Dear Investors

We are enclosing the shareholder letter for our Teilgesellschaftsvermögen “Rubicon Stockpicker Fund” for the year 2021 written by our sub-advisor Rubicon Equities GmbH.

Yours sincerely

Investmentaktiengesellschaft für langfristige Investoren TGV
2021 Annual Report of the Sub-Advisor

Dear Co-Investors,

As of 31/12/2021, the portfolio of the TGV Rubicon Stockpicker Fund comprised 12 positions and was fully invested.

List of the top 5 investments

<table>
<thead>
<tr>
<th>Rank</th>
<th>Nom</th>
<th>ISIN</th>
<th>Weight</th>
<th>NAV as of 31/12/2021</th>
<th>243.51</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>InVision</td>
<td>DE0005858698</td>
<td>29.1%</td>
<td>Number of Investments</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>MEDIQON Group</td>
<td>DE0006618309</td>
<td>18.3%</td>
<td>Weight of biggest Investment</td>
<td>29.1%</td>
</tr>
<tr>
<td>3</td>
<td>Agfa-Geaert</td>
<td>BE0003755692</td>
<td>16.9%</td>
<td>Weight of top 5 Investments</td>
<td>84.3%</td>
</tr>
<tr>
<td>4</td>
<td>Geoconomy</td>
<td>DE0007257503</td>
<td>13.2%</td>
<td>Weight of Cash</td>
<td>0.1%</td>
</tr>
<tr>
<td>5</td>
<td>Hostelworld Group</td>
<td>GB00BYYW4225</td>
<td>7.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Performance Overview

Since inception in late October 2016 up until the end of 2021 the fund has returned 144.1%. In comparison, the German Large Cap Index (Dax) gained 48.9% over the same period.

<table>
<thead>
<tr>
<th></th>
<th>TGV Rubicon Stockpicker</th>
<th>Dax</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 (2 months)</td>
<td>4.4%</td>
<td>7.7%</td>
<td>-3.3%</td>
</tr>
<tr>
<td>2017</td>
<td>1.1%</td>
<td>12.5%</td>
<td>-11.4%</td>
</tr>
<tr>
<td>2018</td>
<td>-1.4%</td>
<td>-18.3%</td>
<td>16.8%</td>
</tr>
<tr>
<td>2019</td>
<td>25.9%</td>
<td>25.5%</td>
<td>0.4%</td>
</tr>
<tr>
<td>2020</td>
<td>47.4%</td>
<td>3.6%</td>
<td>43.8%</td>
</tr>
<tr>
<td>2021</td>
<td>26.4%</td>
<td>15.8%</td>
<td>10.6%</td>
</tr>
<tr>
<td>total</td>
<td>144.1%</td>
<td>48.9%</td>
<td>95.2%</td>
</tr>
<tr>
<td>per annum</td>
<td>18.9%</td>
<td>8.0%</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

For 2021, the TGV had a positive performance of 26.4% compared to the Dax at 15.8%.

Recap of 2021 / Sales

As already described in the report of the first half of 2021, the TGV and the overall market have made a very pleasing start to the year with a performance of 20.9% for the TGV and 13.2% for the Dax as of 30/06. The second half of the year showed further improvements, so that we can look back on solid results for the entire year.

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1 As of the 2018 annual report, the performance for the TGV Rubicon Stockpicker Fund is calculated according to the BVI-method. The difference in percentages and changes in NAV are due to annual disbursements from the fund related to taxes.
For the TGV, the outstanding price increase of Mediqon Group as well as the performance contribution of Gruppo MutuiOnline are particularly noteworthy. (Regarding the two heavyweights in the portfolio: InVision performed slightly weaker than the overall portfolio and Agfa-Gevaert even suffered a slight decrease in stock price.)

Despite the positive performance and as already described in detail in the H1 letter to investors, we continued to be concerned with the macroeconomic environment. From our point of view, valuation levels were overstated in select market segments, inflation was increasing in various areas and the unprecedented stimulus packages continued, both from central banks and politicians.

This concern intensified as the year progressed and we decided to take a more conservative stance. As a result, we pronounced several sell recommendations.

The most important was the sell recommendation for the long-standing core portfolio position Gruppo MutuiOnline. We did not make this decision lightly. However, at a price in the range of EUR 50 per share, the market had fully priced in our positive view of the company over the next few years. But the future is, by definition, uncertain and negative surprises are always possible. For this reason, we tend to be skeptical of overly optimistic valuations.

However, the sell recommendations were not limited to Gruppo MutuiOnline. The TGV also sold Grenke and La Française de l'Énergie. The Max21 and R. Stahl shareholdings were significantly reduced. As a result, the TGV had a cash position of more than 21% in September.

This high cash position was intended as a defensive positioning until the macroeconomic situation is clearer. Surprisingly, however, the high cash position did not have its reassuring effect.

Many years of asset price inflation, the current negative interest environment as well as remarks from leading central bankers and politicians on their expectations of mostly moderate levels of inflation overall certainly influenced us.

The capital that was freed up by the sales encouraged us to look even more intensively for attractive investment opportunities, specifically for great companies, beyond the current hype with considerable, hidden potential and a decent margin of safety.

**Repositioning the portfolio**

We started with a buy recommendation for Aumann, a leading supplier of innovative and automated production lines for electromobility. The current mobility transition requires massive investments by car manufacturers to upgrade and equip their factories. Aumann offers the required machines and engineering expertise.

In view of the enormous market potential, the company was successfully listed on the stock exchange in 2017 at EUR 42 per share. Aumann quickly reached a valuation beyond the billion mark at prices above EUR 90.
Apart from beautiful IPO presentations, however, in practice, the development usually takes longer than expected. The entire automotive supplier sector fell into a serious recession and investments in production capacities for electromobility were much more limited than one had imagined in 2017.

As a result, the share price fell significantly, and the TGV was able to position itself in the range of EUR 16 per share. Aumann still owns about EUR 80 million in cash from the IPO. We continue to see considerable need for investment by automobile manufacturers to succeed in electromobility. As soon as these investments materialize on a large scale, Aumann should significantly benefit again.

Another exciting discovery is the Irish Hostelworld Group. This company is a booking platform similar to Booking.com. However, Hostelworld serves the small niche of hostels, where the company is one of the global market leaders alongside Booking.com.

The current Covid-19 pandemic has of course been devastating for the once extremely profitable company. If our children were of the appropriate age, we would certainly have strongly advised them against an exciting long-distance trip with backpack and overnight stays in shared rooms. The economic situation of hostels today is mostly devastating. In addition, the competitive situation with the larger Booking.com is certainly challenging. All aspects, in addition to select legacy topics, which explain the depressive share price of recent years.

From our point of view, however, the current situation also offers an exciting opportunity. In the long term, we firmly believe in hostels as a form of travel. For young people, there is probably nothing better to experience the world and connect with other people and cultures. Hostelworld should be able to survive even a prolonged pandemic situation and they will certainly benefit from the subsequent recovery.

In our view, however, Hostelworld is only partially a bet on a normalization of tourism after the pandemic. Rather, the ambitious management team convinced us during our company visit to Dublin.

Hostelworld serves a special niche with specific needs and travel habits. With the broad approach of a global hotel booking platform, Booking.com will never be able and willing to properly address the wishes of this target group. Hostelworld will do this! We have confidence in the creativity and technological capabilities of the management team and expect Hostelworld to do a lot in the coming years to support and inspire young people on their travels. This should significantly strengthen the importance of the platform.

We were particularly surprised by the discovery of the TGVs latest investment. Here, too, the concern about the current Covid-19 variant Omikron ultimately enabled us to get started. It is the largest European retailer of consumer electronics, Ceconomy AG – better known for their main brands Media Markt / Saturn.

We had the feeling that all market participants and all analyst reports focused solely on the current negative pandemic situation, addressing short-term supply bottlenecks at best. Nobody seemed to look at the company’s long-term perspective.
We approached the topic with the theory that for large traditional retailers, the Covid-19 pandemic may have been beneficial over the long run. After two years of Covid-19, even the most persistent traditional retail organization is likely to have initiated an omnichannel transformation including a marketplace strategy and optimized logistics infrastructure. And... that’s exactly what we found. Hardly anyone seems to have paid attention to it. We like the strategic direction and the measures implemented so far. Of course, the legacy burdens are large and such a huge transformation takes a long time and is not easy. But we believe management is doing the right things. Currently, Media Markt / Saturn in Germany is at the level of Zalando in terms of online sales.

We asked ourselves the following question: what is more difficult?

For an attacking e-commerce provider to achieve the purchasing and market power of a Ceconomy with its more than EUR 20 billion in sales and to build up a corresponding logistics network? Or, for the future omnichannel provider Ceconomy, to modernize its IT infrastructure to supply a washing machine including assembly from an "urban hub" within an hour? Ideally with a small eMobile.

Admittedly, the answer is not easy. Regarding the valuation of Ceconomy, however, the market has clearly positioned itself against Ceconomy in our view. On the other hand, we can well imagine a Media Markt / Saturn as a strong European omnichannel provider in addition to Amazon. Should this narrative replace the currently apparently prevailing clearly negative assessment, the valuation effects would be considerable.

To invest even more in Ceconomy after a further Omikron induced slump, we recommended the sale of 1&1 with a heavy heart. 1&1 is without question a great company, but the chances of price increases at Ceconomy seemed greater to us in the long term. However, through a commitment in 1&1’s parent company United Internet built up over the course of the year, the TGV continues to hold an indirect stake in 1&1 and should participate in its promising entrepreneurial development.

It is also worth mentioning the TGV’s participation in a further capital increase of 123fahrschule. We consistently follow the company and are convinced by its strategy. Should the company continue to solidify its strategy, we would recommend a steady increase of the position. In addition, through smaller purchases of InVision the TGV crossed the voting rights threshold of 15%. From our point of view, this underlines the positioning of the TGV as a long-term anchor shareholder of the company.

Summary

Looking ahead to the 2022 stock market performance, we continue to be cautious. The US economist and Nobel laureate Robert Shiller recently warned, rightly as we believe, against a significant overvaluation, especially of the US markets. In our view, an increasing risk of inflation and other problems, such as the increasing alienation of the USA and China, are serious risks for the markets.
Overall, however, we are currently looking forward with confidence (despite a continued good portion of respect)! Why?

If we look 3-5 years into the future, we see: An InVision that realizes its growth potential thanks to a state-of-the-art software platform and has the extremely attractive economics of a successful SaaS company. A value-creating restructured Agfa-Gevaert, whose software division shines as a crown jewel. An Aumann that serves the booming wave of investments in electromobility. Hostelworld, the global booking platform for backpackers and young people who want to experience the world. In addition, we are convinced of the entrepreneurial energy of a Mediqon Group and we see the TGV participating in one of the dominant and profitable European retailers for consumer electronics.

Of course, it always turns out differently than you think. We are aware of this, and we are used to adjusting our assessments when the risk-return profile of companies changes. But if our fundamental assumptions are even partially true, the current valuation level of the TGV portfolio companies would certainly be extremely attractive.

Last but not least, we would like to inform you about the upcoming investor meeting. The Investmentaktiengesellschaft für langfristige Investoren TGV plans to hold its annual investor meeting on May 21, 2022. So far the meeting will be in person in Bonn-Bad Godesberg. As an investor in the TGV Rubicon Stockpicker you will shortly receive an official invitation.

Thank you for your trust!

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