10 Years Looking for Value: Mistakes Made, Lessons Learnt and Food for Thought

Ben Graham Centre's

5th European Value Investing Conference

MAPFRE AM

Agenda for Today

INTRODUCING MAPFRE AM

OUR INVESTMENT PHILOSOPHY

A QUICK OVERVIEW OF THE LAST 10Y IN FINANCIAL MARKETS

5 MISTAKES MADE AND LESSONS LEARNED

5 OPEN QUESTIONS FOR THE FUTURE

You Probably Know MAPFRE…

Introducing MAPFRE AM

LONG-TERM INVESTORS BY DEFINITION

ASSET ALLOCATION AT THE TOP

EXPERTS IN EUROPEAN FIXED INCOME

FOCUS ON FUNDAMENTAL ANALYSIS

Looking for Market Inefficiencies

MAPFRE AM Behavioral Fund

(1)

Value Investing Builds Long-Term Wealth

We invest in attractively valued companies with:

- Low leverage.
- Aligned incentives.
- Track record of shareholder value creation.

(2)

Concentrated Portfolios Outperform

Portfolio concentration encourages many virtues:

- A high level of conviction.
- A high threshold for inclusion (the 30-35 best stocks in Europe).
- A high degree of competition for capital (existing positions must continually "earn" their spot).

(3)

Investor Biases are Predictable & Exploitable

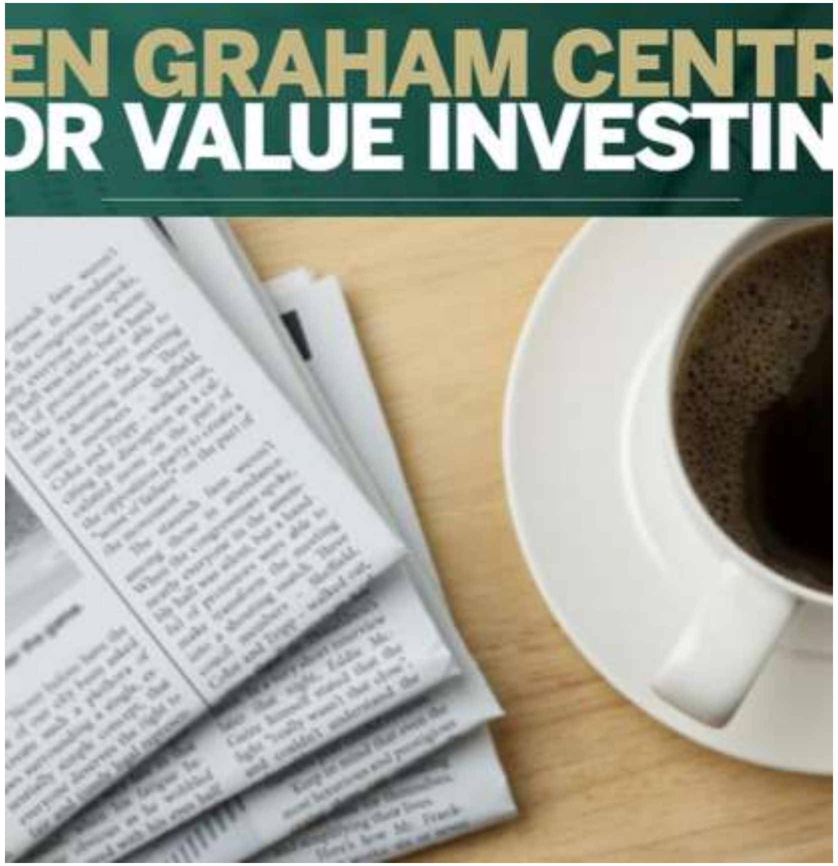
Investors are people who behave in predictably irrational ways:

- Over-reaction.
- Under-reaction.
- Availability bias.
- Recency bias.

Mistakes We Made and the Lessons We Learnt

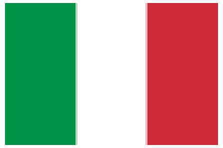
…value investing as defined by academics is not what value investors do…”

- “Cheaply priced stocks, based on metrics such as low price-to-book or price-to-earnings, tend to outperform more expensively priced stocks in the long run”.
- “There are short periods, however, in which these so-called value stocks do underperform the pricier growth stocks”.
- “This has led many academics to conclude that “value investing” is dead. It is important, however, to note that value investing as defined by academics is not what value investors do. **Value investors do not buy all cheap stocks, as academics assume; they buy the best cheap stocks after careful due diligence and valuation”**



SIMPLE $\neq$ EASY

Undercovered Stocks are the Simplest Target



Political Risk

Competitio
n

No Analysts

Illiquid

Cash Generation

Solid Balance Sheet

Great Management

Market Consolidat
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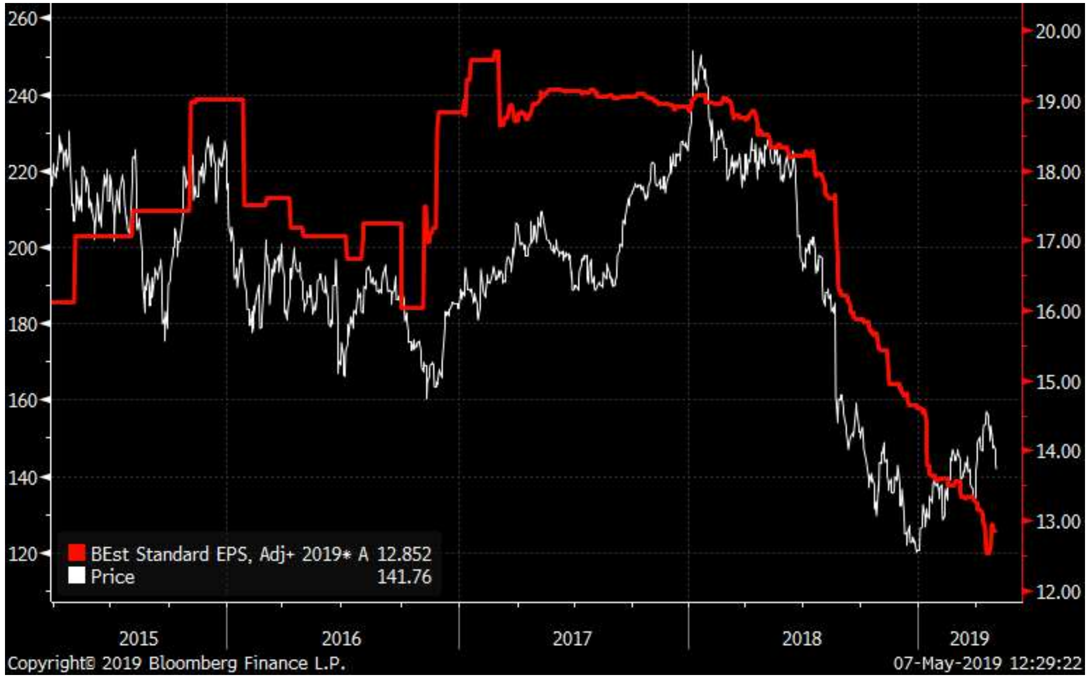
You Can Make Money in Good Companies Too…



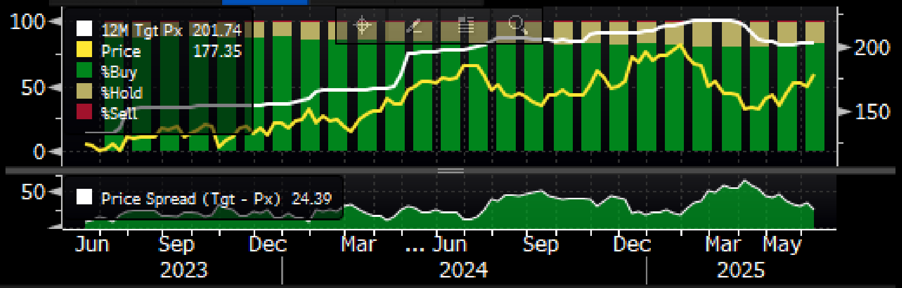
Continental
The Future in Motion

Mellanox
TECHNOLOGIES

Alphabet Inc

As of 06/12/25

Consensus Rating		4.64
Buys	83.1%	64
Holds	16.9%	13
Sells	0.0%	0
12M Tgt Px	61/85	201.74
Last Price		177.35
Pricing Currency		USD
Return Potential		13.8%
LTM Return		0.2%



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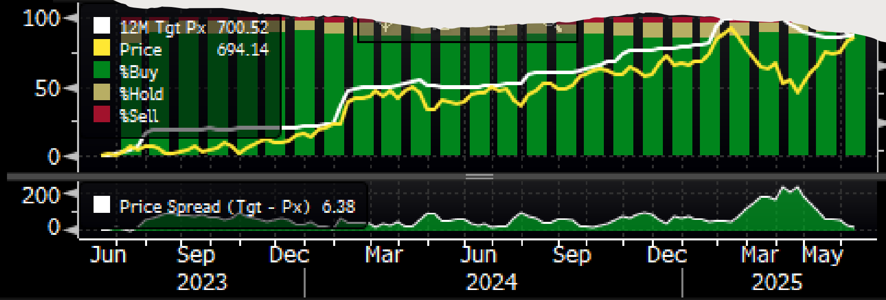
	Firm	Analyst	Recommendation	Tgt Px	Date	1 Yr Rtn	BARR	Rank
1)	Wells Fargo	Ken Gawrelski	equalweight	175.00	06/11/25	0.00%		
2)	Baird	Colin Sebastian	outperform	190.00	06/10/25	0.90%		13
3)	BNP Paribas Exane	Stefan Slowinski	outperform	213.00	06/10/25	0.90%		
4)	Bernstein	Mark Shmulik	market perform	185.00	06/09/25	0.00%		
5)	Hedgeye Risk Mana...	Andrew Freedman	watch list		06/09/25	-2.89%		
6)	Evercore ISI	Mark S F Mahaney	outperform	205.00	06/08/25	0.90%		7
7)	Wedbush	Scott Devitt	outperform	200.00	06/05/25	0.90%		
8)	BMO Capital Markets	Brian J Pitz	outperform	200.00	06/03/25	0.90%		
9)	Truist Securities	Youssef Squali	buy	200.00	06/03/25	0.90%		
10)	Cantor Fitzgerald	Deepak Mathivanan	neutral	171.00	06/03/25	0.00%		
11)	New Street Resear...	Daniel Salmon "Da...	buy	210.00	06/03/25	0.90%		
12)	Barclays	Ross Sandler	overweight	220.00	06/02/25	0.90%		
13)	Citizens	Andrew Boone	market perform		06/01/25	7.52%	4	
14)	Wolfe Research	Shweta Khajuria	outperform	190.00	06/01/25	-4.46%		
15)	Zacks	Team Coverage	neutral	182.00	05/28/25	4.20%		
16)	Piper Sandler & Co	Tom Champion	overweight	195.00	05/28/25	0.90%		
17)	MoffettNathanson L...	Michael Nathanson	buy	220.00	05/28/25	0.90%		18
18)	Phillip Securities	Team Coverage	buy	250.00	05/26/25			
		Ishan Majumdar	outperform	198.00	05/26/25	25.51%	1	
			Overwt/Attractive	185.00	05/25/25	0.90%		

Meta Platfor...

Consensus Rating		4.65
Buys	88.6%	70
Holds	7.6%	6
Sells	3.8%	3
12M Tgt Px	66/87	700.52
Last Price		694.14
Pricing Currency		USD
Return Potential		0.9%
LTM Return		36.9%



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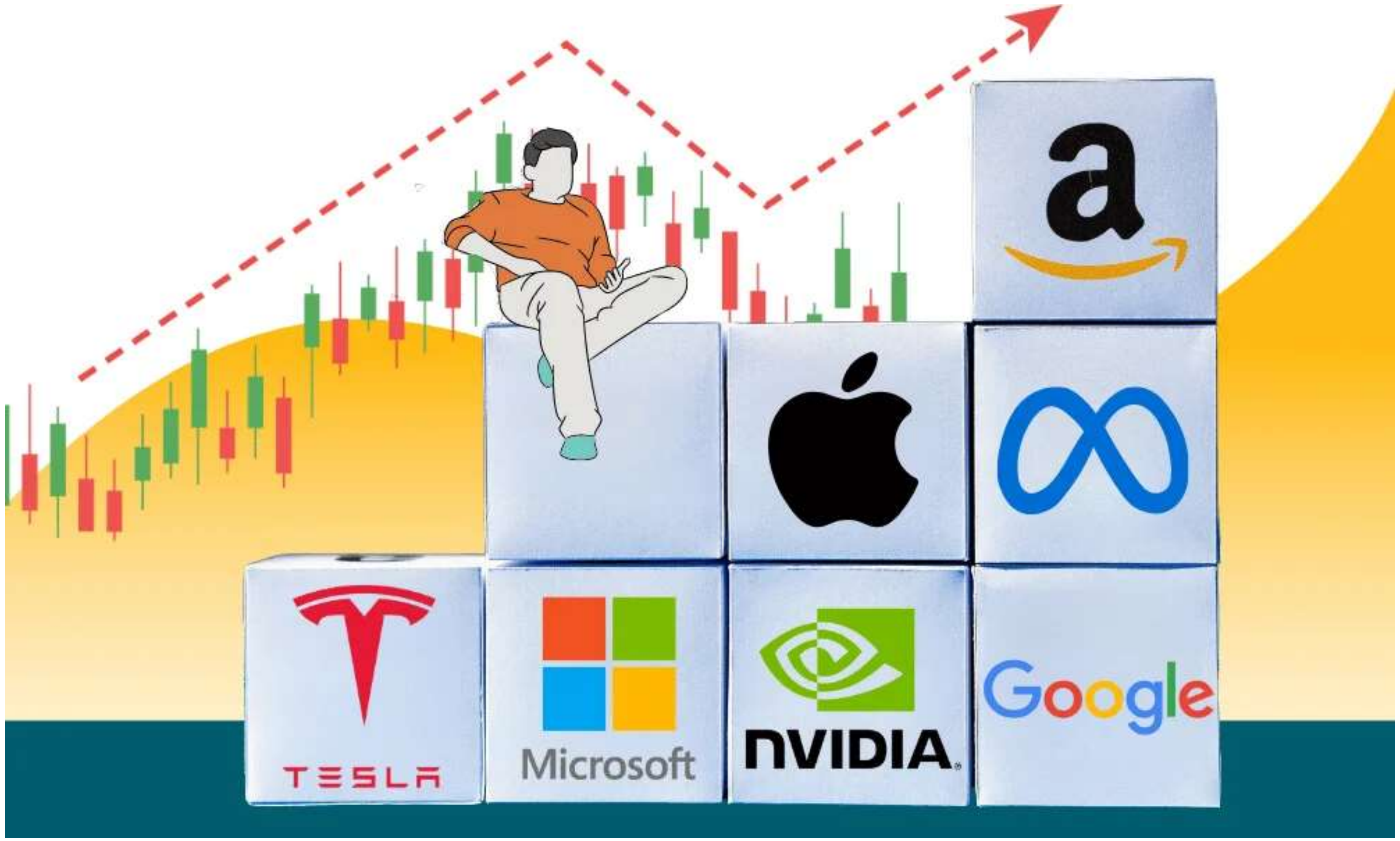
	Firm	Analyst	Recommendation	Tgt Px	Date	1 Yr Rtn	BARR	Ranl
1)	Scotiabank	Nathaniel Holmes S...	sector perform	525.00	06/11/25			
2)	BNP Paribas Exane	Stefan Slowinski	underperform	466.00	06/11/25	-37.28%		
3)	BMO Capital Markets	Brian J Pitz	market perform	610.00	06/10/25	0.00%		
4)	Cantor Fitzgerald	Deepak Mathivanan	overweight	676.00	06/10/25	35.73%	5	
5)	Bernstein	Mark Shmulik	outperform	700.00	06/09/25	37.28%	4	
6)	Phillip Securities	Lim Yi Qi "Serena"	accumulate	720.00	06/09/25			
7)	Morningstar	Malik Ahmed Khan	hold	770.00	06/09/25			
8)	Hedgeye Risk Mana...	Andrew Freedman	short		06/09/25	-37.28%		
9)	Edgewater Researc...	Joe Wittine	outperform		06/09/25	37.28%	4	
10)	Wolfe Research	Shweta Khajuria	outperform	750.00	06/08/25	40.27%	2	
11)	Wedbush	Scott Devitt	outperform	750.00	06/05/25	37.28%	4	
12)	JP Morgan	Douglas Anmuth "D...	overweight	735.00	06/04/25	37.28%	4	
13)	Arete Research	Rocco Strauss	neutral	582.00	06/04/25	0.00%		
14)	Zacks	Team Coverage	neutral	704.00	06/03/25	0.00%		
15)	William O'Neil & Co...	Derek Higa	buy		06/03/25	9.23%		
16)	Barclays	Ross Sandler	overweight	640.00	06/03/25	37.28%	4	
17)	First Shanghai Sec...	Peter Han	buy	740.00	05/29/25	37.28%	4	
18)	Sealand Securities	Mengzhu Chen	buy	757.00	05/29/25			
19)	Canaccord Genuity	Maria Ripps	buy	825.00	05/19/25	37.28%	4	
	Loop Capital Marke...	Rob Sanderson	buy	888.00	05/15/25	37.28%	4	
		Daniel Salmon "Da...	buy	775.00	05/15/25	37.28%	4	
		...karni	buy	620.00	05/14/25	37.28%	4	
					05/14/25	37.28%	4	

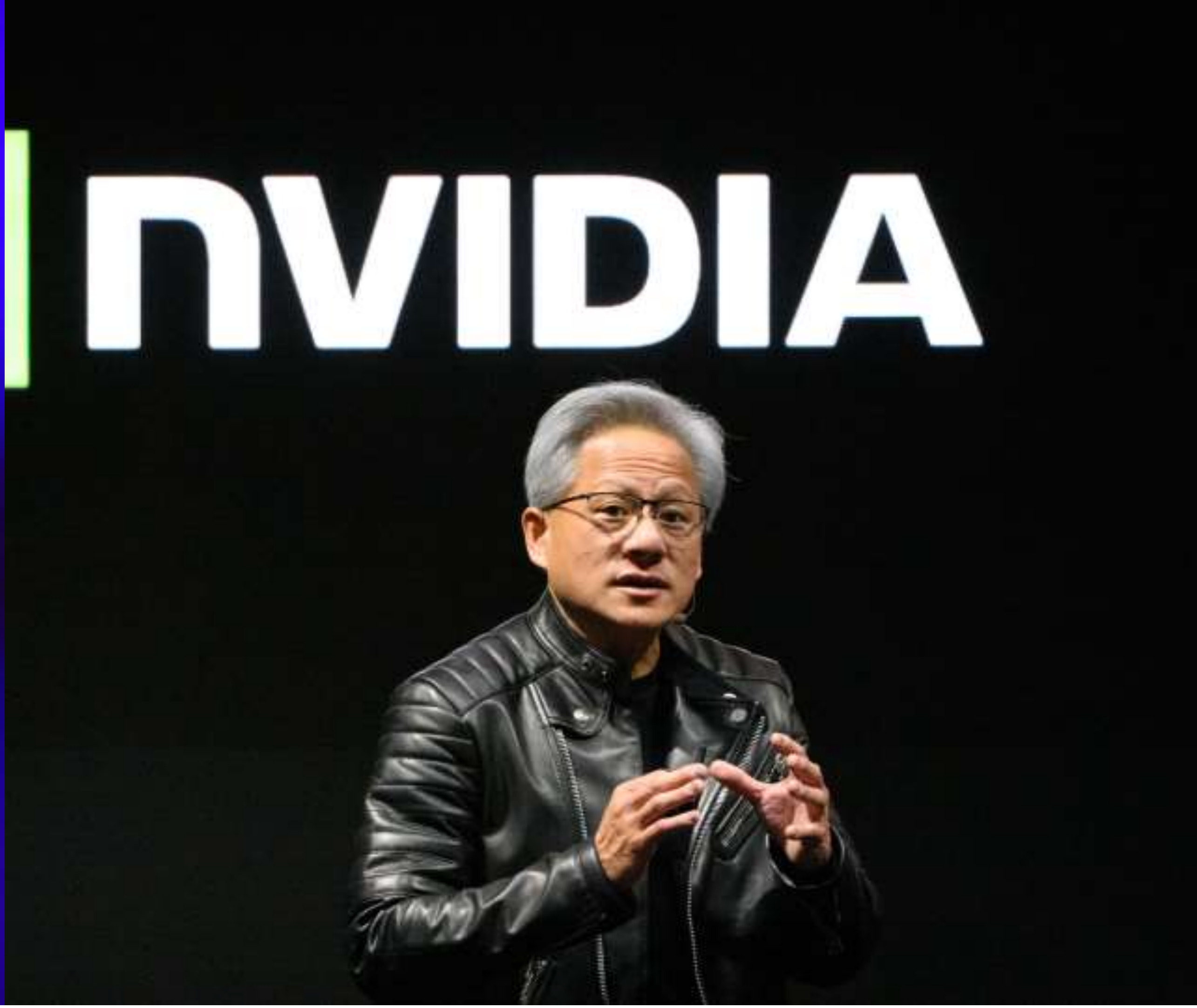
Choose Your Battlefield

Circle of Competence in Practice

Pending Questions for the Future

How Should We Measure Our Performance?





Is It a Bad Thing to Miss-Out?

How To Integrate AI In Our Job?

MAPFRE AM

MAPFRE Asset Management

Thank you