



# Den Silvervloot (Q2) July 2021

## De Zilveren Rijder

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# PORTFOLIO UPDATE

## Current Portfolio

The portfolio is performing well this year, already having a return of around 14%. A couple of weeks ago the 180.000 euro mark is passed which is a great milestone, but we hope to see the 200.000 euros this year! Next to the well performing portfolio, a lot of new alumni and students bought into the fund resulting in a big cash position of around 30.000 euros. The portfolio currently holds 16% in cash and 84% is invested in stocks. Additionally, The Rijder Value has been performing very well! The current price is 17,92 euros and the YTD return on the Rijder Value is approximately 18%. Hopefully, we can continue this trend in the remaining time of our board year. Figure 1 shows the Rijder value from the start of 2021 to now. Figure two shows our sector allocation.



Figure 1

## Sector Allocation

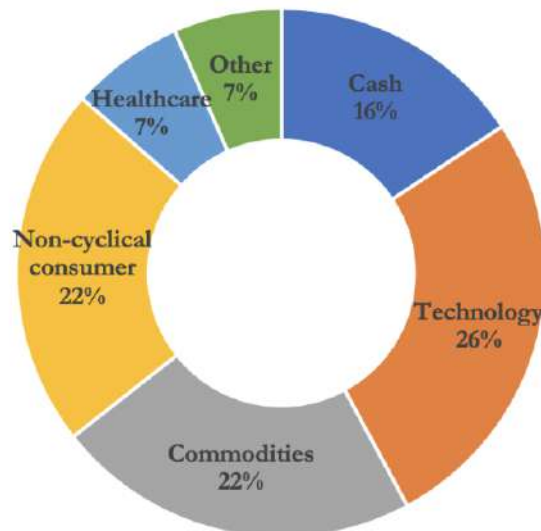


Figure 2

## **Wheaton Precious Metals Decision (WPM)**

As stated in the previous Silvervloot, Wheaton was bought in the first quarter of 2021. Wheaton helps to diversify our portfolio, and the current state of the markets makes precious metals a buy in our opinion. Our Wheaton Precious Metals position is currently up 10%. After analyzing the companies' financials, we believe there is more room for upside. Therefore, we decided to double down and double our position in Wheaton, to make it a total of 6% of the portfolio.

## **CVS Decision (CVS)**

Our Chief Investment Officer, Max Ritt, prepared an investment thesis on CVS Health that formed the basis of our decision to acquire shares in the company. CVS Health operates in the healthcare sector in the United States. The company provides healthcare services, has an insurance arm and a pharmacy arm with more than 9,900 locations throughout the US. One of their main goals is to become an all-in-one stop for all basic non-complicated healthcare needs.

At the time of buying the stock, the price-to-earnings ratio was 13.57, which was lower than the industry average, meaning that CVS is less expensive than its competitors. In our opinion, CVS is better positioned in the healthcare sector than its competitors, so this discount was a good opportunity. Moreover, we have also valued CVS ourselves according to the discounted cash flow model. This also showed that CVS trades at a discount of about eight percent. Furthermore, our total positions in the healthcare sector were not significant, so acquiring part of CVS was also positive for the overall diversification of the portfolio. For these reasons, we decided to invest in CVS. The current allocation is five percent of the total portfolio. The share is performing well; the current profit margin is about seven percent.

## **ASML Decision (ASML)**

As our position in the technology sector became very dominant, we decided to investigate whether some positions should be reduced. The analyst team provided us with a risk analysis of all the technology companies in the portfolio. The companies were assessed individually, and diversification was taken into account. They concluded that our position in ASML was too dominant, as it was 20% of our portfolio, and should be reduced. In our opinion, ASML is perfectly positioned in the semiconductor industry and has a bright future, but in order to reduce exposure, the position was reduced to an allocation of ten percent of the total portfolio. This resulted in selling 50% of the position we had, taking a profit of around EUR 4,400. At the time we sold ASML, we had a profit of 2.000%. Our predecessors did a great job with this stock!

## **Galapagos Decision (GLPG)**

Galapagos is down 57% within our portfolio. After a thorough analysis, we are not confident in the future outlook of this company. They are currently operating with negative 4.43 earnings per share. Therefore, we sold our position in Galapagos. Gladly it consisted of less than 1% of the portfolio, so the damage was minimal.

## **Berkshire Hathaway Decision (BRK-A)**

We sold Berkshire Hathaway (BRKB) on 21th of April with a total gain of 34%. We had three main reasons to sell our Berkshire Hathaway position. Firstly, we felt that it was an appropriate time to lock in our gains. Secondly, 40% of Berkshire Hathaways portfolio is in Apple. We think strongly of Apple, although they already represents 8% of our portfolio. Therefore, we felt that Apple was overweight in our portfolio. Thirdly, we think the stock may fluctuate based on the uncertainty of how long Warren Buffet and Charly Munger will hold their respective influential positions within the company. To conclude, we like the Berkshire Hathaway, although due to locking gains, diversification, and risk reduction, we sold our position.

## Equity Analysts

On the 29<sup>th</sup> of April, we had the pleasure of being able to book the Nyenrode Castle for the first time since the pandemic. We took this opportunity to do our equity analyst presentations in person. It was a great experience being able to all come together for this event. The board also gifted the analysts their Zilveren Rijder member certificate and a Zilveren Rider mug at the end of the event.

The equity analysts had to choose a growth stock, whereby they respectively choose Beyond Meat (BYND), Tattooed Chef (TTCF), Okta (OKTA), Plug Power (PLUG) and lastly a group did a risk analysis of ASML, Apple, Microsoft, and 3M company. The winner for the best report/presentation was Cas Buskermolen, Robert Vonk, and Rik Kuik as they presented the risk analysis of ASML, Apple, Microsoft, and 3M company.



On July 20<sup>th</sup>, 2021, we gave an advanced trading workshop as our analysts showed great interest in this. The evening was divided into three parts. First, we started by following a webinar on trading. In the second part we watched a youtube video together in which the most 'legendary trades' of Wallstreet bets were ranked. This was a very humorous way of learning that you should never trade options with 25x leverage or borrow money to trade. At last, our chair Chemsedinne give an interactive lecture about his trading strategy. He explained the indicators he uses to set up trades and how his risk management works. Eventually he showed past performed trades and showed with backtesting how these trades resulted. It was an interesting evening and we received great feedback from our analysts!

## Guest Lecture Alexander Roepers

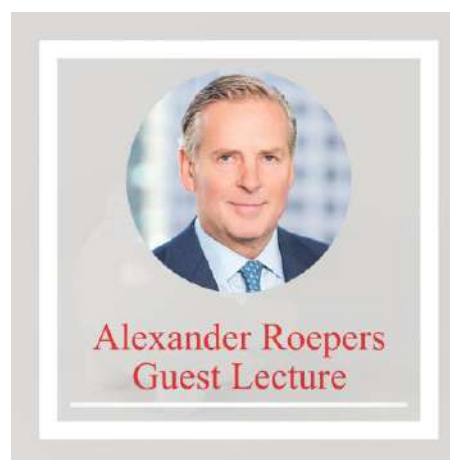
Mr. Roepers is an alumnus of Nyenrode Business University (BBA, 1980) and Harvard Business University (MBA, 1984). In 1988 he founded Atlantic Investment Management, one of the most prominent New York-based hedge funds focusing on active value investing in industrial, engineering, aviation and similar industries. Currently, Mr. Roepers remains the Chief Investment Officer of the fund, managing, as per this year, a total of \$1 billion of AUM. 📈🚀

Yesterday, May 25th, De Zilveren Rijder had the pleasure to host Alexander Roepers for an online guest lecture. It was a "story time" session, whereby he shared with us his journey, from the time that he started studying at Nyenrode Business University, to graduating, following up on his education, and founding Atlantic Investment Management. At the same time, he shared with us the main learning points of his 39 years of professional experience. 📁

We made this event available to all Nyenrode students. We as a committee want to be active and we aim to educate not only ourselves (board members and analysts), but as well any Nyenrode student that shows interest to the finance world. We have received a plethora of positive feedback from the 30 plus attendees.

## Guest Lecture Simon van Veen

De Zilveren Rijder was honored to host Simon Van Veen on May 31st, 2021, to our beautiful campus for a guest lecture. This was our first physical guest lecture since the pandemic and it could not have been better. We have been looking forward to this moment for a long time! Simon Van Veen is the founder of 'Sustainable Dividends Value Fund' whereby they invest in European companies with sustainable business models, healthy balance sheets and growing dividends. We gained valuable insights from his ESG investment policy and his dividend strategy.



## Milestone

After 25 years of De Zilveren Rijder, we are excited to announce that we currently hold over €180.000 under management! We would like to acknowledge and thank our predecessors as it could not have been possible without them. At the same time we are excited in what the future holds for De Zilveren Rijder as the sky is the limit!

## Ethereum Investment Thesis

De Zilveren Rijder is excited to announce and share the work of our Chief Financial Officer, Danny van der Wei. As there is an increased focus and attention on the cryptocurrency markets, Danny has written an Ethereum Investment Thesis. Please feel free to read his thesis. It can be found on our LinkedIn page and our website.

## Board Evening

During this year's Former Board Evening, we had the pleasure to welcome alumni of De Zilveren Rijder back on campus for an evening where we had the opportunity to meet our predecessors. During the evening, we

had dinner as well as a presentation regarding the current board's profiles, our achievements so far, and our ambitions for the remaining of the year.

## 25<sup>th</sup> Anniversary Celebration

It has been 25 amazing years of De Zilveren Rijder, and this is a great reason to celebrate! The 25<sup>th</sup> Board of De Zilveren Rijder is planning a borrel this coming Fall to celebrate the anniversary! This event will be for all DZR alumni, board members and analysts. This is a great opportunity for us all to come together, have a good time, reconnect with each other, and make new connections. As we would like for this event to take place by the beautiful Nyenrode castle, we must adhere to the rules and regulations that Nyenrode currently has. Therefore, we still do not have an official date for this event. We will release the full details via email, our LinkedIn alumni group, our website, and our Instagram in the near future.