



BLUEALPHA

INVESTMENT MANAGEMENT

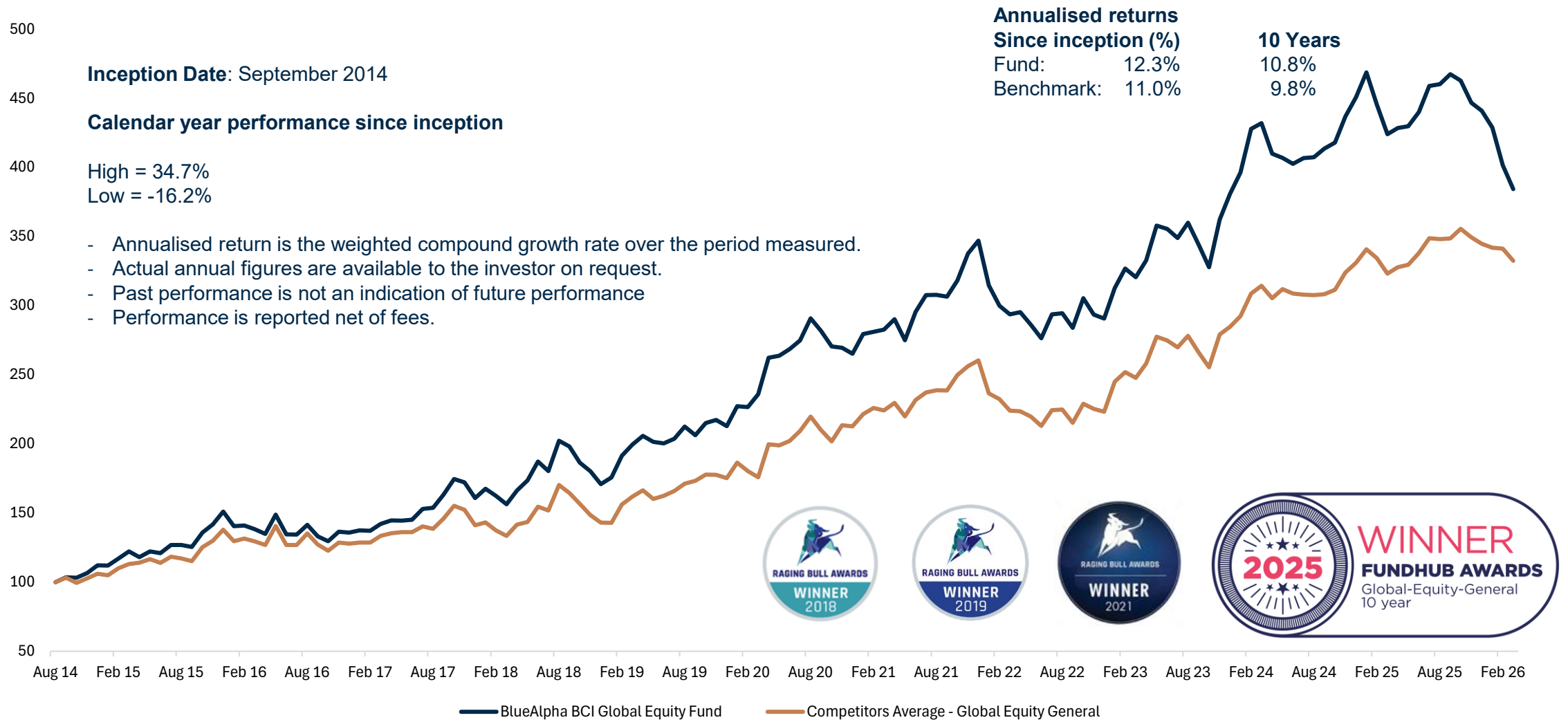
How I became a Value Investor

BCI Global Investment Conference
May 2026

Last year "Cheap is not Value"

"Cheap"	Performance	"Expensive"	Performance
Citigroup	88.54%	Mastercard	(6.18%)
United Airlines	32.15%	Alphabet	112.76%
"Low Quality"	Performance	"High Quality"	Performance
Rheinmetall	1.77%	ASML	106.83%
Hertz	(31.79%)		

Long Term



Data as at 31 March 2026

Source: BlueAlpha, Fund Focus.

The investment performance is for illustrative purposes only.

Full details and basis of the awards are available from BlueAlpha.

What is your Religion?

Quality

Excellent returns



abbvie

Value

Its so cheap

VOLKSWAGEN GROUP



Growth

Stand back this is big

TESLA

SPACEX

micron

What makes a good investment?

What makes a “good company”?

It must create value.



Consistently generating high
returns on invested capital.

What makes a “good stock”?

It must be undervalued.



Prevailing market price *trading*
below implied fair value.

What makes a “good story”?

The market must like it



Strong price momentum coupled
with *improving earnings revisions.*

Who cares about "Good Businesses" ?

Cumulative Excess Returns of High Quality



Source: UBS HOLT, the BLOOMBERG PROFESSIONAL service. Data Date: 3/6/2026.

Universe: Largest 1000 US companies by market cap.

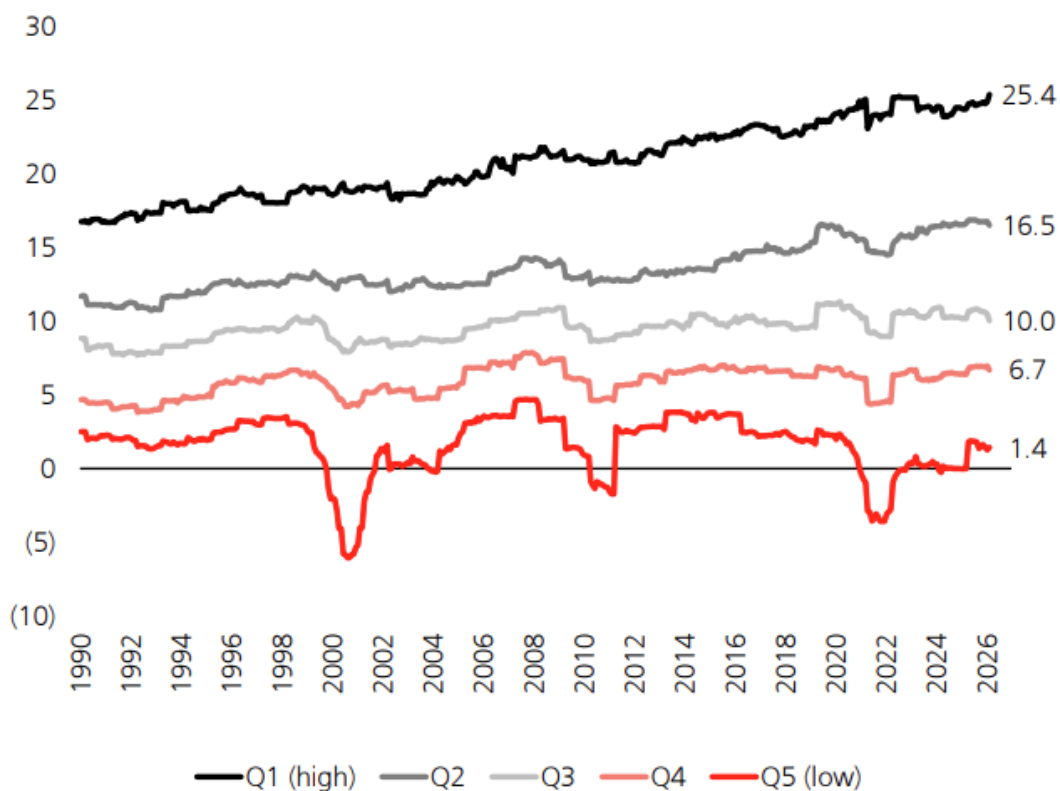
High Quality measured as top quintile of re-ranked Region relative Quality Factor Percentiles and Low Quality as bottom quintile.

Portfolios equally weighted, rebalanced monthly.

Has Quality gone off?

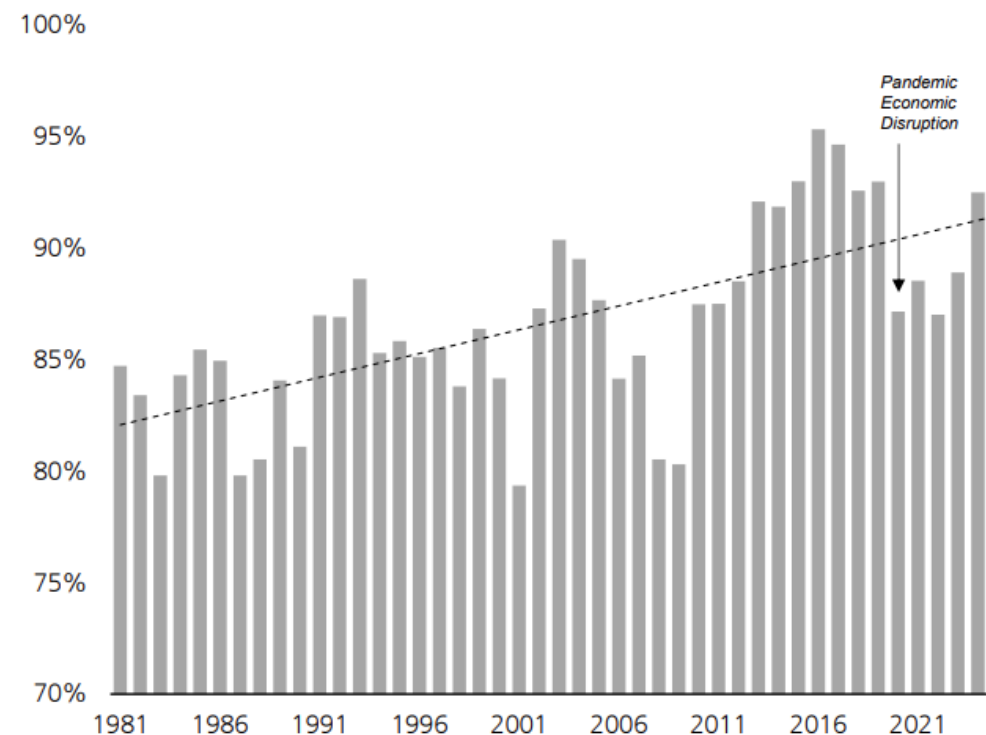
High Quality Stocks Profitability Advantage

Median CFROI LFY by Quality Quintile



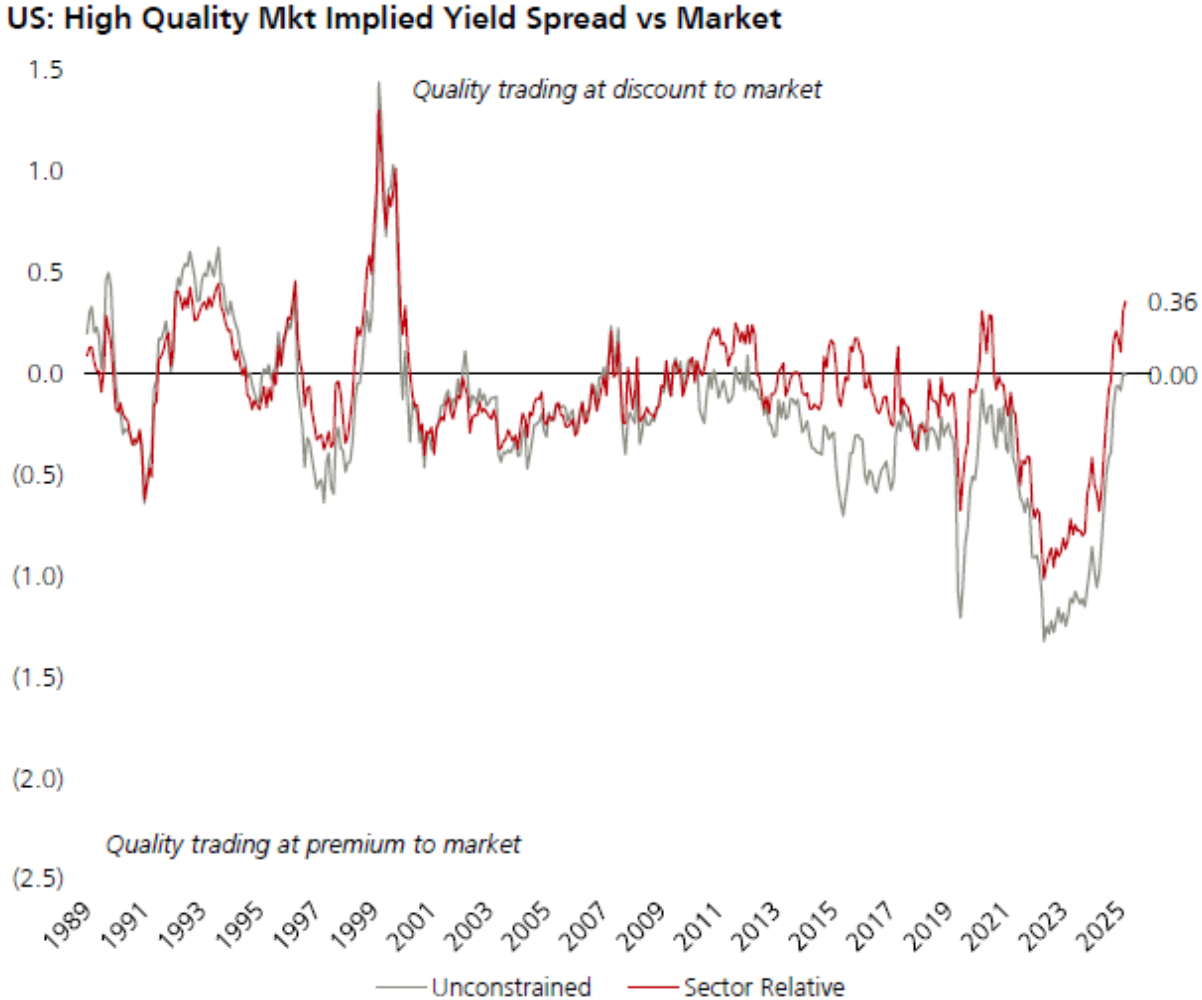
High CFROI Persistence

CFROI Persistence: Rank Correlation CFROI LFY vs FY-1



Source: UBS HOLT, data as of February 2026.
Universe: Top 1000 US companies by market cap.
Region relative Quality Factor Percentiles formed into equal weight quintiles.

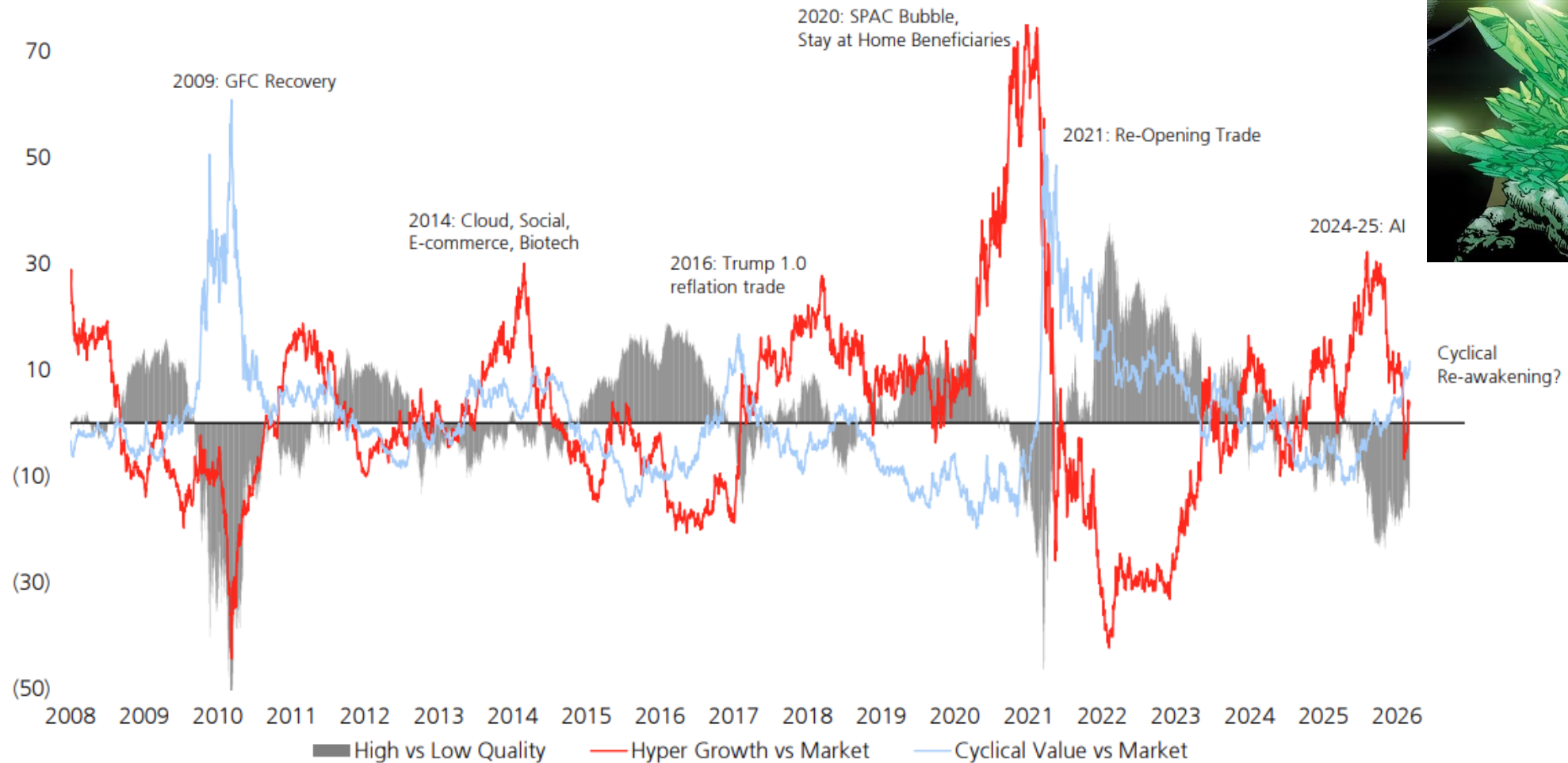
Over loved now Overlooked?



Source: UBS HOLT, data as of 2/28/2026.
Universe: Top 1000 US companies by market cap.
Region relative Factor Percentiles formed into equal weight quintiles, rebalanced monthly.

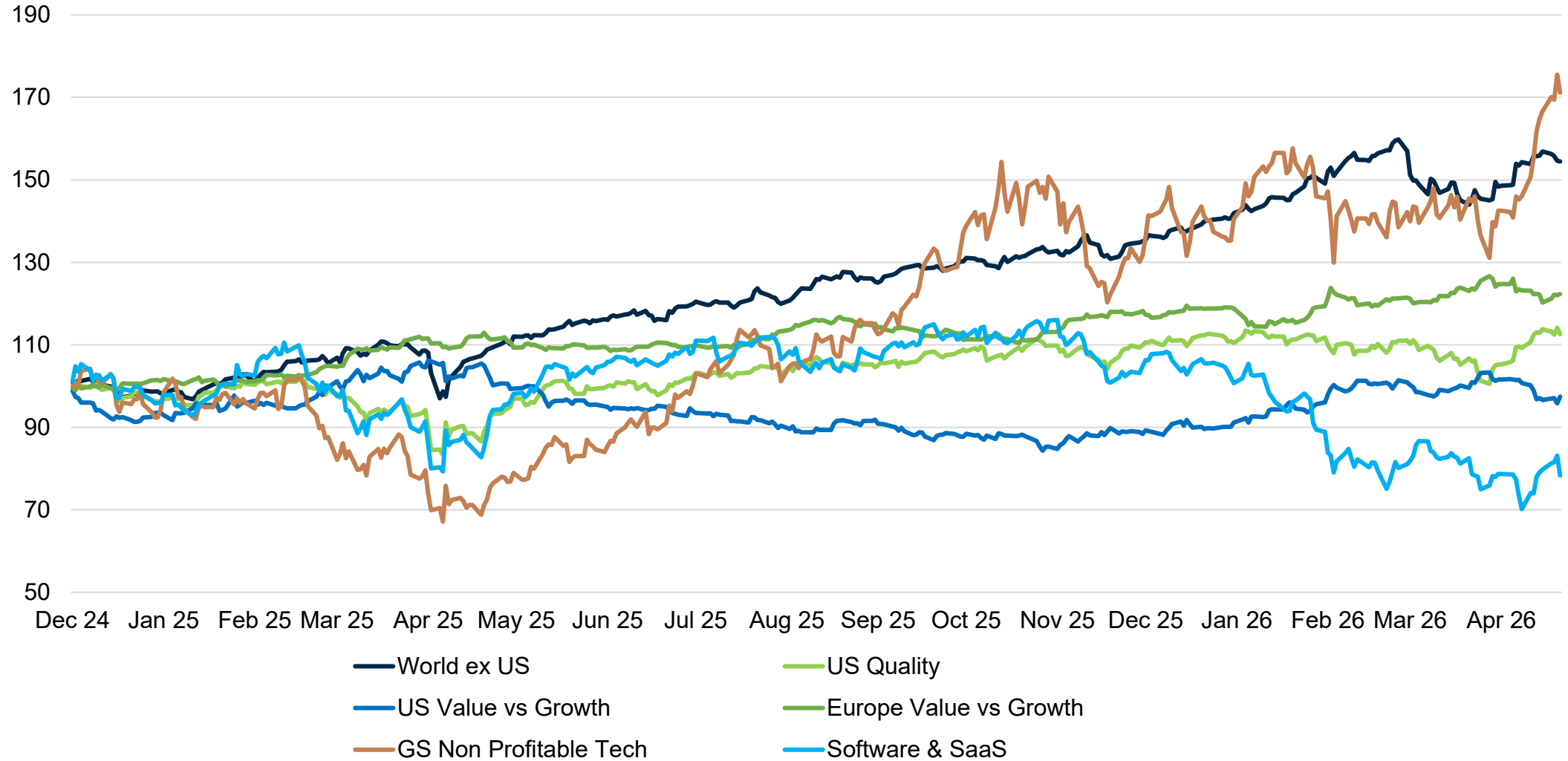
Innovation Cycles and Economic Recoveries

Rolling 1-Year Excess Returns (%)



Source: UBS HOLT, the BLOOMBERG PROFESSIONAL service.
Data Date: 2007-2026.
Largest 1000 US Companies by Market Cap.
Daily returns calculated on equally weighted portfolios, rebalanced monthly.

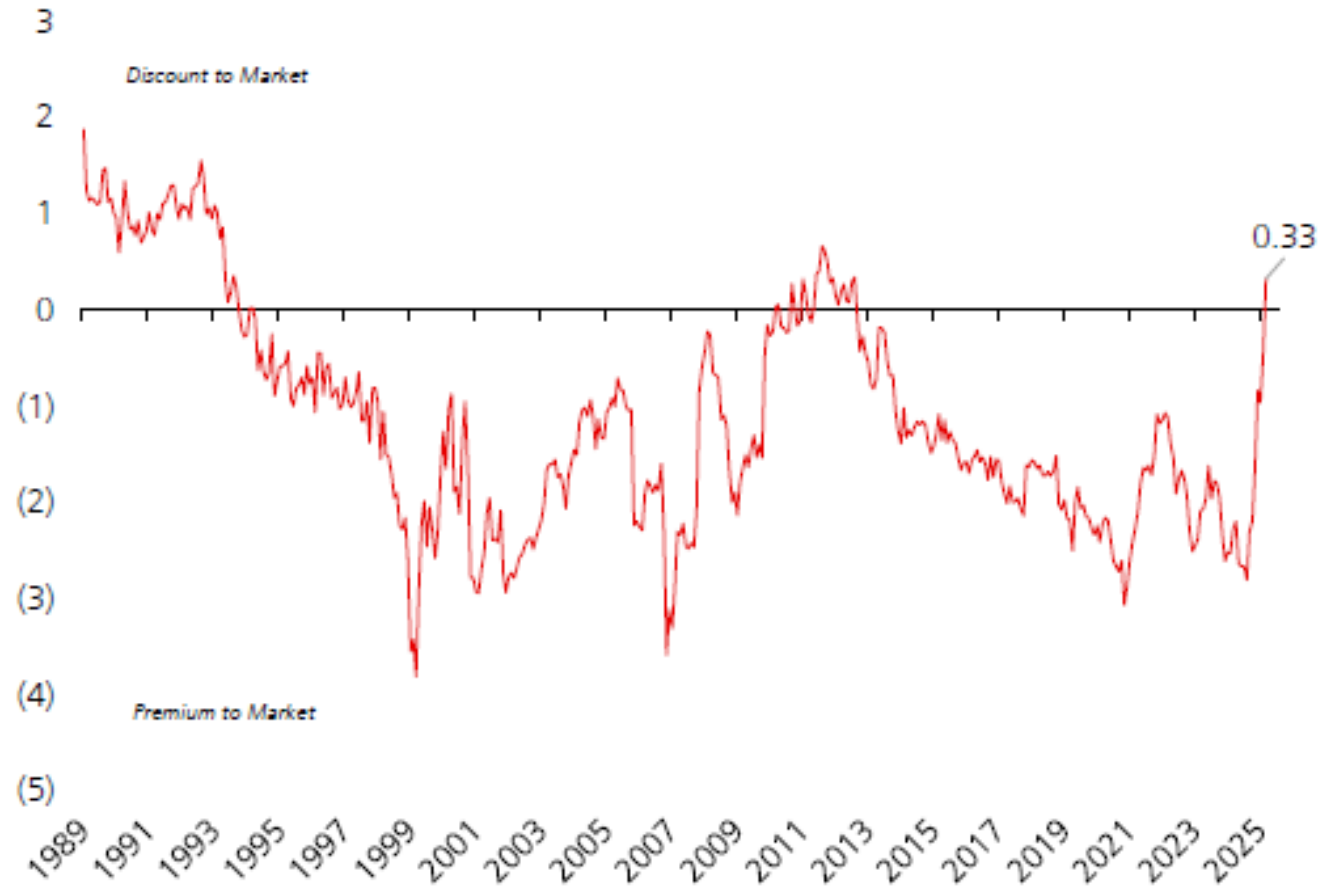
Interesting Times?



Source: Bloomberg

The end of SaaS?

Software & Services Mkt Implied Yield Spread vs Market



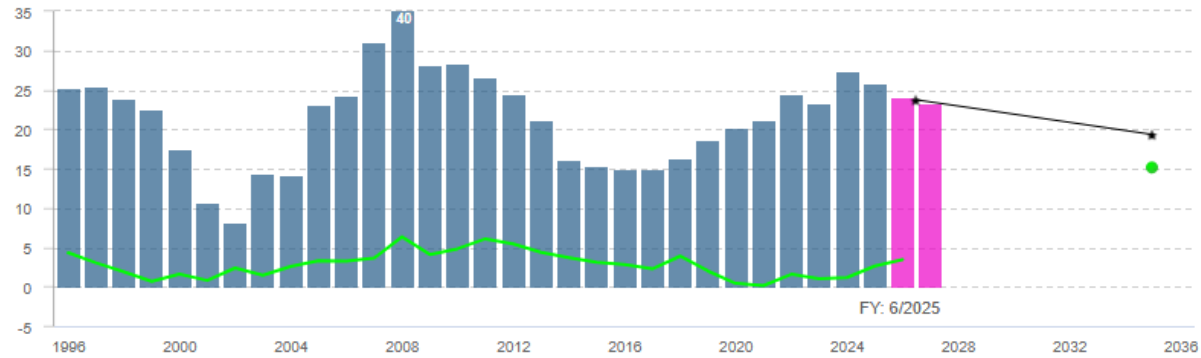
Incumbent structural moats?

- Distribution
- Data context
- Switching costs
- Workflow integration
- Security, compliance & governance
- Deep business logic

Microsoft vs Walmart

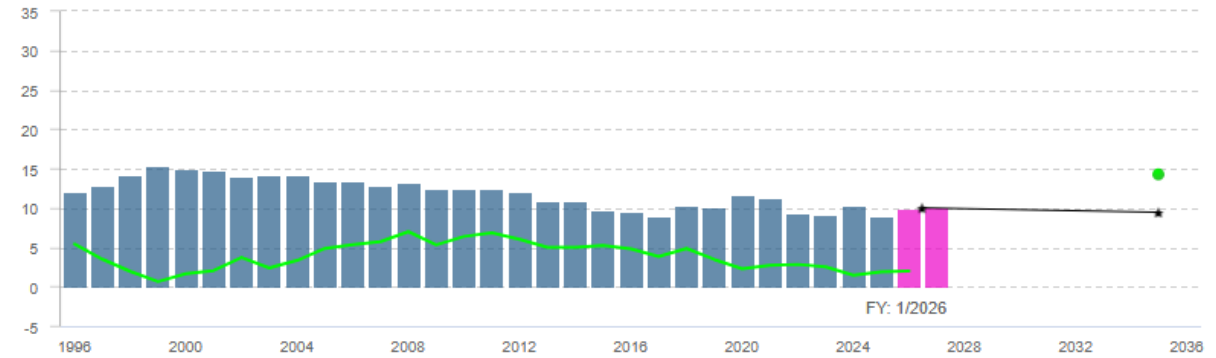
Microsoft

CFROI (%) (Economic Return)

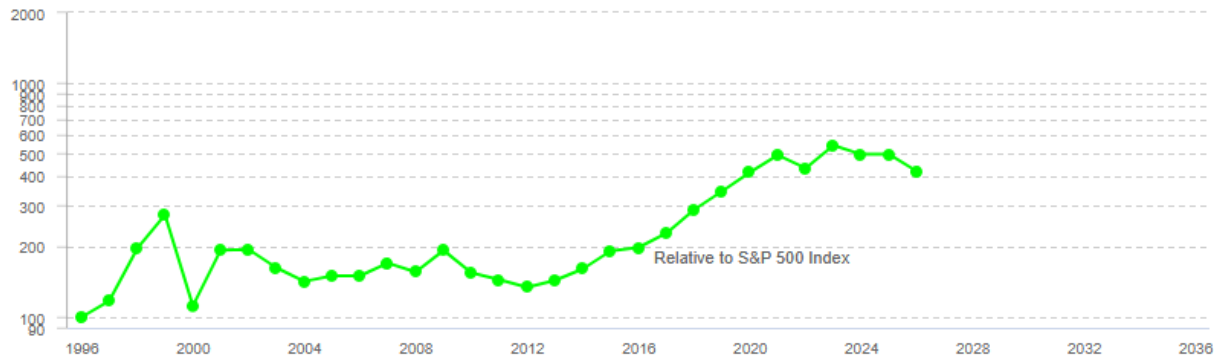


Walmart

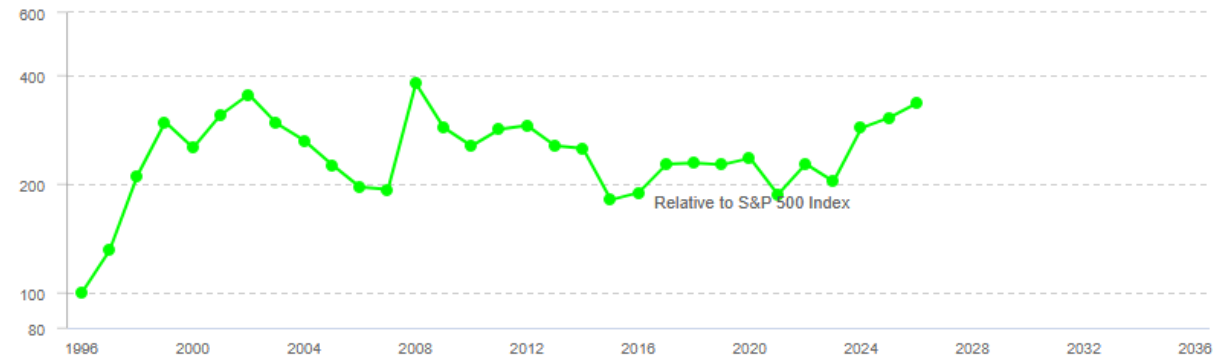
CFROI (%) (Economic Return)



Total Shareholder Return



Total Shareholder Return



Disclaimer & Contact

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Performance figures quoted for the portfolio are from Bloomberg unless otherwise stated, as at the date specified, for a lump sum investment, using NAV-NAV with income reinvested and does not take any upfront manager’s charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.

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