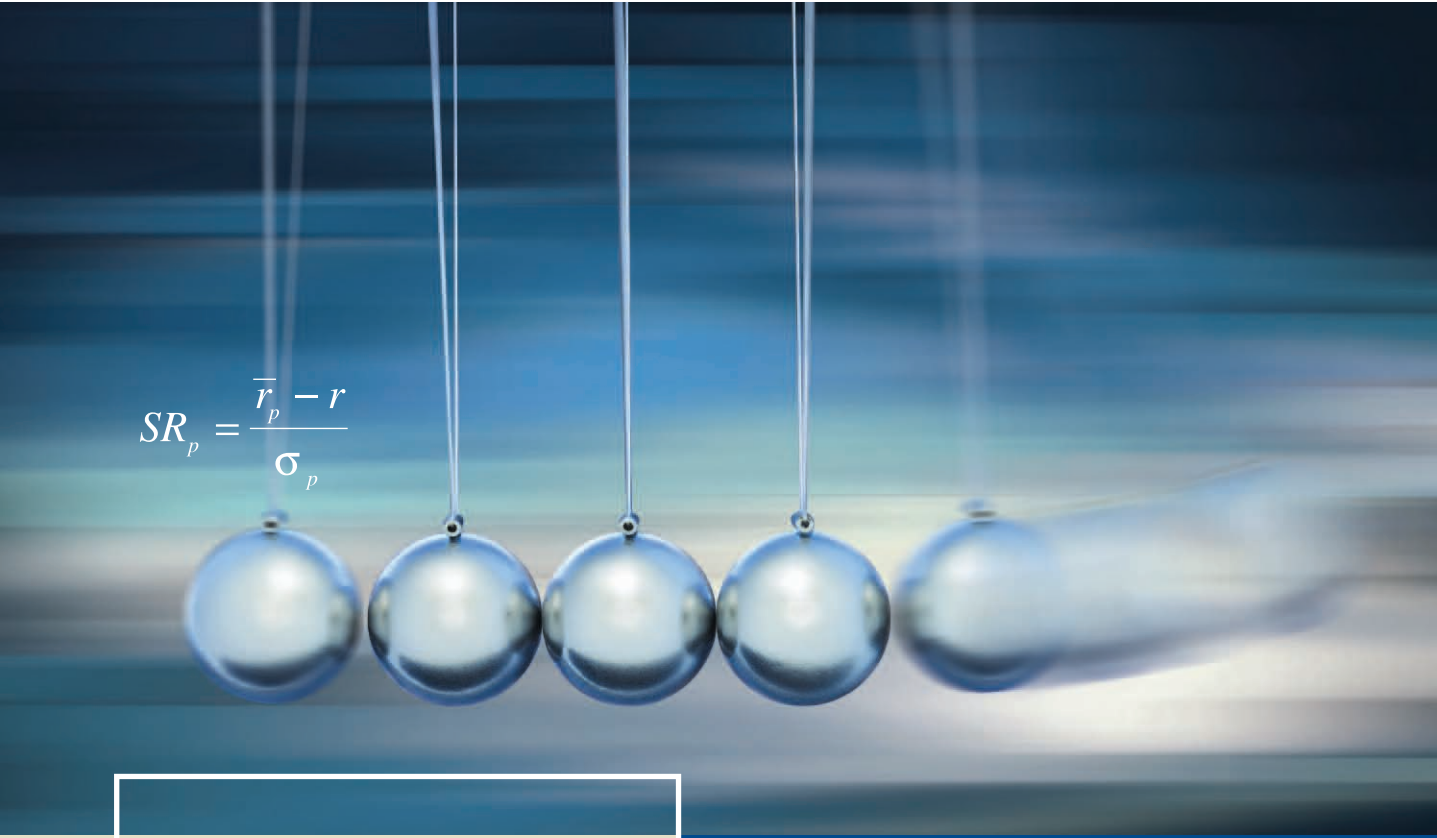
Asset management advice

Solution

The company's own asset management capacities were analyzed under the aspects of expertise transfer and cost efficiency.

H.C.M. reviewed asset classes with consideration of the return-risk guidelines from the treasury unit in terms of active versus passive management.

In collaboration with the company, optimum mixed forms were created for certain asset classes and flexible core satellite strategies were developed.


$$SR_p = \frac{\overline{r_p} - r}{\sigma_p}$$

Requirement

A professional company pension scheme and a church organization are looking for asset managers for their securities portfolio.



Fund manager selection


Solution

H.C.M. subjects all fund managers throughout the world to a quantitative review process in accordance with the respective asset liability model.

The best fund managers are selected and contracted on the basis of jointly defined qualitative criteria.

For the professional pension scheme the managers were integrated within the scope of an existing master capital investment company.

The church organization chose an existing SICAV fund family for timely implementation.


$$T_p = \frac{\bar{r}_p - r}{\beta_p}$$

Requirement

A private bank with branches in three countries wanted to structure its products more efficiently.



Guided architecture

Solution

For the private bank, we made peer group comparisons for the respective countries, taking account of the supervisory guidelines.

H.C.M. constantly reviews the performance of the pre-selected investment fund.

H.C.M. supports its customers as a partner in cooperation agreements with fund companies.

Monthly fund information is provided and harmonized with the private bank's corporate identity.

$$\sigma_p^2 = \sum_{i=1}^N x_i^2 \sigma_i^2 + \sum_{i=1}^N \sum_{\substack{j=1 \\ j \neq i}}^N x_i x_j \sigma_{ij}$$



Requirement

The family office of a German industrial family wanted an individually coordinated asset management solution for the individual family members after the sale of a company.



Asset management

Solution

Benchmarks were defined and total return concepts were developed for the individual family members.

This was followed by the worldwide selection of retail investment funds for individual asset classes on the basis of performance and risk ratios.

H.C.M. provided a SICAV fund platform. The selected fund managers were integrated within the scope of a multi-manager concept.


$$TE = \sqrt{\frac{1}{n-1} \cdot ((r_{PF,t} - r_{BM,t}) - (\bar{r}_{PF} - \bar{r}_{BM}))^2}$$

Requirement

A foreign investor group was interested in purchasing a real estate package in Germany.



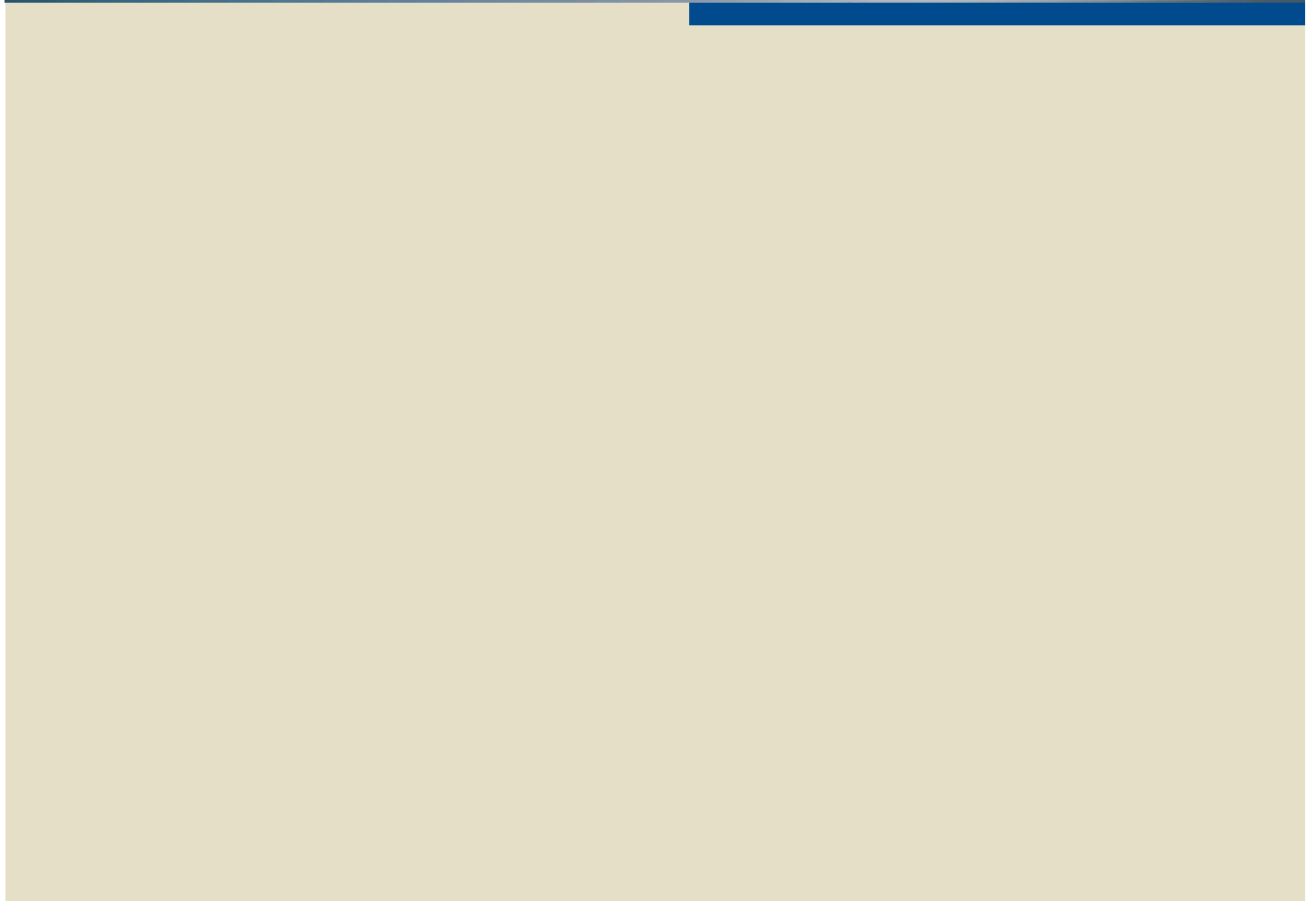
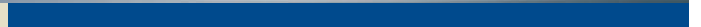
Special projects

Solution

After a coordinated selection process, suitable implementation partners were identified.

H.C.M. provided advice and support during the negotiations with the owners of the target companies.

In agreement with external partners the individual projects were pooled and made into a structure that was practical for the buyers.



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