
Highlights of the iEX Beleggersdag (iEX Investors Day)

Event date: 28 June 2024

Location: Bussum (Theater Spant!)

Hosted by: iEX (organisation) and Jort Kelder (Chairman of the event)



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Introduction

This annual event addresses the challenges and opportunities to be found as an investor in stock markets. Though mainly focused on European markets, the US and sometimes developing regions also receive attention. One of the hot topics of this year is AI, its development and added benefits. Several CEOs share their experiences and views on how to keep performing as well as possible.

Below you can find several highlights of the day. I have used Roman numbers to rank each step, with the corresponding field expert. Though no direct quotes have been used, I have summarised the insights of each speaker covered below, as well as questions (and answers).

Document overview:

- I. Opening by Jort Kelder (Chairman of iEX beleggersdag) and Peter Paul de Vries (iEX Group and Value8)
- II. CEO Talk with Hein Schumacher (Unilever)
- III. How NVIDIA gives shape to Artificial Intelligence - by Justin Blekender (Lynx)
- IV. CEO Talk with Mike Kuehnel (Flow Traders)
- V. Europe within the spotlight - Ester Barendrecht (Economist, RaboResearch)
- VI. CEO Talk with David Knibbe (Nationale Nederlanden)
- VII. Investing into the AI revolution - by Jos Versteeg (InsingerGilissen)
- VIII. Hints by our experts and final debate

- I. 09:30 am 09:45 am: Opening by Jort Kelder (Chairman of iEX beleggersdag) and Peter Paul de Vries (iEX Group and Value8)



**Jort:**

- Question to the audience: Who made a profit out of NVIDIA?

A male from the audience:

- I had 1.5% positive net result from covered calls on ETFs involving NVIDIA

Jort:

- Adyen has saved me
- COVID was clearly not the best year for investments
- Gordon Gekko clip: Greed is good

Peter:

- I am a huge fan of Orange (with regard to Dutch soccer team): I got orange socks
- Orange is the Berkshire Hathaway of the European Championship
- 'A' of America -> Many of the best-performing companies are to be found over there
- There still is plenty of opportunity within the realm of investing -> Go for it!
- Imbalances within the Euro persist
- Euro Area showed an average growth of +0.8% in 2024
- There is not too much reason for positivity
- I once started out investing in a fund comprising bonds
- My first real shareholding began with Akzo
- At Value8, we work with several analysts -> First we get the numbers right behind a company, then we have a conversation with the CEO etc. -> We want to know as much as possible before reaching a decision

Jort:

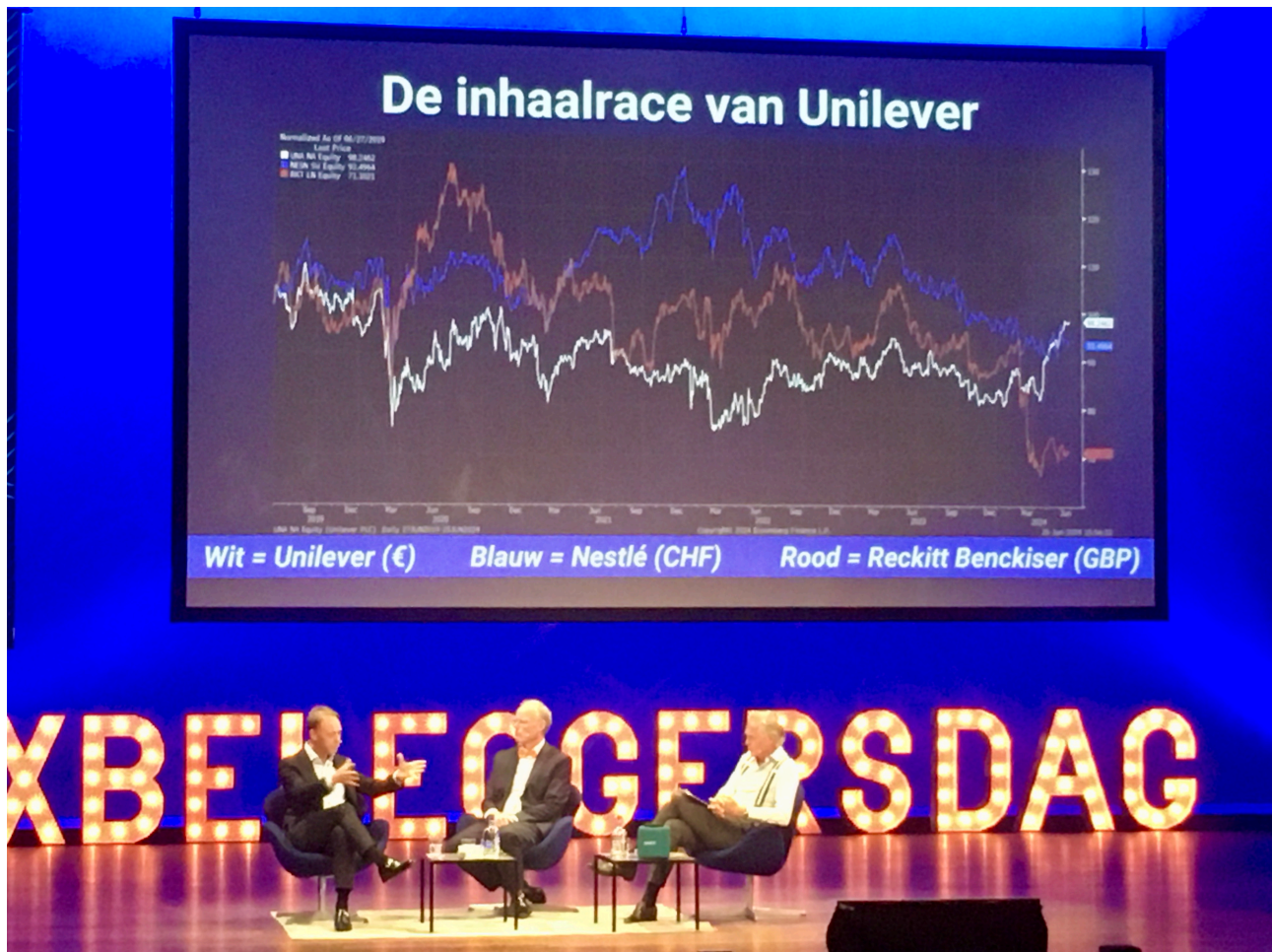
- Can you name a big blunder or a best pick?

Peter:

- I once purchased BAM (Bataafse Aanneming Maatschappij -> Major construction company) at 100 Guilders (Dutch national currency before the Euro) -> After a year the price touched 500 Guilders

II. 09:45 am - 10:30 am: CEO Talk with Hein Schumacher (Unilever)**Hein:**

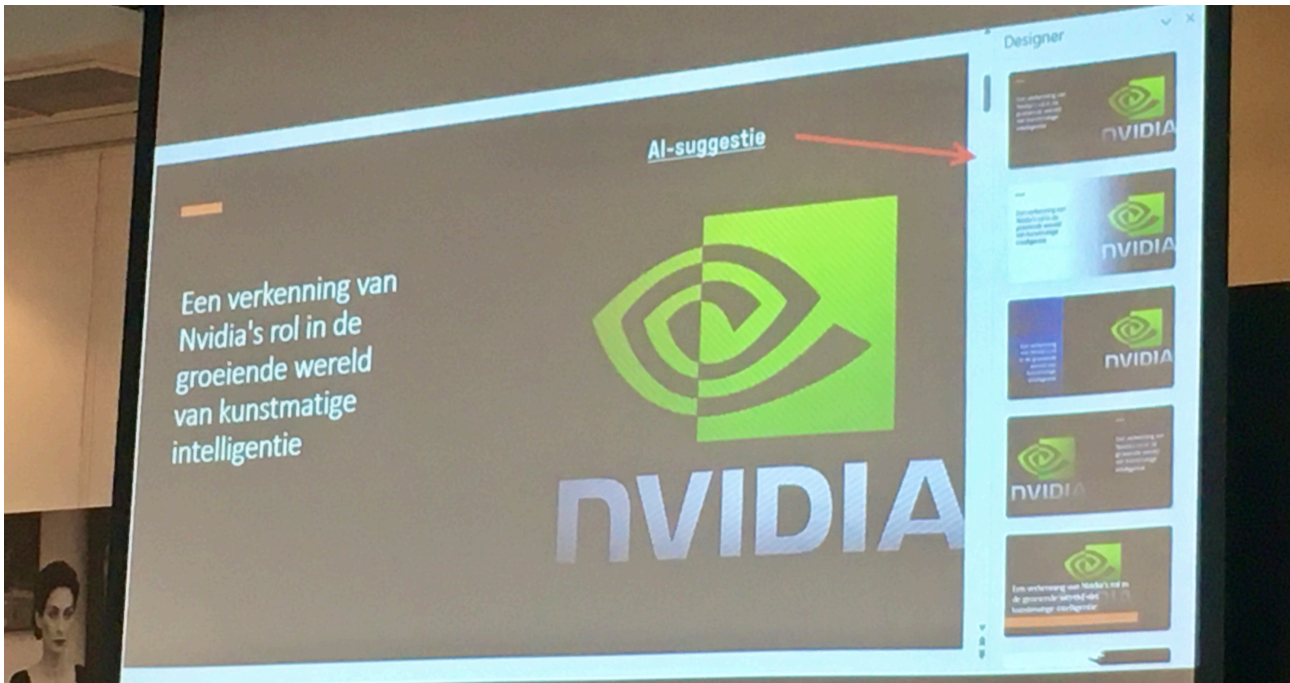
- Paul (previous CEO) was very much performance-oriented during the last years -> Sustainability translates itself into shareholder value -> After that there was a slight drop in performance
- Learn from your mistakes, but move on afterwards
- There was an offer by Kraft-Heinz -> Followed by a 'bang!' -> After that we had a couple of traumatic years -> We are now recovering, and so far so good
- I once worked at Friesland Campina, where many of our shareholders were farmers with limited income, so they depended financially on every decision of ours -> This taught me a lot
- Unilever was a new and unique challenge due to its immense scale



- At the same time, a lot needs to be done -> Performance is not as high as could be
- The decision-making process is too democratic, the portfolio too complex
- We have too many resources, so we are a bit too fat -> There have been many battles, our current path is a rigorous one
- "I would rather be rich than right" - quote by Nelson Petz -> Hein's response: That is up to him to say :)
- I do not believe in major transformative acquisitions, with regard to value creation -> We have a more organic growth
- Robijn Wonder Wash is one of our latest innovations

- My salary is based on a peer set of 20 companies -> Consistency is key in this regard
- I do not negotiate salaries and am grateful for the position I am in

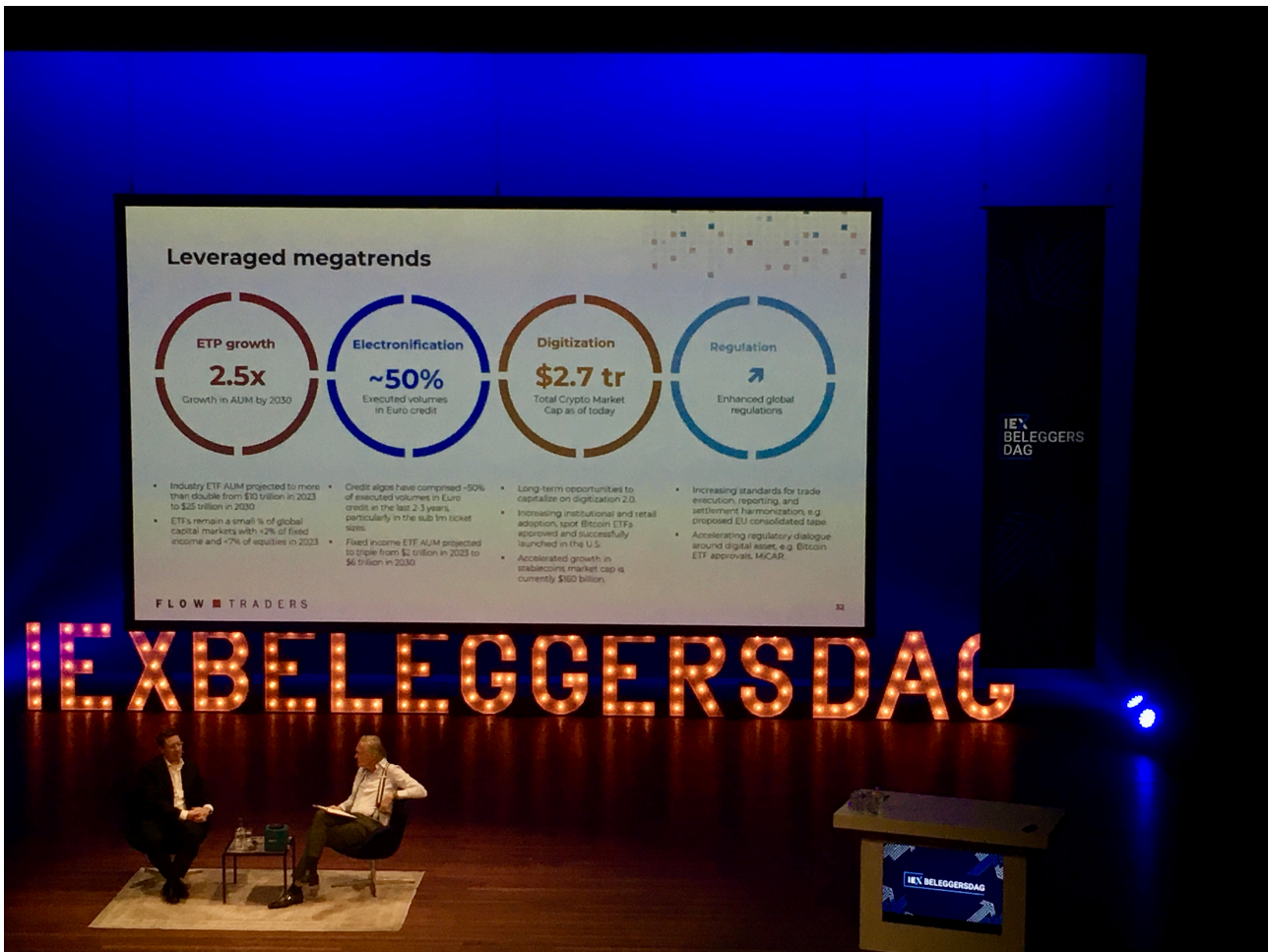
III. 11:05 am - 11:35 am: How NVIDIA gives shape to Artificial Intelligence - by Justin Blekender (Lynx)



- This year there was a +250% increase in revenue, last year growth was similar too
- What is next?
- Based on large data samples, a robot can make suggestions
- NVIDIA has not grown so much due to AI but rather due computer chips for gaming computers
- The company was founded in 1993 by Jensen Huang
- AI was also mentioned back in 2013 internally -> Early adapter and prominent in the industry -> They have now moved from CPU to GPU production
- Tensor Cores: Special hardware components have been integrated in NVIDIA's GPU -> This is crucial for real-time AI applications like autonomous driving
- The predecessor to AI was Machine Learning and Statistical modelling -> Siri is an example
- Nevertheless it took Amazon thousands of employees to steer the AI
- After Machine Learning (Artificial Narrow Intelligence) -> Machine Intelligence (General Intelligence) -> Machine Consciousness (Super Intelligence)
- Deep Learning -> Machine Learning inspired by the human brain -> Uses artificial neural networks
- There are problems attached to Deep Learning -> A more notorious case has been the fatal Tesla accident in 2016
- There is a higher rate of head-to-tail collisions (kop-staartbotsingen) with self-driving vehicles than by human-driven cars
- Almost every large tech company order chips at NVIDIA
- Forecast -> NVIDIA appears to be frontrunner in terms of AI chips -> They have de facto a monopoly position
- "We have lowest total cost of ownership" ... "virtuous cycle", thus spoke Jensen Huang
- In fact NVIDIA has become cheaper -> Profits surged much faster than the stock quote itself -> Earnings growth rate: 24.5% -> Frontrunner with 80% market share
- This market is cyclical -> Can rise very hard but plunge just as hard
- A potential competitor against NVIDIA: AMD -> a bit more expensive with Price-Earnings ratio of 108 (2024)

IV. 11:30 am - 12:10 pm: CEO Talk with Mike Kuehnel (Flow Traders)

Mike:



- I like to go skiing
- Flow Traders is located in Bermuda

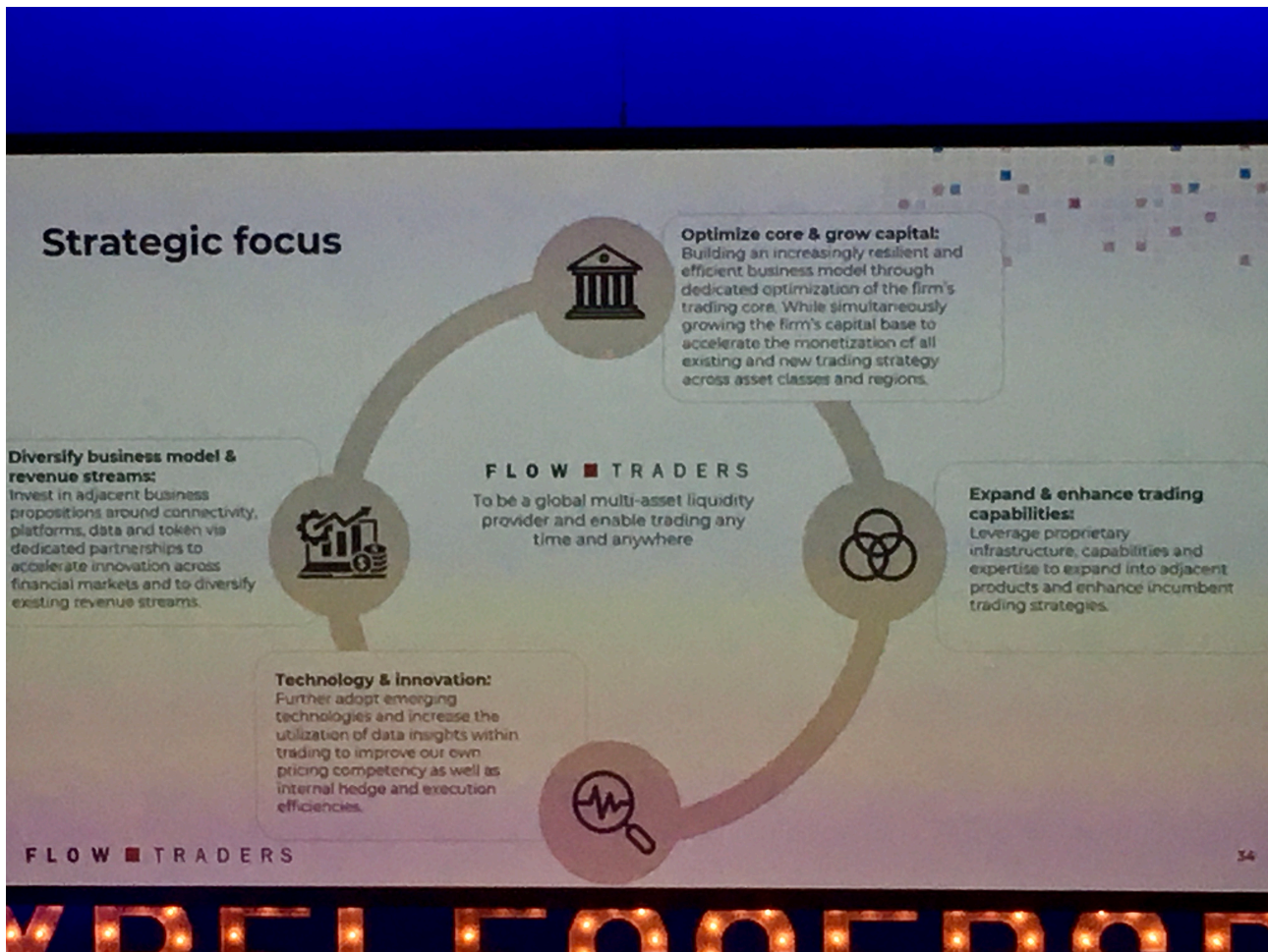
Jort:

- Is it not shady to be based there?

Mike:

- I appreciate the question, but it is not
- Key competitive market is the US -> This is the biggest liquidity pool on the planet
- Originally, I am a German guy
- My first 10 years I worked at Goldman Sachs, after that, I worked at Bain (Bain & Company)
- Flow Traders is very much driven by innovation
- Money and capital are an enabler
- If you want to trade from assets in Hong Kong to US, you need time and other costs -> It would be nice to improve on that
- Without liquidity, no fair prices exist
- The key ingredient of our mission is to remain market leader
- We started as a pre-eminent ETD market maker
- Decades back, assets were traded voice to voice
- Digitisation does not equal Electrification -> Digitisation is more about tokenising assets, creating larger pools of equities and bonds at the illiquid side of the market -> We solve some of this
- Flow is at the forefront of co-designing markets -> Started 7 years ago
- On crypto -> We have been there 7 years and built it based on our own talent

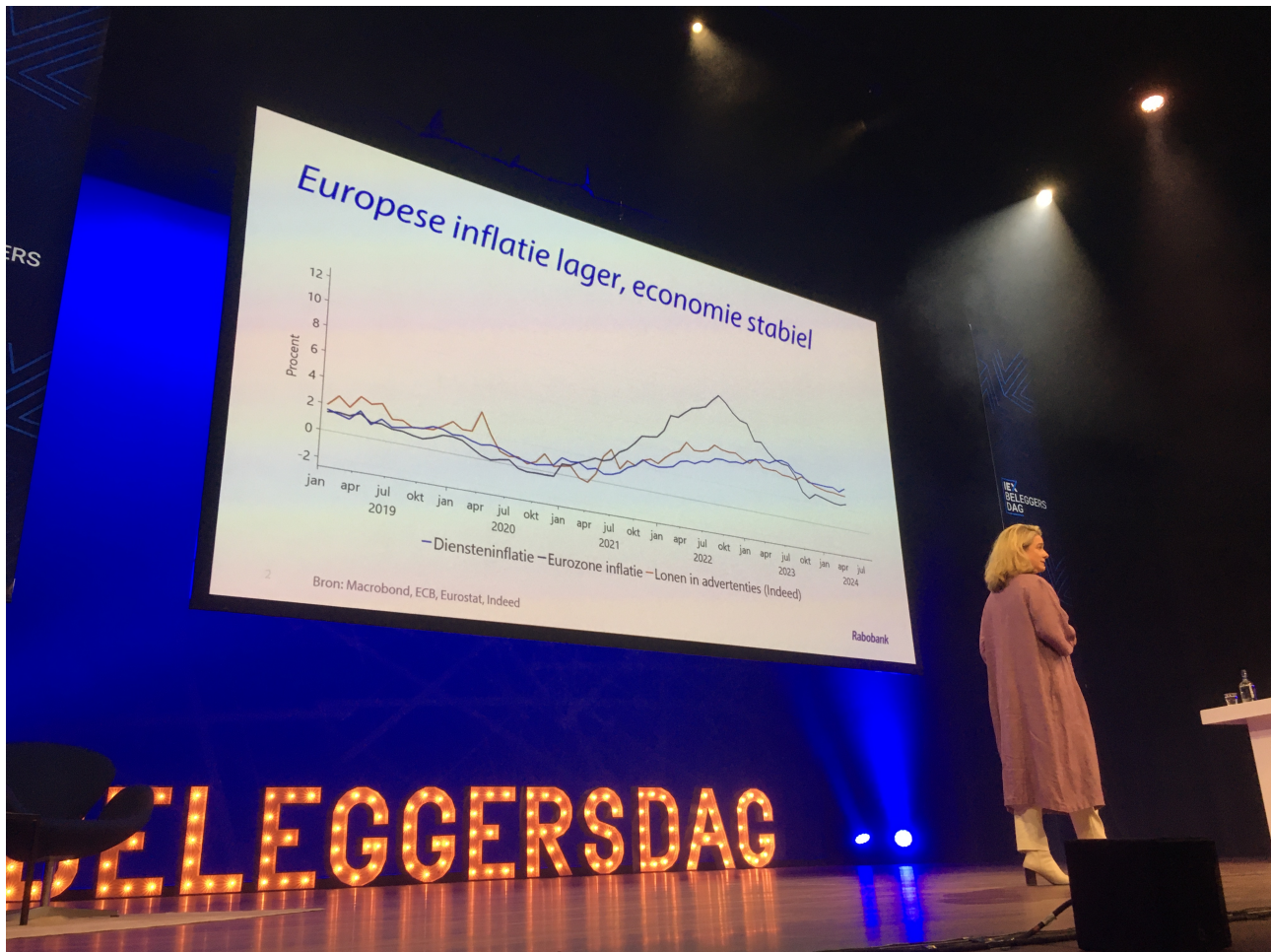
- One key theme: If you drive innovation, do not ignore traditional markets
- Innovation is also a way to address the 'unbanked' population -> More than 50% worldwide



- Flow Traders' trader model has a capital return of 80%
- Our capital base is growing
- We have built the first Euro Stablecoin
- We mostly thrive when markets are fragmented -> In such situations we step in and build something over there

V. 01:15 pm - 01:55 pm: Europe within the spotlight - Ester Barendrecht (Economist, RaboResearch)

- Inflation has largely been on the decline, yet within some sectors it remains higher than central banks aim for
- The ECB lowers its rate *before* the Fed
- Room for large decreases in interest rates is limited
- War in the Middle-East results in higher prices of cargo containers
- Europe within the financial spotlights naked -> Macron has decided to dismiss parliament
- Political uncertainty leads to economic uncertainty
- The Eurocrisis has lead to unprecedented uncertainty
- When Macron was contesting Le Pen in 2015, tensions arose within the markets -> Le Pen's current party has become more moderate with regard to Europe
- Europe has some fundamental fragilities -> Lack of commodities, competitive capacity of industries, military dependence, vulnerable to climate change
- Europe is the fastest warming continent on the planet
- Social cohesion is under pressure too



- Trump heads the election polls in the US
- So what do we need next?
- Many of the debts incurred between 2015-2020 have to be refinanced against higher interest rates -> The outlook is not so optimistic, except for Germany
- The instrumental panel has not been completed: i) Banking Union is still incomplete ii) Capital Markets Union is still incomplete iii) Internal market still needs upgrades iv) We do not have permanent shock absorption mechanisms yet
- We need a new EU parliament, Commission and new policy

VI. 02:50 pm - 03:30 pm: CEO Talk with David Knibbe (Nationale Nederlanden)

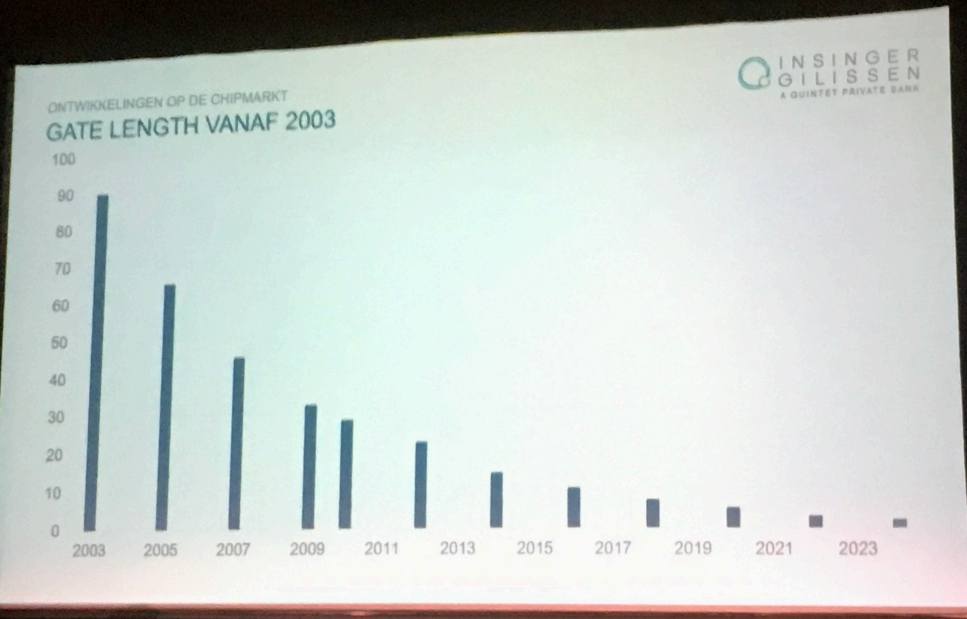
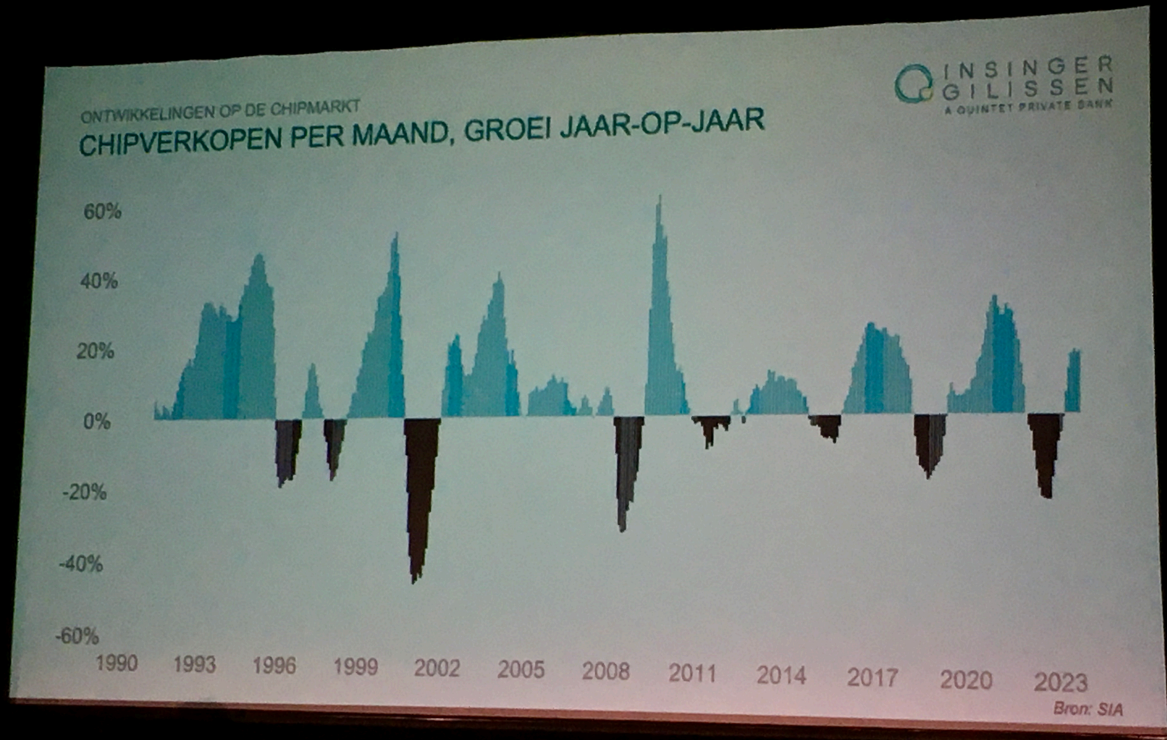
- We are listed on AEX, so we are a genuine Dutch firm
- I started first at ING
- Insurance offers a lot of beautiful products
- Climate change involving chance of floods is steadily increasing
- It is a pity the firm has been downscaled
- We serve 7 million clients in the Netherlands
- 10 years ago we went live on the stock exchange
- We are quite advanced regarding AI -> Non-biological intel
- For 15 years there has been a shrinkage in operational functions
- Each year we purchase €250 million worth of shares, after that comes the rest
- We use a stakeholder model, which is better in the long run
- There is still a lot of potential for growth



VII. 03:40 pm - 04:10 pm: Investing into the AI revolution - by Jos Versteeg (InsingerGilissen)

- Investments in Tech: High risks
- Today's topics: i) Invest for the long run ii) Developments within the chip market iii) Best firms
- Share price targets are relative, I can say after 30 years of experience
- You need i) Strong market positions that can easily be defended ii) Strong brands (e.g Apple, Samsung) iii) Your mission is critical (Microsoft, ASML) iv) Network effects matter (Alphabet, Amazon) v) Pricing power (NVIDIA, Adobe)
- During the last years, performance has been more important than share price targets
- Up until 2005, peaks and troughs within the chip market were high due to its rather uniform application (computers)
- Moore's law: Number of transistors on a chip substrate doubles every year
- America -> China is not allowed to produce chips with line lengths in excess of 14 to 16 nanometres
- NVIDIA has the best processors in terms of computing power
- CUDA is the programming language -> Many developers like this one
- The acquisition of Mellanox creates interconnection -> Most important competitor with the most prominent clients
- Sale of 'cages' are €2.5 million -> Easy to use
- At Microsoft, Satya Nadella plays an important role in pushing through AI
- ASM, ASML and Besi were early investors in Semi-conductors -> Resulting in Chiplets

(see explanatory charts on the next page)



VIII. 04:20 pm - 05:00 pm: Hints by our experts and final debate

Jort Kelder - Moderator

Jos Versteeg (InsingerGilissen)

Hildo Laman (IEX)

Jean-Paul van Oudheusden (eToro)

Royce Tostrams (IEX and tostrams.nl)



Jos:

- Buy Besi, which is rather small and still has a lot of potential for growth
- Chips will not be reduced in size anymore and are stuck on top of each other
- You have 'Front-end' in chip production, (produced in a sterile, dust-free environment)
- And then there is 'Back-end' production -> Copper wires -> Plastic around it -> This is what Besi normally used to do, and due to the reduction of chip size this has become a hassle -> Which is best, and carries the highest margins

Jort:

- Price?

Jos:

- €150, Price/Earnings ratio is about 140-150 times, look at how the company is positioned

Hildo:

- I have been following this share for years, be careful
- I was thinking about something more cyclical, such as Randstad -> share price is so low due to risk/reward which is currently quite good

Jean-Paul:

- Amphenol is a US firm, specialised in connectors and cables
- The AI trend is not over, yet there is more
- After WO II started, this firm was not very hot yet currently it is trending
- \$80 million worth of revenue

Jort:

- Will ASML continue to be a success?

Man within the audience:

- Up until 2030 it will, after that it will be difficult to say

Royce (technical analyst):

- I have two hints: ASML -> Has broken through the top resistance of the last years
- Price target: : €1400-€1600, currently €900
- Secondly, 2 years ago I bought an AEX tracker -> This year I did the same, last year I did the same, has definitively broken through resistance barriers -> Buy now on behalf of your grandchildren's future

Jort:

- Is capitalism sustainable?

Royce:

- There have been crashes in 1987, 2001, 2008, 2020, yet despite that, these were all part of an upward trend

Jos:

- It is natural for man to keep improving vis-à-vis the past

Jean-Paul:

- It is within the range of our track-record

Jort:

- Regarding NVIDIA, hype or not? What is next?

Jos:

- I do not know

Jean-Paul:

- Look at defence -> The hacking by an evil genius is the biggest nightmare

Jos:

- War will be won by the side with best AI
- First plenty of parties refused to join in -> But guys, we NEED it

Jort:

- What implications do losses have, in the US, France etc.?

Hildo:

- This means there will be risks in the market, resulting in chagrin, share prices will plunge
- There is a strong divide and even potential for civil war
- This damages the economy

Jos:

- It is often during times of crisis, when the real decisions are made

On a final note

It was a pleasure to be at this annual event, and observe the latest trends within stock markets. AI is clearly a recurring theme, as are the risks associated with Euro Area imbalances and political fragmentation. The United States clearly is the winner in terms of best performing stock-listed firms, and Europe has a lot to gain regarding defence and technology, so there is a lot of upward potential. Many thanks to IEX and to Jort Kelder for having organised this event and for having welcomed me! For feedback, please send an E-mail to quero@discounted-by-a-lightning-strike.com. Thank you for reading!

I have no interests to declare other than my attendance as a board member of investment committee Carpe Divitias.



IEX

**Ontmoet onze analisten
en stel al uw vragen!**

10:00 - 11:00
Technische analyse
Wouter Slot &
Tom Nederhoff

11:00 - 12:30
Opties en optietips
Hildo Laman

12:30 - 13:30
Tech-aandelen
Ivo Breukink

13:30 - 15:00
Cyclische aandelen
Teun Verhagen

15:00 - 16:00
Nederlandse aandelen
Martin-Jan Crum

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