The Group and underlying conditions

Structure and business activity

Positioning: listed private equity company

Deutsche Beteiligungs AG (DBAG) is a publicly-listed private equity company. It initiates closed-end private equity funds ("DBAG funds") for investment in equity or equity-like instruments predominantly in unlisted companies, and provides advice regarding these funds. Employing its own assets, it enters into investments as a co-investor alongside the DBAG funds. Its investment focus, as a co-investor and fund advisor, is on mid-market German companies.

We support our portfolio companies for a period of usually four to seven years as a financial investor in a focused-partnership role with the objective of appreciating the companies' value. The portfolio companies subsequently continue their development under a different constellation, for example, alongside a strategic partner, a new financial investor or as a listed company.

List of shareholdings: Notes to the consolidated financial statements, page 204

DBAG shares have been listed on the Frankfurt Stock Exchange since 1985. They are traded in the Prime Standard, the market segment with the highest transparency level. This transparency makes us particularly predictable for our partners – for entrepreneurs and managements operating in the mid-market as well as for investors and shareholders. Our business partners understand what they are about to embark on: they can trace our record over many years. This transparency is not self-evident for private equity firms. For us, it is one of our strengths: people know us and can follow our performance.

www.dbag.de/corporate-governance/

Deutsche Beteiligungs AG is recognised as a special investment company, as defined by German statutory legislation on special investment companies (Gesetz über Unternehmensbeteiligungsgesellschaften – UBGG) and is therefore exempt from municipal trade tax. It is also registered as a capital management company (Kapitalverwaltungsgesellschaft – KVG) in accordance with the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB). Since 1 July 2017, a Group company that is also registered as a capital management company has been responsible for fund management; as a result, subject to a corresponding resolution passed by the 2018 Annual Meeting, DBAG will no longer be making use of its own registration, which it intends to cancel.

Group structure: Notes to the consolidated financial statements, page 149ff.

Integrated business model: two business segments that are closely tied to DBAG funds

The roots of Deutsche Beteiligungs AG reach back to 1965. Since then, DBAG and its predecessor company have entered into equity investments in more than 300 companies – from the outset (also) through closed-end funds that invest on their own account. Today, DBAG funds bundle the assets of German and international institutions.

Fund details: Notes to the consolidated financial statements, page 190ff.

Raising capital for DBAG funds is advantageous for DBAG and its shareholders, as well as for the investors in the funds. First of all, shareholders will participate as a one-off in the fee income from the advisory services provided to DBAG funds (Fund Investment Services). But most importantly, the funds' assets create a substantially larger capital base, which enables investing in larger companies without reducing the diversity of the portfolio. Moreover, as a special investment company, DBAG is not permitted to take majority positions by itself; structuring management buyouts (MBOs) together with the DBAG funds is, however, possible. The fund investors can, in turn, be assured that their advisor, in its role as a co-investor alongside the fund, pursues the same interests.

The two funds that are currently investing, DBAG Fund VII and DBAG Expansion Capital Fund (DBAG ECF), cover a wide section of the German private equity market with equity investments of between 10 and 100 million euros for management buyouts and growth financing. Currently, there is a total of five DBAG funds that are in different phases of their life cycles:

- The DBAG Fund IV buyout fund has sold all of its portfolio companies and is currently in liquidation.
- Its follow-on fund DBAG Fund V is in the disinvestment phase. Of the eleven original portfolio companies, ten had been sold by 30 September 2017.
- DBAG Fund VI ended its investment phase in December 2016 and still holds investments in ten out of a previous total of eleven MBOs.
- DBAG ECF ended its original investment period in May 2017. It has made growth financing available to eight companies and entered into an MBO in the previous financial year. June 2017 saw the start of the first new investment period (DBAG ECF I), which will run until the end of 2018. The fund has not made any investments so far.

Further development of DBAG ECF page 85

- DBAG had initiated the DBAG Fund VII in 2016. The fund's investment period started in December 2016; between then and the cut-off date, the fund structured three MBOs.

Fund		**Target**	**Start of investment period (Vintage)**	**End of investment period**	Size	Thereof DBAG	**Share of DBAG's co-investments**
DBAG Fund IV (in liquidation)	Managed by DBG New Fund Management	Buyouts	September 2002	February 2007	€322mn	€94mn	29%
DBAG Fund V	Managed by DBG Managing Partner	Buyouts	February 2007	February 2013	€539mn	€105mn	19%
DBAG Expansion Capital Fund (DBAG ECF)	Managed by DBG Managing Partner	Expansion financings	May 2011	May 2017	€212mn	€100 mn	47%
DBAG ECF First new vintage (DBAG ECF I)	Managed by DBG Managing Partner	Expansion financings and smaller buyouts	June 2017	December 2018	€85mn	€35mn	41%
DBAG Fund VI	Advised by DBG Advising	Buyouts	February 2013	December 2016	€700mn[1]	€133mn	19%
DBAG Fund VII	Advised by DBG Advising	Buyouts	December 2016	December 2022 (at the latest)	€1,010mn[2]	€200mn[3]	23%[4]

1 Without the co-investment of the experienced members of the DBAG investment team
2 DBAG Fund VII consists of two sub-funds: a principal fund (€808mn) and a top-up fund (€202mn); the top-up fund exclusively invests in transactions with an equity capital investment that exceeds the principal fund's concentration limit for a single transaction
3 DBAG has committed €183mn to the principal fund and €17mn to the top-up fund
4 DBAG's co-investments alongside the top-up fund account for 8 percent of the fund size

Fund investment services business segment

Fees for services to DBAG funds as a source of income

Advisory services provided to DBAG funds are bundled in the Fund Investment Services business segment.

The range of services in the Fund Investment Services business line is broad: we seek, assess and structure investment opportunities, negotiate investment agreements, compile investment memoranda for the fund manager, support the portfolio companies during the holding period and realise the funds' portfolios.

Fee income from investment services to funds page 86ff.

DBAG receives volume-related fees for these investment services, which constitute a continual and readily forecastable source of income. For DBAG Fund V, DBAG Fund VI and DBAG Fund VII, fees during the investment phase are based on the committed capital (DBAG Fund VI in the current financial year leading up to December 2016 and DBAG Fund VII[1] since then). After that, they are measured by the invested capital (DBAG Fund VI and DBAG Fund V since December 2016). The fees for DBAG ECF are based on the invested capital. Since June 2017, we have also received one-off fees based on individual transactions.[2]

It follows from the fee methodology that fee income will decline with every exit from a fund's portfolio. In principle, an increase can only again be achieved when a new fund is raised.

1 *Fees for the top-up fund (see page 85) are based on the invested capital during the investment phase as well.*

2 *For further details on the terms of DBAG ECF, see "Business review of the Group /Business and portfolio review", page 85*

Advisory services by the investment team

The advisory services provided to the funds can be split into three material processes: first, the identification and assessment of investment opportunities ("investing"); second, supporting the portfolio companies' development process ("developing"); third, then realising the value appreciation ("realising") upon a portfolio company's well-timed and well-structured disinvestment.

We manage these processes with our own resources in tried-and-tested workflows, primarily through the investment team. It consists of 23 investment professionals[3] and is led by two Board of Management members. The team has a broad skill set combined with multifaceted experience in the investment business. It is supplemented by four employees in Research and Business Development. The auxiliary functions for the investment process and the administrative activities, which are collectively referred to as the "corporate functions", are bundled under the Chief Financial Officer, whose responsibilities also include portfolio valuation and risk management.

3 *Including Board of Management members*

A project team of two to four individuals is generally responsible for each transaction and is always supported by one of the two members of the Board of Management that are responsible for the investment process. One member of the project team will typically take a seat on the respective portfolio companies' advisory council or supervisory board in order to support their managements.

The members of the investment team with greater experience in investing (16 out of 23, including both Board of Management members) personally co-invest their own money in the DBAG funds, generally investing 1 percent of the capital raised by the fund investors and DBAG. This is in compliance with fund investors' expectations (and is common in the industry), who, for reasons of identity of interest, expect such a private investment. The co-investing members of the investment team receive an incentive (which is, once again, standard practice in the industry) for generating the best possible financial performance for the funds: they receive a profit share that is disproportionate to their capital commitment ("carried interest") after the fund has fulfilled certain conditions. DBAG must have realised its invested capital plus a minimum return.

Investment team supported by widespread network

The investment team can rely on an extensive network, the nucleus of which is an "Executive Circle" consisting of 55 contractually associated expert partners. The members of the Executive Circle support us in identifying and originating investment opportunities, assist us in assessing certain industries or back us prior to making an investment in a particularly comprehensive due diligence process. The Circle comprises experienced industry experts, including partners of previous investment transactions. The members have the industry experience that is relevant to DBAG. The network is supplemented by an extended group of bank representatives, consultants, lawyers and auditors.

Private Equity Investments business segment

Value creation on investments as a source of income

Investment ratios of DBAG to DBAG funds page 68

The Private Equity Investments business segment largely encompasses interests in mid-sized companies; DBAG's investments are held through internal Group investment entities. DBAG co-invests via these companies on the same terms, in the same companies and in the same instruments as a fund's other entities. To that end, DBAG has concluded co-investment agreements with the DBAG funds; these provide for a fixed investment ratio for the lifetime of a fund. These agreed ratios also apply upon an investment's disposal. Income derives from the value appreciation and sale of these investments.

Investment criteria page 74f.

DBAG's investment strategy derives from the strategies of the current funds. This strategy can be adapted to reflect the Company's development or market changes, generally when a new fund is launched. In 2011, for example, we launched DBAG ECF, a fund for growth financing, i.e. exclusively for minority financing. It aimed to build on the long-term success of numerous comparable investments. Since the beginning of 2017, this fund has also been able to structure MBOs with equity investments of between 10 and 30 million euros, meaning that it invests in transactions that are too small for DBAG Fund VII. This fund in turn differs from its predecessor DBAG Fund VI in the sense that it can also engage in minority or non-minority investments larger than those generally possible in the past, in individual cases. This means that DBAG is now able to cover an even larger area of the demand for private equity in Germany's mid-market.

The modes and specific structuring of investments are geared to individual financing situations. These could be:

- a generational transition in a family-owned business,
- split-offs of peripheral activities from large corporations,
- a sale from the portfolio of another financial investor,
- a capital requirement to fund a company's growth.

Correspondingly, an investment can involve equity or equity-like instruments and taking either majority or minority positions. The first three financing situations mentioned above will usually be structured as majority acquisitions. Growth financing, on the other hand, are made by way of a minority interest or by providing equity-like funding.

Portfolio profile: largely MBOs and growth financing

The largest part of DBAG's portfolio[4] (56 percent) is attributable to co-investments in 14 MBOs. In addition, there were eight expansion capital investments (42 percent of portfolio value) as well as investments in two international buyout funds (2 percent) in the portfolio; the latter consist of older investments that are gradually being liquidated through the sale of the underlying investments.

Details on the portfolio: page 98f.

4 *All disclosures concerning the composition of the portfolio, or which pertain to the portfolio volume and the portfolio value, relate to the value of the investments held directly and indirectly through intra-Group investment entities at 30 September 2017 totalling 251.7 million euros; see also pages 98/99.*

Our statement of financial position confirms the success of our investment activity: since 1997, DBAG has financed 42 MBOs together with DBG Fund III and DBAG Fund IV, DBAG Fund V and DBAG Fund VI, as well as with DBAG Fund VII since 2017. We have increased the value of the invested shareholders' equity to 2.3 times[5] the original amount. 29 of these investments had been realised completely or for the most part by the end of the previous financial year. These realisations have generated 2.9x the invested capital.

5 *This considers all buyouts structured up to 30 September 2017; it does not consider agreed but not yet completed transactions.*

Growth financing investments are also attractive. These investments differ from MBOs in that, among other things, the companies' debt levels are mostly lower and the holding periods are usually longer. The rate of return is therefore lower than the rate of return for MBOs, while earnings in absolute terms are comparable.

Long-term financing of co-investments via the stock market

DBAG finances the co-investments alongside DBAG funds in the long term exclusively through the stock market. The structure of its statement of financial position attests to the special nature of the private equity business, with investments and realisations that cannot be scheduled. The Company maintains sufficient liquidity in order to take advantage of investment opportunities and to meet co-investment agreements at any time. Loans are only used in exceptional cases and only to serve short-term liquidity requirements. For longer planning horizons, we manage the amount of equity capital via distributions, share repurchases (as in 2005, 2006 and 2007) and capital increases (2004, 2016).

Risk attached to co-investment agreements: page 117

Objectives and strategy

Objective: to sustainably increase the value of DBAG through growth in both business segments

The core **BUSINESS OBJECTIVE** of our activity is to sustainably increase the value of Deutsche Beteiligungs AG. We achieve this by generating value contributions from both of our business segments, which influence each other reciprocally and positively: since DBAG co-invests alongside its funds, the performance of its investment activity also contributes to the success of its fund services business, because a track record of excellent performance for existing investors is crucial when raising new funds.

The business segment of Private Equity Investments delivers the greatest value contribution. The value of DBAG is therefore determined, first and foremost, by the value of its portfolio companies. To grow that value, DBAG supports the portfolio companies during a phase of strategic development in its role as a financial investor in a focused partnership, usually over a period of four to seven years. Value is built over that period. That value is mostly realised when the investment is exited; for growth financing, this takes place during the holding period by way of current distributions.

OBJECTIVES OF DEUTSCHE BETEILIGUNGS AG

Financial objectives

GENERATE VALUE CONTRIBUTION FROM FUND INVESTMENT SERVICES	BUILD THE VALUE OF PORTFOLIO COMPANIES	HAVE SHAREHOLDERS PARTICIPATE IN PERFORMANCE THROUGH REGULAR DIVIDEND, IF POSSIBLE

CORE BUSINESS OBJECTIVE
SUSTAINABLY INCREASE THE VALUE OF DBAG

SUPPORT PROMISING MID-MARKET BUSINESS MODELS	MAINTAIN AND BUILD ON OUR REPUTATION IN PRIVATE EQUITY MARKET	GARNER ESTEEM AS AN ADVISOR OF PRIVATE EQUITY FUNDS

Non-financial objectives

Investment decisions are based on assumptions in respect of the holding period and realisable value gains upon an investment's ultimate disposal. The targeted average annual internal rate of return of a portfolio company (IRR) is approximately 20 percent for growth financing and 25 percent for MBOs.

The performance of the Fund Investment Services business segment requires an appreciable, preferably increasing level of managed and/or advised assets over the medium term; it is measured by sustainable growth in fee income for these services and its surplus over the relevant expenses.

As is common in the private equity sector, our performance is measured over a period of ten years. Support for portfolio companies in their development is limited in time; our portfolio is therefore subject to constant change. This, and the influence of external factors on value growth, could entail strong fluctuations in performance from year to year. Income from Fund Investment Services is significantly influenced by the initiation of new funds, which occurs approximately every five years, while the lifetime of a fund generally extends to ten years. Only when viewed over a sufficiently long period of time is it possible to assess whether we have reached the core objective of our business activity. We measure an individual year's performance contribution by comparing it to a ten-year average. On average over this ten-year period, we aim to increase the equity per share by an amount that significantly exceeds the cost of equity.

Details on the return on equity per share: page 103

We intend to have our shareholders participate in DBAG's ability to generate financial gains by paying stable dividends that will increase whenever possible. By the nature of our business model, investments may predominate in some years, and disinvestments in others. Future liquidity requirements for co-investments and securing the dividend capacity in the long run play a significant part in the decision on the distribution rate.

The total return to shareholders therefore derives from the gain in the Company's value in terms of equity per share, plus dividends paid.

Besides its financial targets, Deutsche Beteiligungs AG also pursues a set of **NON-FINANCIAL OBJECTIVES**. We aim to support the development of promising mid-market business models and therefore give our portfolio companies the leeway they need to successfully pursue their strategic development – with our equity as well as with our experience, knowledge and network. Our portfolio companies should remain well-poised beyond DBAG's investment period. We believe that the value of our portfolio companies at the time of their disposal will be particularly high, if the prospects for their further progress are favourable after we exit them.

By successfully supporting our portfolio companies, we want to strengthen the standing we have built in the private equity market over nearly five decades and underpin our good reputation. We are particularly successful as an investment partner to mid-market family-owned businesses: in comparison with the German private equity market on average, we structure twice as many buyouts of companies originating from family ownership in our market segment. We are convinced that an appropriate consideration of the interests of all stakeholders in conjunction with an investment also serves to fortify our reputation. For that reason, we also follow ESG (environmental, social and governance) principles, which include compliance with our business policies.

Financial and non-financial performance indicators: page 103ff.

The assets of the DBAG funds constitute a substantial part of DBAG's investment base. The funds are organised as closed-end funds; regularly raising successor funds is therefore a requirement. This is why it is important for investors in this asset class to value us as an advisor. This is evident, for example, from the large proportion of fund investors who also subscribe to the successor fund, or who are already subscribing to their third or fourth DBAG fund. This will only succeed if investors in current funds achieve commensurate returns and if we are perceived to be reliable and trustworthy. We therefore attach great importance to open, responsible interaction with the partners in DBAG funds.

Strategy: investments in mid-market German companies with potential for development

Broad spectrum of investment criteria

DBAG invests in established companies with a proven business model. This approach excludes investments in early-stage companies and companies with a strong restructuring need. Moreover, we attach importance to seasoned and dedicated managements who are able to realise objectives that have been mutually agreed upon.

Target companies should exhibit promising potential for development. This can involve enhancing their strategic positioning, for example by introducing a wider range of products, covering a larger geographical area or expanding the spare parts and service business. Earnings growth can also be stimulated by improving operational processes, for example through more efficient production.

Such companies are, among other things, characterised by leadership positions in their (possibly small) markets, entrepreneurially-driven managements, strong innovative capacity and future-viable products. Many such mid-market companies can be found in Germany, for example, in mechanical and plant engineering, in the automotive supply industry and among industrial support services providers, as well as among industrial component manufacturers.

We see these as our core sectors. The DBAG investment team has focused on industry and industry-related services and has a particular wealth of experience and expertise in this area. Around 70 percent of all transactions in the past 20 years stem from these industries. That is why we are capable of structuring even complex transactions in these core sectors, such as the acquisition of companies from conglomerates or companies facing operational challenges. We also identify companies in other sectors that offer convincing development potential, for example, in the telecommunications or food industry sectors, which are relatively non-cyclical. Geographically, we concentrate on companies domiciled or whose business is centred in German-speaking regions.

The DBAG funds provide for equity investments in an individual transaction of between 10 and 100 million euros, irrespective of the type of investment. When it comes to structuring larger transactions with equity investments of up to 200 million euros, the top-up fund of DBAG Fund VII is included. For DBAG, this equates to equity investments of between 5 and 20 million euros, and for transactions involving the top-up fund, equity investments of up to 34 million euros.

DBAG co-investment ratio with the DBAG funds: page 68

Depending on the business model of the future portfolio company, the equity invested by the DBAG funds corresponds to an enterprise value of between 20 and 400 million euros. Furthermore, the focus is on investments in companies with an enterprise value of between 50 and 250 million, i.e. companies at the upper end of the mid-market segment. This segment comprises almost 10,000 companies in Germany.

We endeavour to achieve a diversified portfolio. For investments in several companies operating in the same industry, we ensure that they serve different niche markets or operate in different geographical regions. Most of our portfolio companies operate internationally. This applies to the markets they serve, but also to their production sites.

Some of our portfolio companies produce capital goods. The demand for these products is generally subject to stronger cyclical swings than the demand for consumer goods. We therefore take particular care that finance structures are resilient. Investments in companies whose performance is more strongly linked to consumer demand mitigate the effects of business cycles on the value of the portfolio.

Investment performance is prerequisite for growth in both business segments

In our business segment of Fund Investment Services, our aim is to achieve sustainable growth in managed and advised assets. This will be achieved by launching further DBAG funds with new investment strategies that we have not pursued to date, or by ensuring that a successor fund exceeds the size of its predecessor. The distribution of a higher fund volume among DBAG and the other investors determines the change in the basis for the fee income from investment services to funds, but first and foremost, it determines the growth opportunities open to the Private Equity Investments business segment.

Capital commitments to a (successor) fund are significantly influenced by the performance of a current fund. Thus, a prerequisite for increasing managed and advised assets is, among other things, an excellent track record. Investors also value our investment team's experience, size and network.

In the long run, the portfolio value and, consequently, the earnings basis for value appreciation from the portfolio will only grow if the co-investment capital commitments made by DBAG increase and DBAG can invest more assets alongside the funds. For that reason, the investment performance also determines the growth in the business segment of Private Equity Investments.

Steering and control

Key performance mark: return on capital employed

Our business policy is geared towards appreciating the value of DBAG over the long term by successful investments in portfolio companies and a successful Fund Investment Services business. It follows from the nature of our business and its accounting methodology that the

Company's value may decrease in individual years, since it is largely determined by the fair value of the portfolio companies at the end of a reporting period. That value is, however, also subject to influences beyond DBAG's control, such as those from the stock market. The Company's value is understood to have increased in the long term when, on an average of, for example, ten years, the return on the capital employed per share exceeds the cost of equity. The key performance measure is the return on the Group's capital employed. We determine it from the equity per share at the end of the financial year and the equity, less dividends, at the start of the financial year.

We derive the cost of equity (rEK) once a year on the reporting date, based on the capital asset pricing model (CAPM) from a risk-free base rate (rf) and a risk premium for the entrepreneurial risk (ß). The risk premium is determined by also considering a risk premium for the stock market (rM) as well as DBAG's individual risk. The cost of equity is then derived as follows:

rEK = rf + ß * rM.

We derive the risk-free base rate from a zero-bond interest rate with a residual term of 30 years, based on the yield curve at the reporting date. At 30 September 2017, this value was 1.4 percent (previous year: 0.5 percent).

The market premium used remains unchanged at 7.0 percent.

For the individual risk measure, we use an adjusted ß (beta) of 0.6. This value is based on a levered beta factor for DBAG against the C-Dax for five years of 0.62 (at 30 September 2017), which we consider appropriate due to the long-term nature of the business model.

The cost of equity for DBAG thus derived as at the reporting date is 5.6 percent (previous year: 4.7 percent). This calculated result is strongly influenced by the extremely low interest rate level and the low risk position of DBAG in view of its capital structure. In order to reduce the impact of the interest rate level regarding the reporting date, we apply the average cost of equity calculated from the previous ten reporting dates as a measure of our long-term success. This figure comes to 6.6 percent for the financial years from 2007/2008 to 2016/2017; over the previous ten-year period, the cost of equity had averaged 6.9 percent.

Controlling: regular assessment of portfolio companies and of investment performance of DBAG funds

Medium-term performance of portfolio is key measure

The intrinsic value of our shares is determined to a significant degree by the value of the investment portfolio and its development. Valuations may fluctuate strongly at short notice: portfolio companies are influenced by industry-related cycles and valuation levels on the capital markets influence our valuations. Short-term changes therefore ordinarily do not convey a true picture of the success of an investment. We will frequently only know whether a private equity investment can be deemed successful after a number of years, upon its disposal. We therefore measure our performance by the average return on capital employed over a longer horizon, and not by the results of a single reporting period.

Because of the particularities of our activity, we do not steer our business by traditional annual indicators such as operating margins or EBIT. Instead, the key influential parameters at Group level are the several-year average return on capital employed and the medium-term development of the portfolio value. The latter is influenced by the investment progress, the value growth of individual investments as well as their realisation. On an annual basis, we measure the development by the net result of investment activity and earnings before tax that we achieve in our business segment of Private Equity Inves Cash inflows from investing activities tments.

At the portfolio company level, traditional indicators, on the other hand, play a direct role: when making our decision to invest, we clearly define performance targets based on the business plans developed by the portfolio companies' managements – such as for revenues, profitability and debt. During the time of our investment, we valuate our portfolio companies at quarterly intervals using their current financial metrics (EBITDA, EBITA and net debt). On that basis, we closely follow their progress in a year-over-year and current budget comparison. We also consider other indicators, such as order intake and orders on hand.

Assessment of Fund Investment Services by indicators commonly used in the private equity industry

The performance of our business segment of Fund Investment Services chiefly derives from the development of the volume of DBAG funds and total assets under management or advice. The volume of DBAG funds determines the fee income from investment services to funds. In addition to fee income, earnings before tax generated by Fund Investment Services is significantly influenced by the cost of identifying investment opportunities, of supporting the portfolio companies and of their ultimate disinvestment. These costs are incurred in the form of personnel expenses for our investment team and Corporate Functions, as well as the expenses for our Executive Circle and for legal and other advisors.

Ensuring performance: Board of Management members directly involved in all relevant operating processes

As previously mentioned, members of the Board of Management are also involved in the core processes of DBAG's business (i.e. Fund Investment Services and the investment business). They are particularly involved in generating investment opportunities (deal flow) as well as in due diligence and negotiating acquisitions and disinvestments. Additionally, they discuss key issues at weekly meetings with those members of the investment team who are involved in transactions or in supporting the portfolio companies.

A key instrument in ensuring performance is the investment controlling system which, by way of example, identifies deviations from the investment theory or provides information that may be useful for managing an investment portfolio, e.g. pointing to the potential negative impact that economic developments could have on the portfolio companies.