

We invest in winners. This means we invest in strong companies that create value for their shareholders with sustainable business models, solid balance sheets and high margins. We keep the risks low and invest when our position is fuelled by a positive event. We refer to that as the combination of value and event.

Microsoft Corporation

We have held investments in Microsoft for more than ten years. The acceleration in the networking of business and society due to the pandemic has given a further boost to the technology giant's already high-growth and high-earnings business model. The US company reported new record figures and billions in profits for the past financial year ending on 30 June 2021 (table).

	2021	2020	2019	2018	2017
Sales in billions USD	168	143	126	110	97
Operating margin	42%	37%	34%	32%	30%
EAT, in billions USD	62	44	39	17	25
EPS, in USD	8.05	5.76	5.06	2.13	3.25

Satya Nadella laid the foundation for this dynamic in February 2014. In his first employee email as CEO of Microsoft ("Our industry does not respect tradition - it only respects innovation."), he made it clear how much he was willing to change the strategy and culture of the company. He wanted Microsoft to win back the magic it had lost with customers under his predecessor Steve Ballmer. He dropped the role of defender of Windows and Office. Microsoft saw its future role as a challenger that would put cloud computing and artificial intelligence centre stage. Nadella launched the company's own products for the third-party iOS and Android operating sys-

tems. He made the Azure cloud platform the core product, and it is now used by most Fortune 500 companies. The focus is also on office (Office 365), enterprise (Dynamics 365), communications (Teams, LinkedIn) and gaming (Xbox) applications. Most recently, the company unveiled Microsoft Mesh, a new platform for mixed reality applications that facilitates entirely new forms of digital collaboration. Microsoft has regained its status as an innovation and technology leader while simultaneously benefiting from huge network effects and extremely low variable costs in product scaling to increase margins. Over the course of Nadella's tenure from 2014 to 2021, Microsoft generated USD 31 per share after taxes, of which USD 13 were distributed and USD 18 retained. Earnings per share have risen by USD 5.4 (17% p.a.) to USD 8.1 over the same period. As a result, retained earnings generated an internal rate of return of 30% in 2021. Nadella's capital allocation is effective and enormously profitable. It far exceeds the 12% that Steve Ballmer managed to achieve. The company is also targeting double-digit revenue growth in the future. This is not a surprise: Entire economies around the world are setting out to migrate their IT processes to the Internet. Along with Amazon and Alphabet, Microsoft is the key cloud infrastructure service provider to make this endeavor a success. This means that Microsoft is still a core investment in our fund. The current yield from dividends and share buybacks is now 2.5%.

Sincerely yours



J. Henrik Muhle



Dr. Uwe Rathausky

Disclaimer: This document is a customer information ("CI") within the meaning of the Securities Trading Act (WpHG), the "CI" is directed exclusively to professional clients within the meaning of section 67 WpHG (natural and juristic persons) with habitual residence or registered office in Germany and is used solely for informational purposes. Also, it was not written with the intention of providing legal or tax advice. The tax treatment of transactions depends on the personal circumstances of the respective customer and may be subject to future changes. The individual circumstances of the recipient (including the economic and financial situation) were not taken into account in the preparation of the "CI". An investment in mentioned financial instruments / investment strategy / financial service involves certain product specific risks - e.g. Market or industry risks and risk in currency, default, liquidity, interest rate and credit - and is not suitable for all investors. Therefore, potential prospects should make an investment decision only after a detailed investment advisory session by a registered investment advisor and after consulting all available sources of information. For further information, please refer to the "Key Investor Information" and the securities prospectus: www.gane.de. Past performance is not a reliable indicator of future performance. Recommendations and forecasts are non-binding value judgments about future events and may therefore prove to be inaccurate with respect to the future development of a product. The listed information refers exclusively to the time of the creation of this "CI", a guarantee for timeliness and continued correctness cannot be accepted. The above content reflects only the opinions of the author, a change of opinion is possible at any time, without it being published. The present "AI" is protected by copyright, any duplication and commercial use are not permitted. Date: 04/08/2021. Editor: GANÉ Aktiengesellschaft, Weißenburger Straße 36, 63739 Aschaffenburg, acts as a tied agent (section 3 (2) German Wertpapierinstitutsgesetz (WpIG) on behalf, in the name, for account and under the liability of the responsible legal entity BN & Partners Capital AG, Steinstrasse 33, 50374 Erftstadt. BN & Partners Capital AG has a corresponding license (section 3 (2) WpIG) from the German Federal Financial Supervisory Authority (BaFin) for the provision of investment advice in accordance with section 2 (2) No. 4 WpIG and the investment brokerage to section 2 (2) No. 4 WpIG.