

Global Value: finding value beyond the beaten path

Strategy Overview 2024
 For professional investors only

Why Van Lanschot Kempfen for Global Value?

- **Differentiated approach to value:** Value is more than a low multiple. By thorough fundamental analysis and in-depth sector knowledge we are able to separate the wheat from the chaff.
- **Dedicated team with extensive experience:** Over two decades of experience in managing value and dividend equity strategies. We look beyond the beaten path to find the most attractive investment opportunities.
- **ESG an integral part:** As active owner with a long-term investment horizon we engage with managements on ESG issues to foster positive change.

Four investment principles



Fundamental

In-depth analysis of the business and its management



Long-term

Long-term perspective, and not afraid to be contrarian



Value

We look for a margin of safety between price and intrinsic value



Engaged

Engaging with management on strategy, operations and ESG

Our Investment Philosophy

We aim to find companies with a solid basis of intrinsic value, improving fundamentals, sound capital allocation and a margin of safety. The team conducts in-depth bottom-up research to identify interesting investment opportunities and construct the portfolio following a disciplined investment process aimed at making investment decisions transparent and replicable.

Our philosophy is framed by these underlying principles

- We believe markets are inefficient: in-depth bottom-up research based on an independent view is our way to exploit this.
- We follow a disciplined investment process, building well diversified portfolios of companies that we really understand and that we can buy with a margin of safety.
- We look off the beaten path for investment opportunities. This means that we seek to find more and better opportunities, which in turn can lead to a distinctive portfolio.
- We believe in active ownership. To achieve positive change, we engage with managements on strategy and ESG.



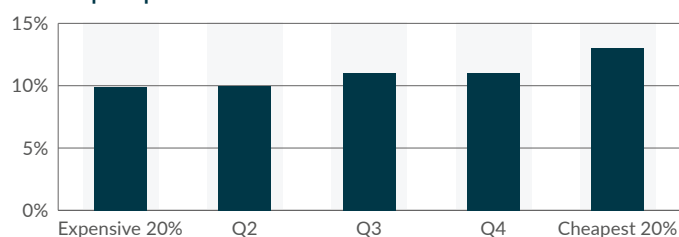
We believe our added value is a combination of a straightforward investment philosophy embedded in a disciplined, repeatable investment process and the strength of our own bottom-up research.



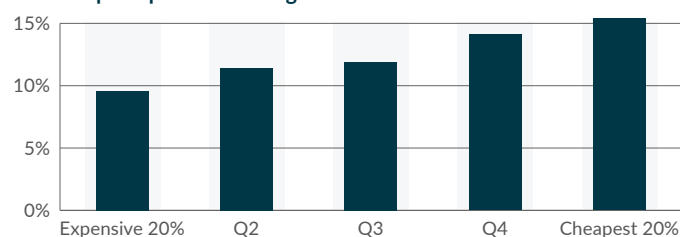
Joris Franssen,
 Head of Dividend

Value equities: an attractive asset class

Graph 1: price to book ratio



Graph 2: price to earnings ratio



For all graphs and historical claims we used data from the Ken French/CRSP database (mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html). These are value weight returns (1926-2024 for the graph on price to book ratios and 1951-2024 for the graph on price to earnings ratios). Past performance is no guarantee for the future.

Value has historically outpaced the broader market indices, which is referred to as the **value premium**.^{*} The long-term outperformance of value stocks can be justified by behavioural and risk-based explanations:

- Because investors are on average too pessimistic on the cheapest stocks, value stocks as a group tend to be undervalued. Investors do not expect positive news on value stocks. Therefore, if positive news arrives (e.g. strong earnings, increased shareholder distributions) value stocks tend to perform well.
- Value stocks are more volatile than other stocks and do not always outperform. For bearing this risk, value investors can eventually be rewarded by a higher return.

^{*} Source: Eugene Fama, Kenneth French, Three Factor Model Definition, 1992

Overall, we believe that the value premium can be attributed to both behavioural and risk-based factors. As these factors are unlikely to change, we believe that value is well placed to continue to outperform the market in the long run.

Our team



Joris Franssen

Head of Dividend
Team

Experience since 1998



Reineke Davidsz

Portfolio Manager

Experience since 2015



Najib Nakad

Portfolio Manager

Experience since 2000



**Robert van den
Barselaar**

Portfolio Manager

Experience since 2005



Luc Plouvier

Portfolio Manager

Experience since 2007



Marius Bakker

Portfolio Manager

Experience since 2015

Disclaimer

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Global Value Equities: general risks to take into account when investing in Global Value equity strategies.

Please note that all investments are subject to market fluctuations. Investing in a Global Value Equity strategy may be subject to country risk and equity market risks, which could negatively affect the performance. Under unusual market conditions the specific risks can increase significantly. Potential Investors should be aware that changes in the actual and perceived fundamentals of a company may result in changes for the market value of the shares of such company.

The value of your investment may fluctuate, past performance is no guarantee for the future. Do not take unnecessary risks. Before you invest, it is important that you are aware of and are informed about the characteristics and risks of investing. This information can be found in the available documents of the strategy and/or in the agreements that are part of the service you choose or have chosen.