

Investmentaktiengesellschaft für langfristige Investoren TGV

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Dear Investors

We are enclosing the shareholder letter for our Teilgesellschaftsvermögen “Intrinsic” for the year 2023 written by our sub-advisor CL Capital GmbH.

Yours sincerely

Investmentaktiengesellschaft für langfristige Investoren TGV

Vorstand: Jens Große-Allermann, Waldemar Lokotsch, Ewald Stephan
Aufsichtsrat: Dr. Alexander Erdland (Vors.), Wolfgang Fritz Driese (stv. Vors.), Alexander Pichler (stv. Vors.)
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Sub-Fund Intrinsic

Annual Report 2023 of the sub-advisor CL Capital GmbH

Dear Co-Investors,

The performance of the TGV Intrinsic in 2023 was +47.1% after all fees. The NAV, as of December 29, 2023, was, 162.82 EUR. The DAX achieved a return of +20.3% in 2023. Since the launch of the TGV Intrinsic on March 29, 2019, the fund has achieved an annualized performance after all fees of +10.8%. During the same period, the DAX increased by an average of +8.2% per year. The annual rate of return becomes important after a period of five years at the earliest.

The TGV Intrinsic annual report 2023 first provides an overview of the portfolio structure and performance. Several founders of companies in the TGV Intrinsic portfolio have ignored existing industry standards with their business ideas and thereby built successful business models with sustainable competitive advantages. The constant questioning of the status quo does not only unite these entrepreneurs but also many successful athletes. With his initially unconventional jumping technique, the American Dick Fosbury created a new standard in high jumping that still exists today. David Velez, co-founder of the Brazilian digital bank Nubank, also questioned the status quo of the Brazilian banking landscape and then paved the way for a more inclusive financial system. In the main section of the annual report, I will explain why I believe that Nubank will delight many more customers and why the TGV Intrinsic has invested in the company.

Portfolio structure and performance overview as of December 29, 2023

Portfolio structure

NAV as of 12/29/2023	162.82€
Number of investments	12
Weighting of the biggest investment	16.2%
Weighting of the five largest investments	64.8%
Weighting cash	-0.3% ¹

Alphabetical listing of the five largest positions within the TGV Intrinsic

Fomento Económico Mexicano (FEMSA)

Hostelworld

MercadoLibre

Spotify

VEF

¹ The negative balance results from a liability that had not yet been settled as of the reporting date.

Performance overview

Period	TGV Intrinsic (1)	Dax (2)	Delta ² (1)-(2)
2019 (9 Months)	9.2%	15.0%	-5.8%
2020	25.2%	3.6%	21.7%
2021	24.5%	15.8%	8.7%
2022	-35.0%	-12.4%	-22.6%
2023	47.1%	20.3%	26.8%
Since inception	62.8%	45.3%	17.5%
Since inception p.a.	10.8%	8.2%	

There were no changes within the five largest portfolio positions in 2023, and I look forward with confidence to the further development of these companies. FEMSA is opening new OXXO convenience stores at an increasing pace, and their financial app Spin gained around seven million active users in Mexico within two years. The bottling business has become structurally more attractive as FEMSA now also delivers third-party products via their existing logistics. Hostelworld was able to increase revenues by 32% and achieved profitability close to pre-Corona levels with an EBITDA margin of 20%. The social features I described in the 2022 annual report are continuing to gain momentum and are already having a positive impact on marketing expenses, e.g. the cost ratio that has fallen from 59% to 50%. MercadoLibre's growth continues unabated, with a 40% year over year increase in revenues in the third quarter of 2023. At the same time, the EBIT margin has increased to 18% – also due to the profitable advertising and lending business. Spotify achieved high customer growth with more than 110 million new customers to now 600 million active music listeners and is slowly showing the expected improvements on the cost side. VEF was able to increase its NAV by 12% in 2023 and expects average revenue growth of 35% across all holdings in 2024. The capital market remains sceptical, given a discount of almost 60% to the current NAV. However, I am confident that the next one to two years will show that the NAV is calculated conservatively.

Neither was I worried by the negative price development in 2022 nor am I taking a victory lap after 2023. The core message from both years is the same: The companies in which the TGV Intrinsic is invested have developed very well operationally and should lead to a good price development for the TGV Intrinsic in the long term. The big difference in the price development between 2022 and 2023 was also due to the rapidly changing appreciation of the capital market towards the operational development of the companies the TGV is invested in. It is precisely this volatility that creates investment opportunities, as long as investors in a fund are willing to accept these price fluctuations. I thank you, the investors of the TGV Intrinsic, who allow me to ignore short-term opinions and instead focus on the long-term operational development of the companies. In my opinion, this lays the foundation for the long-term outperformance of the TGV Intrinsic

² Rounding differences are possible.

compared to the index – it is up to me to use this advantageous structure with good investment recommendations.

How ignoring existing industry standards can lead to competitive advantages

Questioning and ignoring the majority opinion allows me to make rational investment recommendations. This is a long-term competitive advantage for me. There are also examples in sport of how competitive advantages were built by ignoring existing ways of thinking. For example, in high jumping, where until the 1960s, athletes competed against each other with the so-called scissors jump or the straddle. In 1963, unknown 16-year-old Dick Fosbury from Portland begins trying a new high jump technique because he has been unable to improve his jump height for almost two years and is threatened with exclusion from the school squad. At the very first event, he improves his personal best to 177.8 cm from 162.5cm before – worlds apart in this sport. Within two years, he unexpectedly develops into one of the best high jumpers in the state of Oregon.

What is the innovation in his jumping technique? Instead of jumping forward over the bar, he jumps backwards. His competitors laugh at him, the coaches ask him to return to the traditional technique despite his success, and a newspaper describes him as the “world’s laziest high jumper”. Fosbury ignores the criticism, but at the beginning of 1968, he is still only 23rd in the ranking of American high jumpers. He doesn’t realize either that the Olympic Games will take place that year. Up to this point, 45 jumpers worldwide had managed to jump over 2.13 meters (7’0). Of these men, 44 jumpers jumped forward in the straddle, and only Dick Fosbury jumped backwards with his much-ridiculed style, barely managing to qualify for the Olympics in Mexico City. On October 20, 1968, surprisingly, it comes to a showdown in the high jump finals between the Soviet Russian Gavrillov, the American Caruthers, and Fosbury. Fosbury improves his personal record of 2.22 meters, but Gavrillov fails in his three attempts at that height. That leaves Fosbury and Caruthers in the running for the gold medal.

The next height is 2.24 meters. Fosbury and Caruthers fail in their first two attempts. Fosbury manages to jump the height in his third and final attempt. He sets a new Olympic record while Caruthers fails to jump the height. Dick Fosbury, completely unexpectedly, wins Olympic gold. Since 1976, all Olympic gold medallists have used the “Fosbury Flop,” named after its inventor. The ridiculed jumping style has become the new standard. In my opinion, this is a great example of why the mental models that investors often use should be applied with caution. They help to quickly form an opinion on a matter but are, by definition, based on existing ways of thinking. When the underlying assumptions no longer reflect reality, mental models can lead to flawed decisions. In Dick Fosbury’s case, there was also a change in external conditions. Instead of the previous sand or sawdust pits, organizers started placing a foam mat behind the beam, which made landing on your back much more comfortable.³ This change invalidated the old arguments of the coaches that landing on your back could lead to injury. The mental model of the old high jump technique was, therefore, outdated, but in the beginning, many jumpers and coaches found it difficult to switch to the more efficient high jump style as old habits die hard.⁴ TGV Intrinsic is invested in several companies whose founders, like Dick Fosbury, questioned the status quo, ignored existing industry standards and built

³ Video on the development of high jump over time and the changes in the landing area:
https://www.youtube.com/watch?v=p_7T76GcJ0Q

⁴ Measured by how much higher than his own height a high jumper could jump.

successful companies. One of these companies is Nubank, one of the largest digital banks in the world and an investment in the TGV Intrinsic.

How Nubank is helping build a more customer-friendly Latin American financial system

In 2013, I backpacked for three months from Colombia to Ecuador and Peru, to Bolivia and Brazil. Without much Spanish, but with a suit bag in hand to meet entrepreneurs in Colombia, Peru, and Brazil. The memory of one meeting during this trip was particularly negative: In Sao Paulo, I met the clothing retailer Marisa and learned that a large part of their revenues was financed with the credit cards issued by Marisa. Marisa had to write off a third of these credit card receivables every year. The result? Returns on equity of over 30%, made possible by overdraft interest of 10% - per month! Marisa proudly reported that a third of credit card holders either forgot to repay or were temporarily unable to pay and that this was the reason why such high profitability could be achieved. I understood the Brazilian financial system had peculiarities that - fortunately - I was not familiar with from Europe. The oligopolistic banking structure in Brazil, which makes such interest rate levels possible, bears the responsibility for this.

According to the latest banking report from the Central Bank of Brazil (BCB), the five largest Brazilian banks – Itau Unibanco, Banco do Brasil, Banco Bradesco, Caixa Economica, Banco Santander Brasil – control over 70% of financial assets. In the USA, this number is less than 50%. Brazilian banks are using this powerful position to enforce rising fees while simultaneously providing poor customer service. In a global comparison, this is reflected in these banks' above-average returns on equity. Last year, it averaged 15%, while it is only around 10% for American competitors.⁵ Still, according to the World Bank, in 2011, more than 45% of the 150 million of Brazil's residents over 15 years of age, did not have a bank account. Around 2010, the Brazilian central bank decided that higher levels of financial inclusion required greater competition and consequently reformed the domestic financial system.

The first step was to disallow exclusivity for Cielo's credit card terminals with Visa and Rede with Mastercard. Then, in 2013, the regulator issued a new legal framework that allowed financial startups to apply for licenses for individual financial services, such as credit cards or payment services, without requiring a full banking license. The digital real-time payment system PIX, which was introduced at the end of 2020, attained international recognition. With the help of PIX, individuals and businesses can send and receive payments at any time, free of charge, within a few seconds. PIX is now the most commonly used payment method in Brazil, ahead of credit and debit cards. In addition, since the 2021 Open Finance Regulation, customers have been able to give other banks permission to review their financial contracts to receive potentially cheaper offers. Over the past decade, Brazil's financial system has become one of the most progressive in the world, giving rise to a multitude of valuable financial technology companies. One of the companies that was able to take advantage of this regulatory tailwind is Nubank, an investment of the TGV Intrinsic.

David Velez: Math student from Cologne revolutionizes the Latin American banking world with Nubank

In 2018, a taxi driver in Brazil enthusiastically told me about his new bank account with Nubank. I had rarely heard anyone speak so enthusiastically about their bank, and I began to take a closer look at the company. Nubank was founded by Cristina Junqueira, David Velez, and Edward Wible in 2013. David Velez, who grew

⁵ There were some quite significant adjustments by the American banks – unadjusted, the return on equity was lower.

up in a Colombian entrepreneurial family, had the original business idea for Nubank. He went to German schools in Colombia and Costa Rica, which means he speaks German fluently. During his studies at Stanford, he studied mathematics abroad for a year at the University of Cologne (I can reassure you that this shared past played no role in my investment recommendation). When studying for his master's degree at Stanford, he started working for Sequoia. After completing his studies, he looked for investments for Sequoia in Brazil. However, due to a lack of investment opportunities, Sequoia closed the Sao Paulo location after a year and a half and wanted Velez to return to the USA. However, Velez had other plans and left Sequoia - but not without first presenting the idea of a digital bank in Brazil to his mentor, Sequoia partner Doug Leone.

The idea had come up after Velez experienced first-hand the poor customer service offered by Brazilian banks. To open a bank account, he had to go to bank branches for months, fight his way through long security checks in front of the branch doors protected by bulletproof glass and fill out a large number of documents. His negative customer experiences stood in stark contrast to the high profitability of the financial institutions. Velez believed that a customer-focused digital bank in Brazil could be more efficient while at the same time increasing customer satisfaction. Velez was confronted with numerous counter arguments: Unibanco had not managed to build a successful digital bank despite a better starting position; the regulator would not support competition, and Brazilians demanded a network of bank branches anyway. Just like Dick Fosbury, Velez ignored his critics because he had one important advantage: Velez had never worked in a bank and, as a Colombian, brought a fresh and somewhat naïve perspective.

This fresh perspective allowed him to notice the emerging changes in the Brazilian financial system that experienced bankers did not see. In addition to the regulator's changed position, Brazilians were already heavy users of smartphones. As early as in 2013, there were around 50 million smartphone users who spent a lot of time on their devices. Much like the foam mat that allowed Dick Fosbury to leap backwards, smartphones helped to make the idea of a digital bank a reality. The existing mental model for digital banks in Brazil was no longer up to date, and Velez ignored the existing industry structures, and rightly so. David Velez found the right co-founders in Cristina Junqueira and Edward Wible, and Sequoia was also won over for startup financing. Together with Kasczek, a successful Brazilian startup investor (founded by MercadoLibre co-founder Hernan Kazah), the two investors signed the first round of financing.

"What if people actually liked our products?"

Cristina Junqueira, David Velez and Edward Wible - who still hold around 24% of the company's shares today - recognized that the bank's main differentiator had to be a corporate culture focused on customer satisfaction. In addition to the presentation for the first round of financing, Velez created another presentation focussed on the corporate culture he envisioned. To this day, Velez presents these values every month to all new employees. The name Nubank also reflects the company's values: Nu means "naked" in Portuguese and stands for radical transparency towards customers. In many conversations with Nubank, former employees, and competitors, I learned that this customer-focused corporate culture continues to be an essential part of Nubank. David Velez sums it up as follows:

„Culture is the driving force, there's nothing more important. Culture allows you to hire people. People build products. Products bring you customers. And so, ultimately, customers won't come to you because of your products. Consumers come to you because of the culture, they are consumers of your culture.“

The focus on the end customer also led to Nubank considering itself a technology company rather than a traditional bank. To date, Nubank does not have any physical bank branches, and large parts of the IT systems were developed internally and in Amazon Web Services from the start. New products and product changes can, therefore, be implemented faster than by competitors. The first Nubank financial product was also unconventional: a fee-free, purple credit card customers could only apply for online. As the person responsible for the Itau credit card, Junqueira had made large marketing investments to acquire customers. To recoup marketing costs, customers then had to pay high fees on their credit cards. This resulted in dissatisfied customers who quickly changed providers as soon as a cheaper offer was available. Junqueira asked herself the question, “What if people actually liked our products?” and developed a more customer-friendly credit card product. However, her suggestion was rejected by her superiors at Itau. At Nubank, she was finally able to realize her ideas of customer-friendly products.

Nubank’s credit card is customer-friendly and free. The result are highly satisfied customers with a Net Promoter Score (NPS)⁶ of around 90. Because of this satisfaction, customers recommend the credit card to friends, which is why Nubank hardly has to invest anything in marketing. Therefore, the credit card is profitable for Nubank even without fees;⁷ ultimately, advertising budgets were redistributed to the consumer. As described, most financial service providers try to monetize the credit card through overdraft interest. This is another indication of Nubank’s focus on customer satisfaction. Only 7% of Nubank’s receivables in Brazil arise from overdrafts; the industry average is 16%. Also, almost every person I spoke to had heard the following anecdote: A few years ago, Nubank’s revenues jumped from one day to the next. The employees were astounded, and after some searching, they found the reason: Nubank customers usually receive a message when they are threatened with overdraft interest. This notification had not been sent due to a system error. Many banks would have been happy and would have considered where else they could remove notices of this kind. David Velez says how proud he was of his employees because there was never a question of whether to reactivate the notification function or not. That’s not all: Nubank wrote a message to its customers, apologizing for the error and refunding the fees. This is definitely not industry standard.

In 2017, Nubank had two million customers, and it was only then that the company launched a second product, the Nu Cuenta bank account. At the time, Nubank had rejected a cumulative total of seven million customers for a credit card. These people could now be offered the lower-risk bank account without a credit function. The result was accelerated customer growth. Nubank has also been able to achieve growth in recent years thanks to a sophisticated differentiation strategy. Unlike Dick Fosbury, who received a lot of attention after his Olympic gold medal and whose technique was emulated by other high jumpers, Nubank is continuously working to differentiate itself from its competitors and to expand the barriers to market entry.

Nubank’s four levels of competitive differentiation

Nubank differentiates itself from its competitors on four levels and thereby builds increasing competitive

⁶ The NPS is one of the best-known methodologies for measuring customer satisfaction – for information on the calculation: <https://www.textbroker.de/net-promoter-score-nps>.

⁷ The majority of revenues consist of the usual interchange fees paid by merchants.

advantages. The first level of differentiation lies in the low customer acquisition costs. Due to customer-friendly, low-cost products, Nubank has a high NPS of around 90. Even a popular brand like Apple “only” has an NPS of 72, and banks are often in negative territory. That’s why Nubank, to date, acquires 80% of its new customers cost-effectively through recommendations. Marketing costs are only 2% of revenues, and the total cost per new customer acquired is, according to my calculation, around 10 USD.⁸ The second level of differentiation results from the low-cost structure. Nubank has no branch network and uses modern and efficient technologies such as Amazon Web Services. Nubank can, therefore, solve many customer inquiries digitally, but there is also a large, primarily in-house call centre. The monthly cost to serve a customer is less than a dollar. The efficiency ratio, a key figure that measures operating costs in relation to revenues at banks worldwide, was 35% for Nubank in the third quarter. Itau, the largest and best-run Brazilian competitor, generates around ten times more revenues than Nubank and yet “only” has an efficiency ratio of 40%. JPMorgan, the world’s largest bank outside of China, has an efficiency ratio of over 50%. This shows how efficiently Nubank already runs its business at its current size.

The third level of differentiation is the refinancing costs. In my opinion, Nubank had a competitive disadvantage in that respect for a long time because the big banks were able to refinance themselves very cheaply through their deposit business. With the launch of Nu Cuenta in 2017, Nubank has now built a significant deposit business of almost 20 USD billion and growing at over 30% per year. This allows Nubank to refinance most of its business very cheaply. The fourth level of differentiation arises from the fact that Nubank can assess the default risks of the loans more precisely than competitors. In a presentation from 2017,⁹ co-founder Edward Wible describes how Nubank has centralized access to all points of contact with customers through its unified technology platform. Competitors, on the other hand, often have a variety of inconsistent systems that make it difficult to bring all customer data together. Of course, there are now other digital banks in Brazil that are trying to operate a similar business model. However, since the majority of customer assets continue to be held by the five largest banks, Nubank’s competitive advantages over the “old” major banks will be crucial in the next few years.

This differentiation has resulted in a bank with impressive figures. Nubank gained 80 million active customers in its 10 years of existence. Over 50% of the adult Brazilian population are now Nubank users. Revenues should increase by a good 60% this year to USD 8 billion in revenues, and a profit of over USD 1 billion should be achieved. The return on equity in Brazil is already over 40%, which is higher than that of the five major Brazilian banks. By critically questioning and ignoring the status quo, the three founders of Nubank were able to build an impressive digital bank within just a few years. I am convinced that the clear vision of differentiating the company through a focus on customer satisfaction will ensure many more good results.

Why do I think Nubank is a good investment?

It is usually easier to evaluate today’s profits than future profits. Capital markets are even less willing to include qualitative factors such as corporate culture in an evaluation. I believe that Nubank’s focus on customer satisfaction has created a differentiated product that will drive revenues and profits for years to come. Nubank’s valuation today does not adequately reflect these growth opportunities. In a base case

⁸ Marketing costs represent about 50% of customer acquisition costs, the other 50% lies in purchasing data from credit bureaus and printing and sending the credit card.

⁹ „Architecting a Modern Financial Institution“ - <https://www.infoq.com/presentations/nubank-architecture/>.

scenario, I expect Nubank to increase its customer base by 50% over the next few years and grow revenue per customer from USD 10 to USD 25 per month. At the same time, I assume that the net profit margin can increase from today's 14% to 20%. If these goals are achieved within 7 years and at a price-earnings ratio of 15x, the investment would generate an annual return of 15% starting today.¹⁰ How do I arrive at these assumptions?

A 50% growth in the number of active customers means 45 million new customers. Nubank continues to grow, with 1.5 million new customers in Brazil per month, but this number will decrease. In 2020, Nubank launched its purple credit card in Mexico and Colombia. The last few years have shown that Nubank is well-positioned for further customer gains in these markets. There is also a large part of the population there who feels either excluded from the financial system or cheated by the high fees long-established banks can afford to levy due to their strong market position. In both countries, Nubank customers are even more satisfied than in Brazil, and the growth rates are higher than was the case in Brazil at the same time. Individual financial service providers are trying to build a digital bank, for example, Banco Davivienda's Daviplata in Colombia or Bancolombia's Nequi. However, these companies will have a difficult time as they cannot completely break away from the existing structures. Similar to Brazil, the incentive structures of Mexican and Colombian banks are not geared towards customer satisfaction. There are also a variety of software systems that make it difficult to have a consistent view of the customer and an adequate customer experience.

Nubank already has almost 5 million customers in Mexico and recently launched the Nu Cuenta bank account there. This was the moment when growth increased enormously in Brazil, and I expect a similar development in Mexico. It is also likely that Nubank will be active in even more countries in five years – but good development in Mexico and Colombia alone would justify the 50% growth in user numbers. Even more important in my calculation is the assumption that revenue per customer will increase from USD 10 to USD 25 per month. If you look at Nubank customers who have been users for several years, they make a good USD 25 in revenues per month. I simply assume that the revenues of younger customer cohorts will converge to this value. The increase results from the expanding use of Nubank products over time. The typical customer relationship today consists of a customer first opening a bank account. If they are creditworthy, they get the Nubank purple credit card. Provided there are no defaults here either, the customer can apply for unsecured personal loans via the app.

In recent years, Nubank has expanded its product portfolio so that customers can now also invest money, take out various insurance policies or take out secured loans via the app. Nubank's revenue consists of 80% interest income from personal loans and credit cards and 20% income from fees – which, in turn, consists of 75% from credit card interchange fees. Monthly revenues grow even further among older customer cohorts. Customers of the five major Brazilian banks generate revenues of around USD 40 per month – Nubank will not reach this number due to its cheaper fee structure. Other revenue drivers could be the new purple credit card for high income segments or the corporate customer business, which has so far received little attention but in which Nubank already has two million customers.

The growing revenues per customer should result in increasing overall profitability for Nubank. In the third quarter of 2023, Nubank's net profit margin was 14%, compared to 1% in the third quarter of 2022. Nubank is targeting a gross margin (revenues minus provision for loan defaults minus refinancing costs) of 60%.

¹⁰ The average entry cost of the TGV Intrinsic is USD 4.20.

Older cohorts are already showing these margins. One reason why Nubank does not yet show these margins at a group level is, among other things, an accounting effect: According to IFRS, all expected credit losses must be accounted for immediately in the profit and loss statement (P&L) – even if they are only realized over a longer period. When there is strong growth, like at Nubank, the P&L is distorted by “growth costs”. Since revenues per customer continue to rise and operational costs such as customer service and overhead costs per customer have been falling for many years, I expect further scaling effects. This is reflected in my assumption of a net profit margin growing to 20%. So, what is the biggest risk for Nubank?

As typical with banks, in my view, the biggest risk lies in the quality of the loan book. For two reasons I believe that Nubank has this risk under control: First, Nubank has already experienced several interest rate cycles in Brazil, most recently with the BCB “Selic” interest rate rising from 2% to 13.75% in less than two years. During these cycles, Nubank consistently posted lower default rates than the big five banks. This gives me the confidence that Nubank correctly assesses credit risks based on a holistic view of its customers through a unified platform. The second reason is Nubank’s conservative approach. Each loan portfolio is priced so that it would still be profitable if default rates doubled. In addition, the loan-to-deposit ratio is 35%. For most banks worldwide, this ratio is well over 50%, often even over 100%. Nubank also does not sell loan receivables to gloss over its default rates, as is common with some other banks. Cristina Junqueira, David Velez, and Edward Wible have a long-term goal of creating a more inclusive Latin American financial system. Short-term excesses in the form of rapid credit growth at too low prices contradict this goal, and this is reflected in the numbers. Berkshire Hathaway also seems to be convinced of the integrity of the founders and holds shares worth a billion US dollars.

Conclusion

Dick Fosbury built a competitive advantage in high jumping with his unconventional jumping style and surprisingly won the gold medal in 1968. Contemptuous newspaper comments soon were replaced by admiration, for example, in the New York Times:

„No track and field athlete at the Olympic Games drew more whoops of delight or shrieks of disbelief from the crowds (...) than did Dick Fosbury, the architect of an acrobatic maneuver that has become known as the Fosbury Flop.”

Likewise, the critics of David Velez’s idea for a digital bank have fallen silent. But there is an important difference: Fosbury did not celebrate any major successes after his Olympic gold and never competed in the Olympics again. A lack of competitive advantages meant that other jumpers were able to quickly copy his jumping technique and catch up with him or became even better. More importantly, Fosbury’s intrinsic motivation had not been to become a successful athlete. He quickly turned to new challenges. I expect a different future from Nubank: The company has growing competitive advantages and should continue to develop positively for many years to come. Above all, the TGV Intrinsic and its investors are entering into a partnership with the three Nubank founders, who I believe, unlike Fosbury, will remain “in their sport” for a long time.

I would like to invite you to our investors’ meeting on Saturday, June 8th on the Godesburg in Bad Godesberg. The team at the Investmentaktiengesellschaft für langfristige Investoren TGV and I look forward to seeing

you there. An official invitation to the event will be sent out soon. If you have any questions, please feel free to contact me at any time at clemens.lotz@clcapital.de.

I wish you all a successful start in 2024.

Clemens Lotz

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