

BROCK MILTON CAPITAL

BMC Global Technology

Investing in the future

December 2025

Important information



BMC Global Technology Fund is a Light green (article 8 according to SFDR), UCITS regulated equity fund with a global mandate.

This presentation is intended for pure information only and must not be construed as an offering, solicitation or recommendation to make an investment and does not constitute any investment advice. Past performance is not a guarantee of future returns. The value of shares in the fund may go up or down, and an investor may not get back the amount originally invested. An investment decision should be based on the information in the fund's fact sheet, Key Investor Information Document ("KIID"), full prospectus, and the latest published annual and half-yearly reports.

The return shown in the presentation is adjusted from management & performance fees

These documents are available at www.bmcapital.se and can also be acquired directly from Brock Milton Capital.

Please contact your adviser for advice on placements tailored to your individual situation.

<https://www.bmcapital.se/>

Brock Milton Capital

Exclusive Seeding Class Offer

Two new funds launching in H2 2025:

- BMC Global Technology
- BMC International (ex. US)

Seeding Share Class

- Management fee: **0,45% (ord. 1,4%) + performance fee**
- Minimum investment: **1 million SEK (~100k EUR)**
- Liquidity: **Daily**

The seeding share class will be open for investments for maximum 12 months or until reaching 1 bn SEK in AUM. The seeding share class will thereafter close and only be open for redemptions, and no new investments can be done in this specific share class.

Overview BMC Global Technology



Our strategic goal is to generate 15-20% annual return over a business cycle. This target should allow us to achieve our ambition of beating our benchmark (MSCI All Country World Daily Net Total return index) over time.

Concentrated global long-only equity UCITS fund, always fully invested with 30-45 holdings.

- Maximum 5% weight in a single holding
- Maximum 20% weight in a single sub-sector

A portfolio of the world's leading technology companies.

Companies with high quality, positive outlooks and attractive valuations. Companies can be classified as technology or are expected to benefit from technology.

Actively managed. With at least 2/3 invested in “Champions” and up to 1/3 in “Special Situations”.

ESG focus – light green fund, article 8 according to SFDR.

Sustainability is an integrated part of the investment process. The fund actively selects companies with a high ESG profile and influences them towards a more sustainable way of working.

Skin in the game – Partner model with fund managers who have invested a significant share of their own capital in the fund alongside investors.

BMC now manage four funds



Global stock market

BMC's philosophy, investment process and internal ESG analysis

Share idea generation

30-40 companies

BMC Global Technology

Investing in the future

15-20% return target

Launching 2025

25-35 companies

BMC Global Select

World's finest companies

15% return target

Launched 2014

30-40 companies

BMC International (ex-US)

Quality beyond borders

15% return target

Launching 2025

30-50 companies

BMC Global Small Cap

World's finest entrepreneurs

15-20% return target

Launched 2022

Launching two new exciting funds after a successful track record and proven investment process

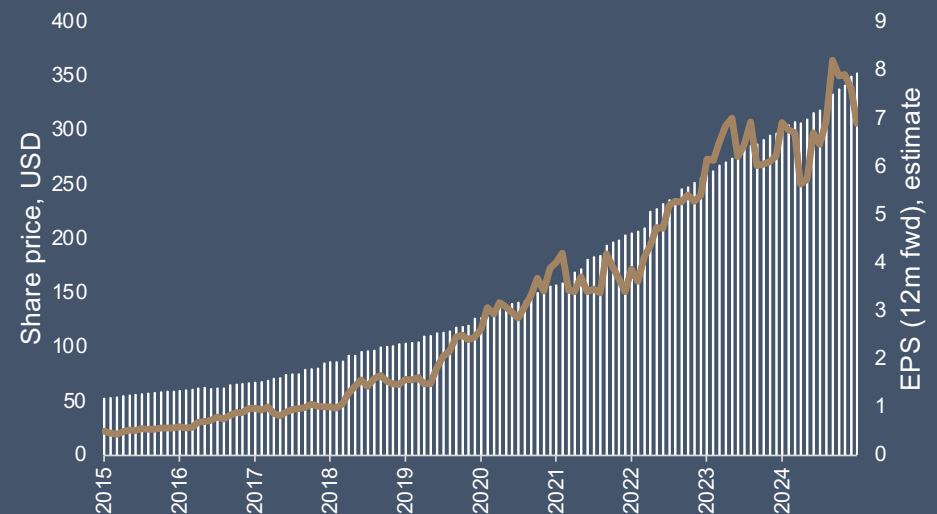
Confidential

5

Champions – Industry leaders

- No. 1 or 2 in their industry
- Active in an industry with high profitability and good growth
- Has created good competitive advantages, such as:
 - ✓ Economies of scale, brand, service network, strong customer relationships, internal processes
- Robust balance sheet
 - ✓ Preferably debt-free
- Reasonable share valuation
 - ✓ Typically a P/E around 20-35x
- Strong corporate culture and management with a proven ability to lead the company successfully through the business cycle
- Open and honest communication with the financial markets, through both ups and downs

Cadence share price & EPS 2015-2025

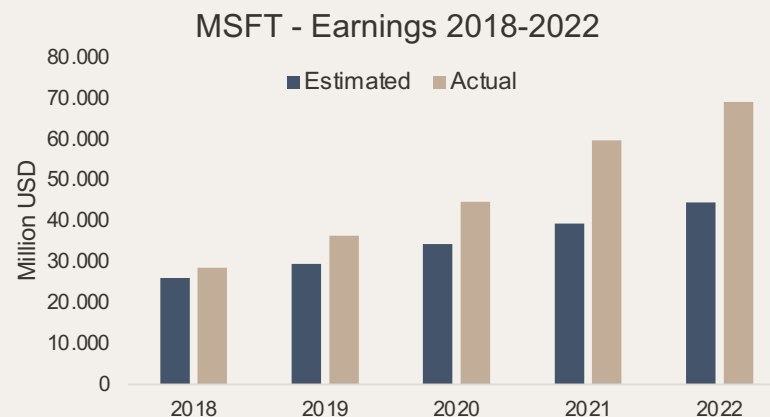


Champions – Generating alpha through long-term view



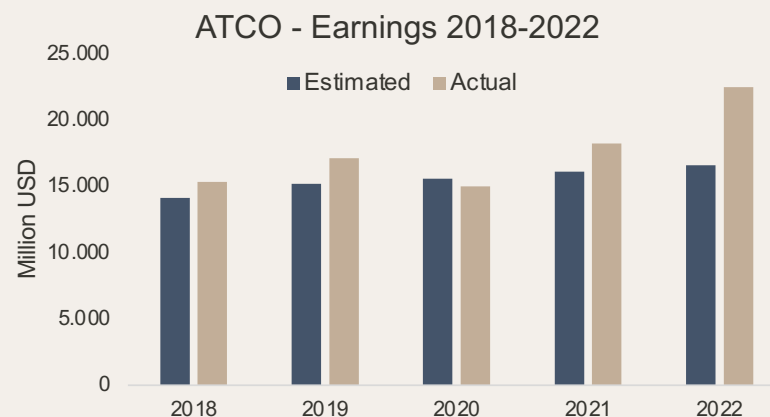
Microsoft

Earnings 55% better five years out estimated due to strong cloud growth and continued execution



Atlas Copco

Earnings 36% better five years out estimated due to strong growth in vacuum division and continued execution



MSFT: UBS analyst estimates from November 2017

ATCO: UBS analyst estimates from July 2018

Academic research supports our approach



Research underpinning our work

- **Growing firms outperform firms with poor growth** – Mohanram 2005
- **Stocks with high profitability outperform** – Novy-Marx, 2014
- **Firms with low leverage have high alpha** – George and Hwang 2010; Penman et al. 2007
- **Managers who have "skin in the game" outperform** – Ibert, 2023

Quality Investing

Robert Novy-Marx

Buying high quality assets without paying premium prices is just as much value investing as buying average quality assets at discount prices. Strategies that exploit the quality dimension of value can be profitable on their own, and accounting for both dimensions of value yields dramatic performance improvements over traditional value strategies. Gross profitability is particularly powerful among popular quality notions, especially among large cap stocks and for long-only investors.

What is quality investing, and how should quality be measured? Quality, unlike value, has no universally accepted definition. Value strategies are easily identified by the fact they hold stocks with low valuations. Quality strategies, in contrast, are generally identified using something more akin to Supreme Court Justice Potter Stewart's obscenity doctrine of "you know it when you see it" (*Jacobellis v. Ohio*, 1964). This paper attempts to identify commonalities across seven of the best known quality strategies. It also looks for differences, running a performance horse race between alternative quality strategies.

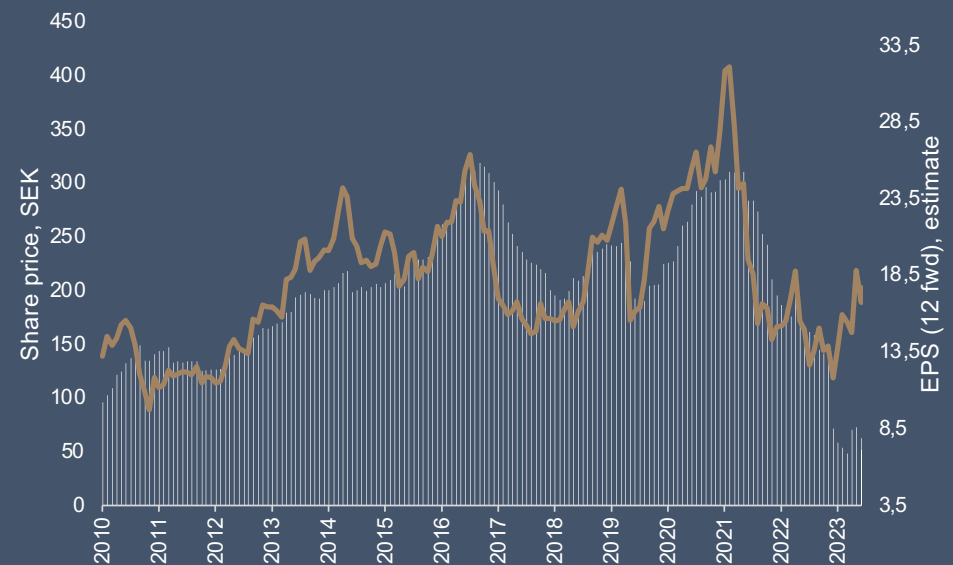
Quality is often marketed as an attractive alternative to traditional growth strategies, which performed terribly both during and after the NASDAQ deflation in the early 2000s. Its leading industry proponents include GMO's Jeremy Grantham, whose high quality indicators of "high return, stable return, and low debt" have shaped the design of MSCI's Quality Indices, and Joel Greenblatt, whose "Little Book that Beats the Market" has encouraged a generation of value investors to pay attention to capital productivity, measured by return on invested capital, in addition to valuations.

Source: [QDoVI_141030.DVI \(rochester.edu\)](https://qdo.vi.141030.DVI.rochester.edu)

Special Situations – Investment opportunities

- Companies that the market doubts but that are on the cusp of positive change
- Acceptable indebtedness
- Often cheaper shares, sometimes trading under book value or with an expected P/E of 5-15x
- Share price expected to increase at least 20-100% over the coming three years
- Unappealing to long-term investors based on industry structure or growth potential. Holding is sold once the share price reaches expected valuation
- Typical industries:
 - Banks, Construction, Agriculture, Shipping, Basic Materials. Engineering

JM:s share price and EPS 2010-2024



Highly experienced fund manager team



Henrik Milton

Master's degree in Finance from Lund University and Bachelor of Science degree from the KTH Royal Institute of Technology. Managed a BRIC mutual fund for more than three years. Twice rated best-performing BRIC fund manager. Previously managed two mutual funds awarded five-star Morningstar ratings – the highest such ratings.

Industry experience since 2001

2016–	Portfolio Manager - Brock Milton Capital	Sweden
2011–2016	Portfolio Manager - SEB	Sweden
2001–2011	Portfolio Manager, Global equities and Emerging Markets Equities – Capinordic	Sweden, Denmark
1995–1998	Sales engineer – ABB	Sweden
1990–1995	Lieutenant - Swedish Air Force	Sweden



Herman Ohlsson

BSc and MSc in Finance from Stockholm School of Economics. Part of the BMC team since 2020 covering the semiconductor industry. Prior experience in management consulting and equities trading.

Industry experience since 2020

2025–	Assistant Portfolio Manager - Brock Milton Capital	Sweden
2020-2025	Analyst – Brock Milton Capital	Sweden
2019-2020	Trading/portfolio – Coeli	Sweden, Denmark
2017-2019	Analyst – Retail Academics	Sweden

The Brock Milton Capital team



Andreas Brock, CFA

Portfolio manager

Specialist in the construction, real estate and insurance sectors



Henrik Milton

Portfolio manager

Specialist in technology & software and speciality finance sectors



Max Lundberg

Product specialist



Jessica Thorstensson

Product specialist



Kristofer Berggren

Product specialist



Herman Ohlsson

Assistant portfolio manager

Specialist in the semiconductor sector



Christopher Wright

Portfolio manager

Specialist in the consumer sector



Johan Agneman

Portfolio manager

Specialist in the industrial sector



Sara Bratt

Legal Counsel



Ole Sjøberg

Ambassador/Introducer
Norway & Denmark

Investment process - overview



Ideas

- 90% bottom-up, 10% top-down
- Company meetings and industry conferences
- Sell-side analysis and conferences
- Proprietary financial screening models



Analysis

- ESG
- Financial quality and strength
- Profit growth
- Valuation
- Risk



Management

- Active portfolio management
- Ongoing contact with companies and analysis of news and financial reports
- Risk management

Step 1: 300+ company interactions each year generate lots of ideas



Broadcom



Salesforce



Nvidia



Arista



Cadence



Intuit

Step 2: Analysis



01

ESG

- Eligible for investment
- ESG disclosure
- UN Global Compact
- E - Environment
- S – Social responsibility
- G - Governance
- ESG risks and opportunities

02

Quality

- Industry structure
- ESG – Sustainability of business model
- Size of the largest customer?
- Pricing power?
- Assessment of management quality
- Main shareholders?
- Balance sheet assessment

03

Growth

- Is organic growth higher than global GDP?
- Are there acquisition opportunities?

04

Valuation

- DCF model
- ESG – valuation premium or discount?
- Historical multiples

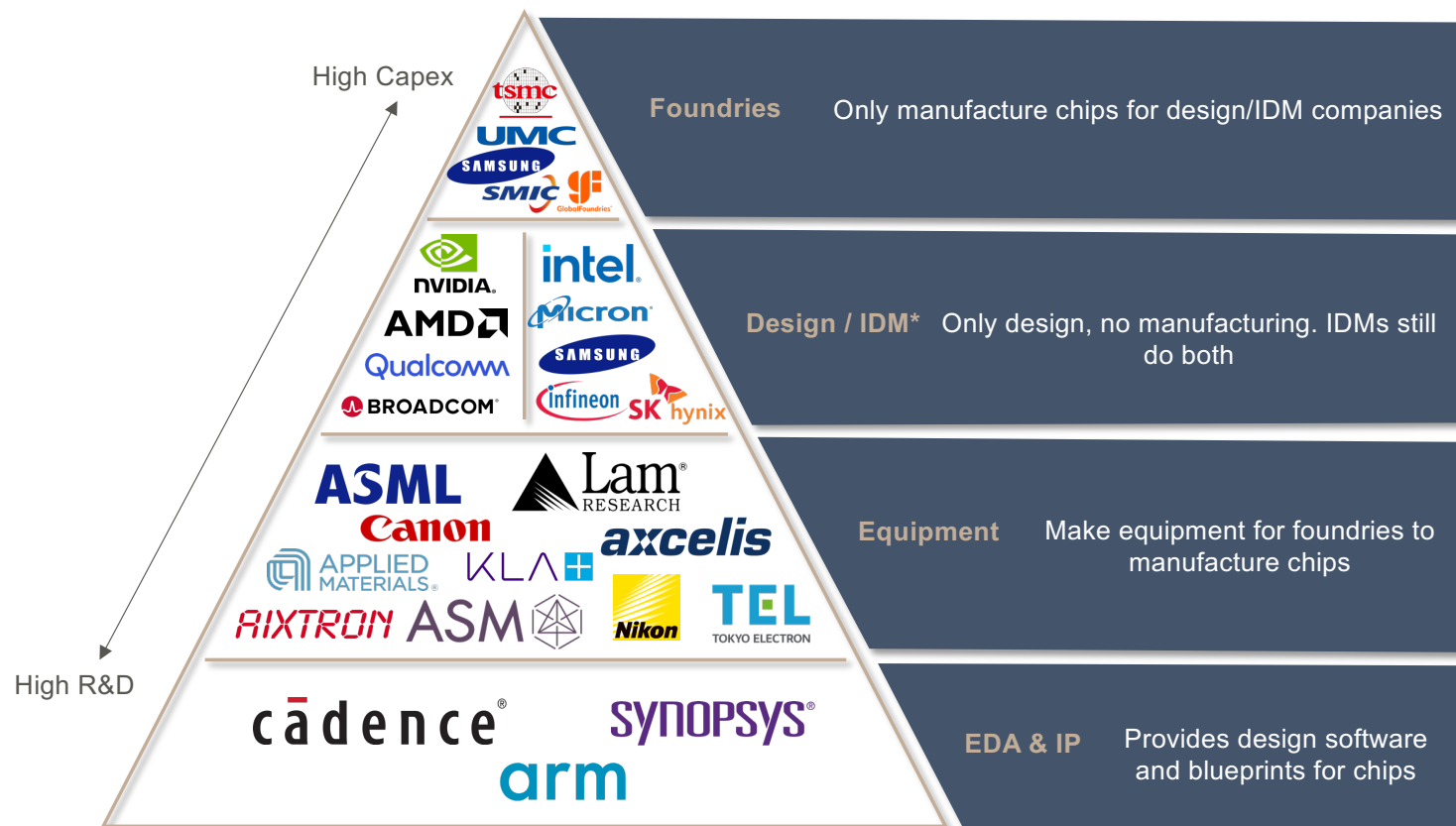
05

Risk

- Accounting analysis
- Cash flow generation
- Stock liquidity
- Insider transaction analysis

Step 2: Example – The Semiconductor Value Chain

In-depth analysis of the value chain



Step 2: ESG – Proprietary ESG model

In-house analysis and evaluation



Name of the company:	Catena
Bloomberg code:	CATE SS EQUITY
Market cap (MUSD):	1,861
1. Summary	
Coeli Global: Fund exclusion criteria:	✓
Coeli Global: ESG impact score:	28%
Taxonomy eligible activities as percent of revenues:	100%
Number of UN SDGs contributing to:	8

Has the company separated the role of the CEO and the role of the Chairman?	Yes	1.0%
Sub-total: objective assessment (max 20%)	15.0%	
Subjective assessment		
Controlling Shareholder(s)	Star	5.0%
Environment	Good	2.5%
Social	Good	2.5%
Governance	Good	2.5%
Sub-total: subjective assessment (max 20%)	12.5%	
Coeli Global: ESG impact score	27.5%	
10. The UN sustainable development goals (SDG)		
According to the company, how many of the UN SDGs does it contribute to?	8	
SDG: 5,7,8,9,11,13,16,17		

Name of the company:	Catena
Bloomberg code:	CATE SS EQUITY
Market cap (MUSD):	1,861
1. Summary	
Coeli Global: Fund exclusion criteria:	✓
Coeli Global: ESG impact score:	28%
Taxonomy eligible activities as percent of revenues:	100%
Number of UN SDGs contributing to:	8
2. Our conclusions	
Catena is committed to ESG. The company has implemented science-based environmental targets and an ambitious net zero policy by 2030. Catena invests much in renewable energy, in the solar sector, and in energy storage systems. For instance, it recently announced up to 500 MWh of potential sustainable energy investment. Moreover, Catena has low governance risk. It has all its operations in Scandinavia, a low-risk region from a governance perspective. It has strong ownership backed by one of the most credible Swedish real estate investors (and no cross-ownership as seen in many Swedish real estate companies), and it has adopted and is following several international ESG-related standards and protocols. The gender balance among its top leadership is also good at more than 40% females. We encourage Catena to continue with its green investments and would recommend it to link remuneration to these initiatives. We also encourage Catena to set up an internal audit function.	
3. ESG risks identified (which may have material impact on the business)	
EU regulation around the energy efficiency of buildings poses a material risk to Catena. If it is not able to comply with these regulations, Catena may ultimately lose business. However, energy savings seem to be on the top of its agenda, significantly reducing this risk.	
4. Controlling shareholder	
We deem the controlling shareholder(s) (normally the Chair of the Board or the CEO) to ultimately be the most influential power in the company, particularly when it comes to soft items such as business ethics, culture, and values, which are very hard to judge as an outsider. Catena is controlled by the Erik Paulsson family, through the family-controlled investment company Baskahol. They have approx. 22% of the capital and the voting rights. The Erik Paulsson family is represented on the board by Larsmart Mauritzson, the CEO of Baskahol. We deem the family to be good, long-term focused owners with a very good reputation, particularly when it comes to real estate investments.	
5. Questions and issues to discuss	
We will encourage Catena to implement ESG-related targets linked to the executives' remuneration. We will also encourage it to set up an internal audit function.	
6. Next step and outcome	
Set up a meeting during spring 2023	

Name of the company:	Catena
Bloomberg code:	CATE SS EQUITY
Market cap (MUSD):	1,861
1. Coeli Global: Fund exclusion criteria:	
Does the company generate more than 1% percent of its revenues by producing:	Score
a. Weapons	No ✓
b. Tobacco	No ✓
c. Alcohol	No ✓
d. Pornography	No ✓
e. Gambling	No ✓
f. Oil & Gas	No ✓
Is the company domiciled in Russia?	No ✓
Is the company not flagged in SISESG due to breach of international norms?	No ✓
2. Coeli Global: ESG impact score:	
Objective assessment	
Does the company signed UN Global Compact?	Yes 1.0%
Does the company provide an annual ESG-report?	Yes 1.0%
Does the company have a dedicated ESG-person / team?	No 0.0%
Does the company's executive management have remuneration directly linked to ESG-related targets?	No 0.0%
Does the company responsibly and sustainably grow its business?	Yes 1.0%
Environment	
Has the company established a CO2 emissions reduction target?	Yes 1.0%
Has the company reduced its CO2 emissions, in relation to economic activities, over the last 3 years?	Yes 2.0%
Has the company established science-based environmental targets?	Yes 1.0%
How many percent of the company's revenues are deemed as taxonomy eligible activities?	100% 3.0%
Social	
Does the company regularly conduct a survey measuring the well-being and engagement of its employees?	Yes 1.0%
What is the company's employee turnover rate?	9% 0.0%
How many percent of the company's executive management and board of directors are female (average last year)?	44% 1.0%
Has the gender balance among the company's executive management and board of directors improved over the last 3 years?	Yes 2.0%
Governance	
Does the company have a Code of Conduct?	Yes 1.0%
Does the company have an Internal Audit function?	No -1.0%
Has the company separated the role of the CEO and the role of the Chairman?	Yes 1.0%
Sub-total: objective assessment (max 20%)	15.0%
Subjective assessment	
Controlling Shareholder(s)	Star 5.0%
Environment	Good 2.5%
Social	Good 2.5%
Governance	Good 2.5%
Sub-total: subjective assessment (max 20%)	12.5%
Coeli Global: ESG impact score	27.5%
10. The UN sustainable development goals (SDG)	
According to the company, how many of the UN SDGs does it contribute to?	8
SDG: 5,7,8,9,11,13,16,17	
11. Environmental assessment related to the investment	
Will we own more than 5% of the shares?	No
If yes, please create voting right strategy	n/a
12. ESG scores by external vendors	
S&P ESG rating (scores listed below):	C
On the environmental side, 8% of Catena's security portfolio is certified to the EU GreenBuilding standard and 6% of the portfolio is	

Step 2: Sustainability - ESG



Excludes:

- Fossil fuel producers (>5% of revenues)
- Alcohol manufacturers/distributors (>5% of revenues)
- Weapons manufacturers (>5% of revenues)
- Tobacco producers and retailers (>5% of revenues)
- Gambling (>5% of revenues)
- Companies that breach international norms on human rights, working conditions, the environment, and anti-corruption
- Russian companies

Includes:

- Own analysis – brakes for electric vehicles (Brembo), environmentally friendly gas (Beijer Ref, Carel), energy (Vestas)
- Idea generation from Barron's Top 100 Sustainability (Thermo Fisher, American Water Works, Ecolab)
- Idea generation from Corporate Knights 100 most sustainable corporations (Neste)

Impacts:

- ESG impact letter to the companies we define as Champions, outlining our expectations as a shareholder
- Discussion with portfolio companies regarding ESG – for example, with Carel on the importance of signing the UN Global Compact and with Beijer Ref on the internal audit function.
- Voting at AGM

Quantifies:

- Own developed model that quantifies ESG risks and opportunities.

Step 3: Active portfolio management

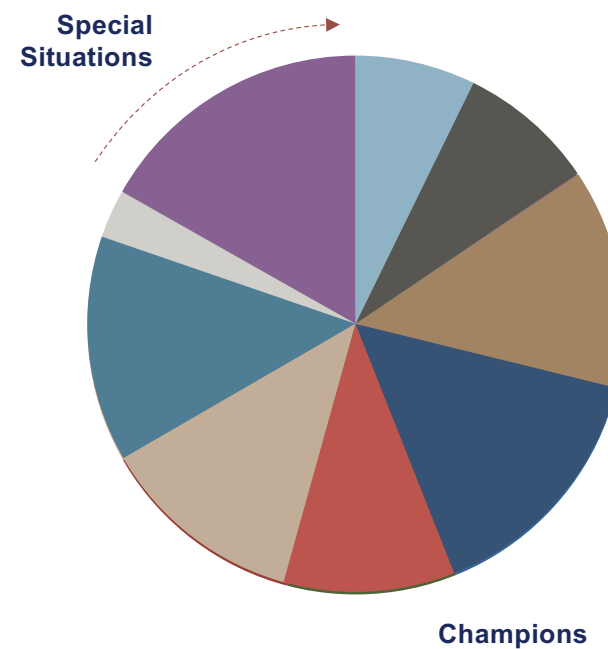


Portfolio Structure

- Balanced portfolio
- 30-45 holdings
 - >2/3 “Champions”
 - <1/3 “Special Situations”
- Typical portfolio weights
 - Champions 3-5%
 - Special Situations 2-4%
- Capacity to trade EUR 100 million a day

Portfolio Guidelines

- At least 50% of the portfolio invested in companies in MSCI IT or MSCI Communications sectors
- US: 40-80%
- RoW: 5-30%
- Cash: normally fully invested (less than 2% cash)
- Possibility to invest in companies with maximum 30% defense related sales



Step 3: Risk Management

Portfolio risk

- Daily risk analysis and compliance assessment conducted by custodian, MDO in Luxembourg
- Monthly risk meeting with Coeli's Chief Risk Officer
- Fund managers' continuous monitoring of financial development and ESG performance of the portfolio companies
- Monthly audit of insider activity

Sales discipline

- Fund managers sell holdings given:
 - A change in investment principles – can be fundamental and/or valuation-related
 - A portfolio upgrade

Why invest in BMC Global Technology?



1 Broader portfolio with companies benefitting from tech

2 Lower concentration risk

3 On the ground research to catch technology trends

4 Technology outperform over time

What is technology?



*A product or service which enhance the **efficiency** or **effectiveness** of a process which creates value*

Technology companies (example)

Nvidia

Information technology

TSMC

Information technology

Microsoft

Information technology

Companies benefitting from technology (example)

Deere

Industrial

REVO

Insurance

NU Holdings

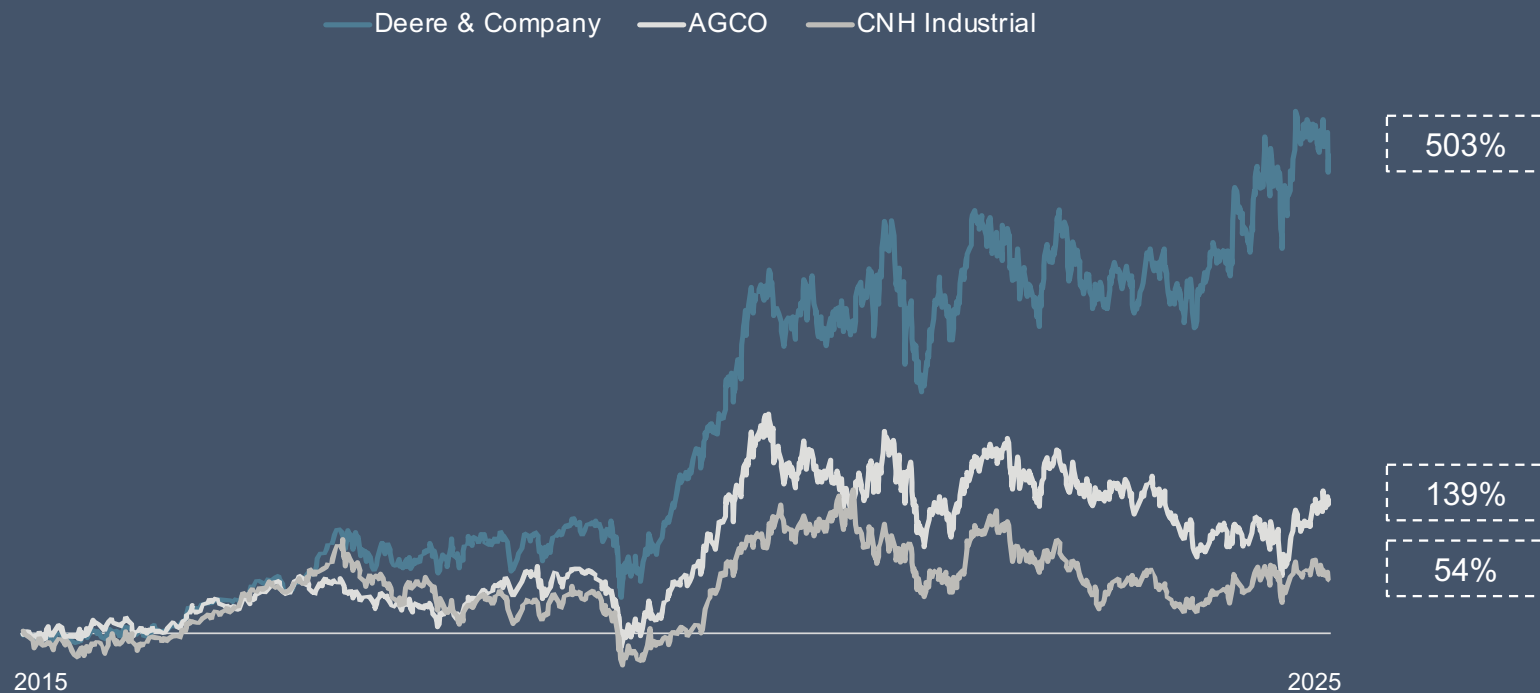
Financial service

Broader view – companies benefitting from technology








Deere & Company

Global leader in self-driving tractors and satellite navigation



High concentration not our philosophy



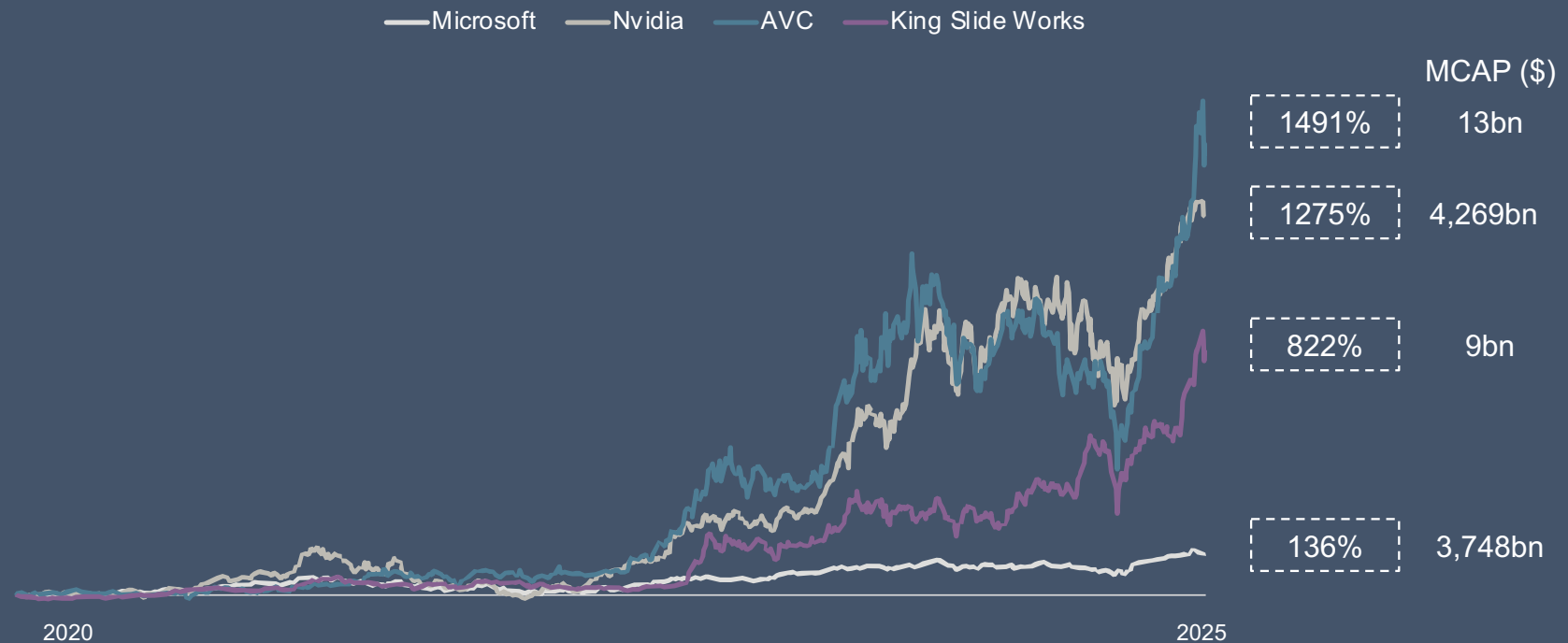
		BMC Global Technology	MSCI ACWI (benchmark)	SP500	NASDAQ100	MSCI IT	Peer avg.*
Holdings	1	 4,9%	Nvidia 5,1%	Nvidia 7,4%	Nvidia 14,0%	Nvidia 21,2%	N/A
	2	 4,9%	Microsoft 4,4%	Microsoft 6,6%	Microsoft 12,5%	Microsoft 18,4%	N/A
	3	 4,5%	Apple 3,6%	Apple 5,9%	Apple 11,1%	Apple 15,2%	N/A
	4	 4,5%	Amazon 2,6%	Amazon 4,2%	Amazon 7,9%	Broadcom 6,4%	N/A
	5	 4,0%	Meta 1,9%	Meta 3,3%	Meta 6,2%	Oracle 2,0%	N/A
Top 5		22,8%	17,6%	27,4%	51,7%	63,2%	35,0%

Smaller companies have outperformed big tech



Biggest is not always best

Smaller tech-benefitting companies have outperformed Nvidia and Microsoft



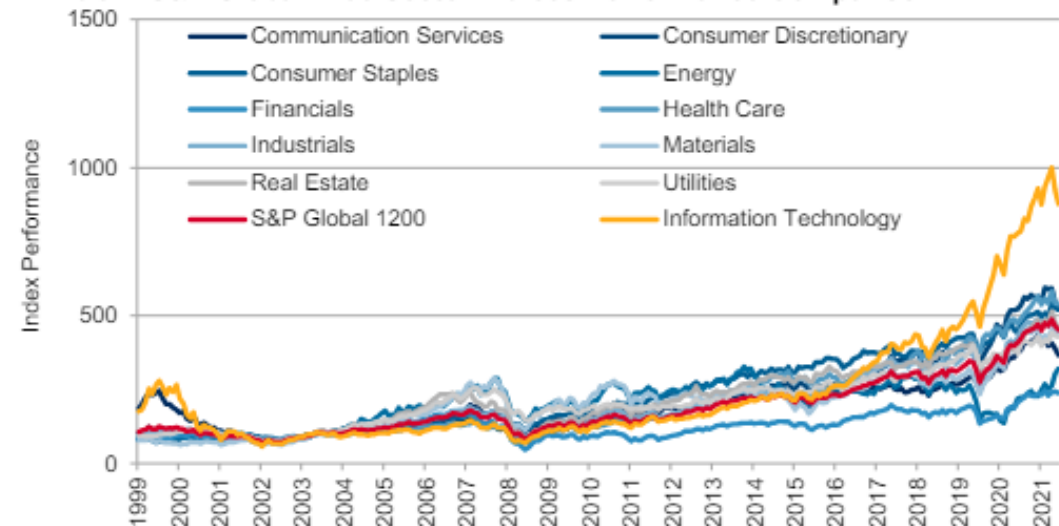
Technology stocks outperform long term



Reasons behind outperformance:

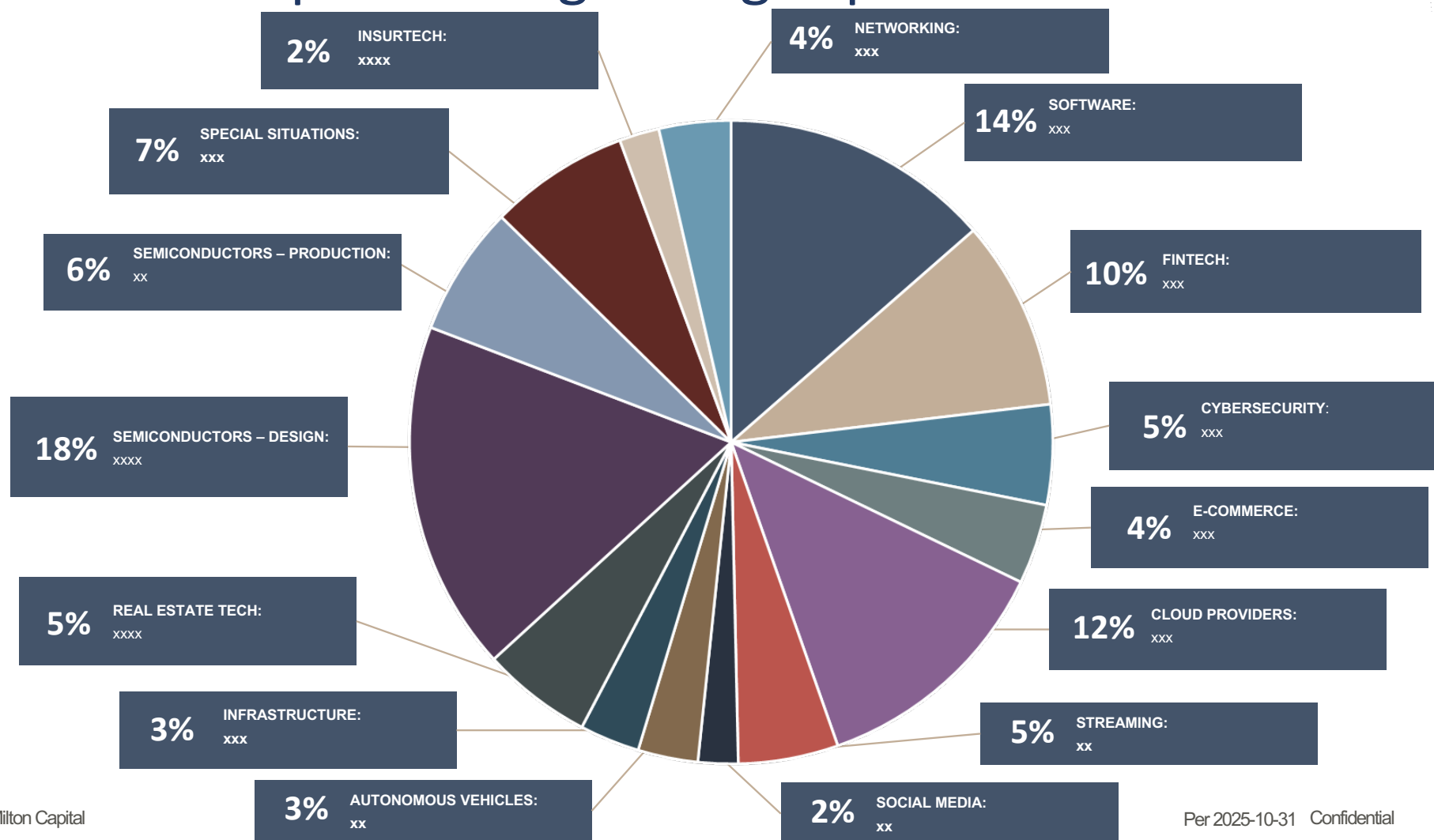
- Innovative companies
- Scalable business models
- Competitive advantages
- High profitability
- High value creation
- Strong pricing power

Exhibit 7: S&P Global 1200 Sector Indices Performance Comparison



Note: Figures standardized such that Dec. 31, 2003 = 100, given that the S&P Global 1200 Real Estate has its first value at that date.

The fund's exposure to growing & profitable trends



A local Champion

Intuit – Operates a business ecosystem



Investment thesis

- **Well managed software company for business systems**
 - Intuit is software company which operates a business system for companies. Intuit is also operating two system for retail clients. The four main systems they run is turbotax, credit karma, quick books and mail chimp. The company was founded in 1983 by Scott Cook (owns 2,2%) and Tom Prolux. The CEO Sasan K. Goodarzi owns 51 348 stocks worth US\$ 35 millions. The largest shareholders are Vanguard 9,9%, BlackRock 9,3%, State Street 4,6% and T Rowe Price 3,5%.
- **Intuit have raised guidance for revenue growth**
 - Intuit have raised guidance for revenue growth for FY 2026 to 12-13%. They also expects that EBIT-margin will increase with approx. 1% of the course of one year. They have hired a new manager from Meta which will focus on mail chimp to return to good growth again. The tax service, turbo tax, has a large TAM and with 140 million followers on social media; Intuit sees great opportunities within this business area.
- **The share will compound +15% per annum**
 - Intuit is trading at PE 25x which is at a four-year low level. We think this offers an attractive entry point in the stock and in one year time we see a 30% upside from continued EPS growth and multiple expansion. The downside is 10% if multiple contracts to below its historical low.
- **ESG: All is green**
 - Our pre-trade compliance check generated no warning signals. The company is not Russian, does not have more than 5% of its revenues in any of our exclusion sectors, is not red-flagged for violations against international norms and the shares are extremely liquid. There are no conflict of interests.

INTUIT

Financial data

Revenue (2025): 18.5n USD

Value drivers by geography:
Worldwide (mainly US) 100%

Value drivers by segment:
Global Business Solutions 59%
Consumer 26%
TurboTax 3%
Credit Karma 12%.

No customers account for more than 10%.



A local Champion

Anant Raj – from apartments to data centers and cloud



Investment thesis

- **Indias leading data center builder with own cloud**
 - Anant Raj is the leading data center developer in India. After five decades in developing residential and commercial units, the company expanded into the fast growing and highly profitable data center market. The company was founded in 1969 and is managed by the founding family who owns ~60% of the company. The CEO is Amit Sarin, the grandson of the founder. Other shareholders are Tata Asset management 2,9% and Genesis 2,5%.
- **Growing sales >20% per annum while expanding margins**
 - We think the company is very well run and governed by the founding family. Its entry into the profitable data center market is a testimony to managements strategic leadership, as well as its establishment of an own cloud solution to capitalize on the growing data center market in India. Data center is small today, but management aims for 25% of total sales by FY34. Company is debt free and is growing >20% per year.
- **The share will compound +20% per annum**
 - Given the strong growth and the margin expansion potential from the data center and cloud business, we think the stock could 2x the coming three years. Indian stocks has been out of favor this year which makes this an attractive entry point for us. The downside is 20% in case of weaker macro and escalated trade war with the US.
- **ESG: All is green**
 - Our pre-trade compliance check generated no warning signals. The company is not Russian, does not have more than 5% of its revenues in any of our exclusion sectors, is not red-flagged for violations against international norms and the shares are extremely liquid. There are no conflict of interests.

Financial data

Revenue (2024): 234m USD

Value drivers by geography:
India 100%

Value drivers by segment:
Residential/Commercial 98%
Data center 2%

No customer is >10% of sales.

A Special Situation

Sea – South East Asia's version of Tencent



Investment thesis

- **A regional consumer internet company**
 - Sea is a Singapore company founded in 2009 which has grown fast to become the leading consumer internet company in Southeast Asia. It has three core businesses across digital entertainment, e-commerce, as well as digital financial services, known as Garena, Shopee and Monee, respectively. Garena is a leading global online games developer and publisher with the Freefire being the golden egg. Shopee is the largest pan-regional e-commerce platform in Southeast Asia and Taiwan and has a significant presence in Latin America and has just become profitable. Monee is a leading digital financial services provider in Southeast Asia and is growing its presence in Brazil. The founder, CEO and Chairman is Forest Lee who controls 59% of the voting power. Other large shareholders are Tencent at 8.5% but they have given their voting power to the Board. Baillie Gilford owns 7.6%, other shareholders are FMR, Norges Bank and Artisan Partners. This company is still not of the quality of a champion but can be upgraded over time.
- **Exposure to growing middle-class and other trends**
 - Sea offers us exposure to several trends: a growing middle class in Southeast Asia (and Brazil), increasing amount of e-commerce, fin-tech at its best as well as growth in gaming among consumers. The company has gone from net loss of 1.7bn USD in 2022 to 0.4bn USD of profit in 2024, a clear indication of the leverage of the platform. The digital financial service segment is growing exceptionally fast (94% y/y) and has services in Singapore, Indonesia and the Philippines offering lending, insurance and payment. This is important as Digital Entertainment was 2/3 of the company's operating profit in 2024 but as e-commerce and financial services are growing fast, this is offsetting the risks inherent in gaming.
- **Attractive valuation, not without risks but a risk worth taking given upside potential**
 - SEA trades on 28x forward earnings, a multiple which seems attractive given that it is growing by more than 20% p.a. It is also within the range it has been trading at over the last 12 months. We would be surprised if the multiple goes lower if growth keeps up. Risks are several: Garena has product risks related to its games (i.e. Free Fire), and overall there is political risks in this area of the world which is higher than in developed markets. We are not fans of the founder being both CEO and Chairman but it is a risk we have to take. We are also investing into this company 16 years after it was founded so this is not a "new unknown" company to the market. The company also has 10bn USD in gross cash which also reduces the risks. Another risk is increased Chinese competition from the likes of Meituan into Sea's markets.
- **ESG: All is green**
 - Our pre-trade compliance check generated no warning signals. The company is not Russian, does not have more than 5% of its revenues in any of our exclusion sectors, is not red-flagged for violations against international norms and the shares are liquid. There are no conflict of interests.



Financial data (2024)

Revenue: 16.8 bn

Revenue by division:

Shopee: 65%

Garena: 11%

Monee: 14%

Revenue by geography:

Southeast Asia: 70%

Latin America: 20%

Rest of Asia: 9%

Rest of the World: 1%



A local Champion

NU – the leading fintech disruptor in Latin America



Investment thesis

- **NU – the tech disruptor with over 120m customers**
 - NU is the largest fintech company in Latin America and has grown to over 120m customers across Brazil, Mexico and Colombia. The company started with a no-fee credit card and later expanded its platform with personal loans, insurance and investing for the un-banked population. The company was founded in 2013, went public in 2021 and is based in Sao Paulo, Brazil. The founder David Velez is the CEO and largest shareholder with 19% of the shares. Other main shareholders are BlackRock 5,5%, Baillie Gifford 5,4% and Capital Group 4,6%.
- **Expanding its ecosystem with new products**
 - NU's competitiveness comes from its lower cost structure and proprietary credit technology. This has together with new products created a sticky platform where 60% use NU as their main bank. We think the monetization and cross-selling opportunity is huge and should double ARPAC over time. NU is highly profitable with >20% NIM and >30% ROE, despite being unprofitable in Mexico and Colombia.
- **The share will compound +20% per annum**
 - We think NU could 2x its sales while expanding margins, leading to >2x in net income the coming five years as the company has great operating leverage. The stock trades at PE 19x which we think is cheap. We see 2x upside in the shares in five year. The downside is 25% given weaker macro and higher loan delinquencies.
- **ESG: All is green**
 - Our pre-trade compliance check generated no warning signals. The company is not Russian, does not have more than 5% of its revenues in any of our exclusion sectors, is not red-flagged for violations against international norms and the shares are extremely liquid. There are no conflict of interests.

Financial data

Revenue (2025): 11.5bn USD

Value drivers by geography:

Brazil: 92%

Mexico: 6%

Colombia: 2%

Value drivers by segment:

Interest income, net: 65%

Fees & Commissions: 35%

No customer account for >10% of sales.