

Chom Capital: Embodying the Principles of Sustainable Finance

Frankfurt-based Chom Capital GmbH is an owner-operated asset management boutique, licenced to conduct financial services in the form of investment brokerage, investment advice, contract broking and financial portfolio management. It is a member of the German Association of Independent Asset Managers (VuV) and won the award for Best ESG Equities Fund Europe at the 2024 Global Banking & Finance Awards.

Christoph Benner is CHOM CAPITAL's CEO and one of its three founding members. As head of the management board, he plays a key role in shaping the company's overall strategy, is a portfolio manager and is operationally responsible for the risk controlling of funds, IT and sales. Global Banking & Finance Review editor Wanda Rich recently spoke with Christoph to learn how CHOM CAPITAL is navigating industry changes to comply with regulations, drive transparency and create long-lasting value for its investors.

He began by explaining how CHOM CAPITAL has focused on deepening its fundamental analysis approach and reinforcing its commitment to sustainability principles over the past year. "Strategically, we've enhanced our ESG integration by refining our proprietary models and incorporating more granular data," he revealed. "Operationally, we've expanded our team, bringing in new talent to enhance our analytical capabilities and improve our decision-making processes. Our market presence has grown through increased engagement with our investors and stakeholders, driven by transparent communication and consistent performance."

This approach sets ESG firmly at the core of its operations, and its integration within CHOM CAPITAL has been made successful courtesy of a number of initiatives. "One key advancement is the development of more sophisticated proprietary models that allow for detailed monitoring and simulation of sustainability impacts," Christoph said. "This includes being able to track and simulate our UN SDG exposures as well as sustainable investments. Moreover, it involves measuring various KPIs (from different emission profiles, such as water and waste) not just for the respective holding companies, but also across each company's entire value chain."

Global sustainability policies are continuously evolving; in Germany, ESG regulations are influenced by both EU law and national standards. Since these regulations aim to drive greater transparency, accountability and environmental stewardship, the impact on the investment landscape is welcomed by CHOM CAPITAL.

"For us, these changes align well with our existing practices and will further validate our approach," Christoph affirmed. "We anticipate that stricter ESG regulations will enhance the quality of available data, improving our analysis and decision-making processes. Moreover, regulation will impact market mechanisms and business models, resulting more than ever in sustainability transitioning from a mere CSR/reputational measure to a core fundamental value creation driver. Our strategy remains focused on being at the forefront of sustainable investing."



He discussed CHOM CAPITAL's efforts to set itself apart from its competitors in the asset management industry through the principle of "PERFORMANCE DRIVEN BY SUSTAINMENTALS®," which holistically combines sustainability and fundamental analysis. "This approach allows us to identify companies with strong potential for long-term value creation and risk mitigation, resulting in attractive performance at best-in-class risk levels. Our commitment to investors, transparency and strong financial performance underscores our unique position in the asset management industry. Close and established management contacts and over 600 interactions and production site visits round up this edge on a qualitative basis, consistently ensuring a good overview of the status of our holdings and the validity of our investment theses."



Christoph Benner

CEO
CHOM CAPITAL

Given the volatile market conditions and economic uncertainties, CHOM CAPITAL has had to adapt its investment strategies to maintain performance. Christoph described how it has emphasised a flexible and dynamic approach to portfolio management in response to these variables. "We have increased the frequency and depth of our market analyses, allowing us to quickly adapt to changing conditions," he said. "Our active investment strategy, underpinned by rigorous fundamental analysis and ESG integration, helps us identify resilient companies that are capable of weathering economic fluctuations."

He added that, under such conditions, exercising transparency and building trust remain key to maintaining investor confidence, which CHOM CAPITAL has achieved through its strategic approach to reporting. "Consistent and open communication with investors through monthly reports and updates ensures transparency, maintaining their confidence in our ability to navigate turbulent markets," he explained. "Our reports provide detailed updates on portfolio composition, performance, and market insights. We also prioritise personalised interactions, offering tailored advice and addressing investor concerns promptly. Transparency in our investment process, coupled with our proven track record, reinforces our credibility. By aligning our interests with those of our investors and adhering to high standards of integrity and responsibility, we foster long-lasting trust and confidence."

Finally, he discussed the proactive role he believes institutions such as CHOM CAPITAL should fulfil to support social and economic development in their communities.

"Financial institutions play a crucial role in supporting socio-economic development by channelling capital towards projects that drive positive social and economic outcomes," he said. "At CHOM CAPITAL, CSR is integral to our business model. We adhere to the principles of good corporate governance, a socially responsible HR policy, and an environmentally conscious use of resources."

"Our investment strategies focus on supporting companies that contribute to the UN SDGs, and we actively engage with our portfolio companies to improve their sustainability practices. By promoting responsible investments and ensuring that our actions positively impact society and the environment, we embody the principles of sustainable finance."