

BvVK

Beleggings vereniging voor Kennis
Investment association for(e) knowledge
Year Report 2020 – 2021



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A word from the chairman

Dear members,

The past year has been anything but normal for the BvVK and the rest of the world. As the Corona virus ravaged on throughout the world, we had to adapt our committee to try and make the best of an unprecedented situation. Although the BvVK did not appear in its normal format for the 2020 – 2021 academic year many people still participated and, in the end, we still had a positive return.

After our first few in person meetings back in September and October of 2020 the rest of the year has been online which posed many challenges. The new phenomenon of “Zoom fatigue” made it difficult to sit through yet another online meeting after having classes online all day. Our social events were limited to the gathering we had in the park at the beginning of the year and the pub quiz we had online. Although the meetings were mainly online a lot of fun was still had by all. Those who stuck around after the “official” meeting were able to spend some time together and hear about what was happening in one another’s lives (even if nothing changed from the week prior, thanks COVID) or get some stock tips. Despite all the challenges we were still able to come out ahead, have fun, and learn a little bit more about the world of investing.

Throughout the year we were able to capitalize on our collective investment knowledge and produce a portfolio return of 18.67%. Although few trades were made during the year, the trades that did occur were deliberate and often well researched.

I would like to thank everyone for their participation and insight that they brought to the BvVK over the past year. Despite being such an unusual year, we all still made the best of the situation. Lastly, best of luck to each of you in wherever your future endeavors may take you!

- Brendan

Portfolio performance

This section covers our performance returns and the best and worse stock of the year. Please note, the time period is from September 2020 until June 2021 for all of the data presented.

Our cumulative performance was 18.67%. The S&P 500 between the same period, September and June, had a return of 25.94%.

Stock of the year and dog of the year

Combined realised and unrealised in %	
ASML HOLDING	79%
BEGBIES	64%
D/B/A SIBANYE-STILLWATER LIMITE...	34%
BASIC-FIT N.V.	28%
VOLKSWAGEN AG	20%
MICROSOFT CORPORATION	19%
LOGITECH INTERNATIONAL	12%
FLOWTRADERS	8%
ISHARES CORE MSCI WORLD UCITS E...	7%
VANGUARD FTSE EM	3%
UNILEVER PLC COMMON ST	-2%
ALTISOURCE PORTFOLIO S	-23%
ALIBABA GROUP HOLDING	-26%
BROOKFIELD RENEWABLE CORPORATIO...	-30%
GALAPAGOS	-47%

The table above indicates the performance of our individual holdings. Please note, the table excludes any dividends received. The performance as indicated by percentages was used because it gives a better basis for comparison. To find the absolute returns per security please see the comprehensive income statement provided in the financial statements section. The best performing security was ASML Holding and the worst performing was Galapagos. Below, is a short description of each of these two companies.

Stock of the year: ASML Holding

Like last year, again ASML Holding is the top performing stock in our portfolio. With a period return of 79%, we are close to the return of last year (92,26%). We expect the stock to go up even more the next couple of years.

ASML Holding, the Dutch photolithography machine maker is a unique company which has reached a monopoly position, being the only company in the world that can make machines, that produce microchips for computers.

The company is headquartered in Veldhoven, The Netherlands and has reached \$11.8 billion sales and \$2.6 billion net income in 2019. The company is listed on the AEX and the NASDAQ.

Dog of the year: Galapagos

Galapagos NV (formerly known as Galapagos Genomics) is a Belgian pharmaceutical research company which was founded in 1999. Its headquarters are located in Mechelen.

Our investment thesis for entering into Galapagos was to benefit from the new drug the company was producing for rheumatoid arthritis. Unfortunately, setbacks after setbacks have occurred since the original purchase resulting in a declining stock price. We finally liquidated the position at the end of the current year to cut our losses as the potential upside looks to be limited.

Income statement

This section covers the financial results over the time period and our financial position at the end of the time period.

Income statement (2020 – 2021)	
<u>Revenue</u>	
Dividend/coupons	€ 67.18
Total revenue	€ 67.18
<u>Liabilities</u>	
Transaction fees	€ (16.25)
Banking fees	€ (119.37)
Website hosting	€ (50.81)
Founding (LEI)	€ (48.40)
Dividend tax	€ (10.34)
Total liabilities	€ (245.17)
<u>Financial gains & losses</u>	
Capital gains	€ 736.39
Total financial gains	€ 736.39
Profit	€ 558.40

Activities

Similar to what has been stated in the year report of 2019-2020, we would have liked to be able to plan and organize some great and engaging activities. But from early on we knew we would be very limited in organizing activities due to the Covid pandemic still dominating the world. We still had some hope that the annual Christmas dinner would be possible in some form but alas it was not.

What was possible in the beginning of the year was a small-scale meeting in a park in Utrecht. This was planned in order for new members who were interested in joining to talk to the board and see if the BVVK is for them. In order to do not break any Covid rules we split the meeting up in two parts. Our goal for this meeting was to gain new members and to have new members connect with each other which was quite successful.

After some difficult months for us as a board due to low engagement from members which is of course due to the Covid pandemic. We decided to organize a online pub quiz to try to reconnect some members back to the BVVK and also to let members get to know each other better. Al though the evening and pub quiz was a lot of fun in itself our goal was only limited successful. Not a whole lot of the current members showed up and engagement from future meetings was online increased for a short while.

Overall, it has been a difficult to organize much activities this year due to the many restriction put in place by the pandemic as well as the government and university.