

# Value Investing in the Real World

## *Principles vs Constraints*

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*University of Athens | May 2026*

# About Alpha Asset Management

**€7.5bn**

Assets Under Management

**49**

Mutual Funds (UCITs)

**>85,000**

Retail Clients

**36 yrs**

Years of Expertise

- 100% subsidiary of Alpha Bank — Greece's leading financial group
- The only ETF listed on the Athens Stock Exchange
- Funds domiciled in Greece & Luxembourg | Supervised by HCMC & CSSF
- 20% CAGR in AuM growth from 2015 to 2025
- Investment philosophy: Fundamental Analysis · Risk Management · Long-Term View · Diversification

## A Thought Experiment

**"If Benjamin Graham were running  
a UCITS fund today...**

**he might be fired."**

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*Why? Because theory and institutional reality are very different worlds.*

# Why Would Graham Struggle Today?

Large deviations from benchmarks would alarm clients and boards

Long periods of underperformance are career-ending in institutions

Concentrated positions violate diversification mandates

Ignoring short-term signals contradicts reporting obligations

Client patience is far shorter than the required investment horizon

*"This is not theory vs theory.  
It's theory vs reality."*

# Value Investing: The Core Principles

## Price ≠ Value

Market price is what you pay. Intrinsic value is what you get.

## Margin of Safety

Buy significantly below intrinsic value to protect against errors.

## Long-Term Horizon

Short-term volatility is noise. Compounding works over years.

## Market Inefficiencies

Mispricings exist and are exploitable with patience & research.

## Discipline Over Emotion

The investor's chief problem – and his worst enemy – is likely to be himself (Graham).

## Know What You Own

Deep understanding of a business is the foundation of conviction.

# Mr. Market — The Mental Model

*How to Think About Markets*



**Mr.  
Market**

Is emotional, not rational

Offers prices – not truth

Swings between fear & greed

Is there to serve you, not guide you

**Your job: decide - don't follow.**

# But This Is Not How We Operate

## In institutional asset management:

- We are benchmarked - relative performance is the standard
- We operate under tracking error limits, regulatory constraints and required diversification
- We manage liquidity for redemptions
- We report frequently to boards, clients, and regulators, often non-investment professionals
- We face real business constraints: benchmarking to peers, inflows, AuMs, performance and investment holdings, effectively, reinforcing behaviors and anomalies

*"This is where  
theory meets  
friction."*

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# The Central Conflict

## Value Investing Wants:

- Concentration in best ideas
- Patience – years, not quarters
- Independence from benchmarks
- Absolute return thinking

VS

## UCITS Investing Requires:

- Diversification across positions
- Relative performance vs benchmark
- Accountability to clients/boards
- Frequent reporting & transparency

*This tension never disappears - it must be managed*

## What We Really Are

# We are Constrained Value Investors

This is not an apology — it is a clear-eyed acknowledgment of reality.  
We apply value principles within the boundaries that UCITS investing requires.  
This discipline, done well, still creates significant value for clients.

# Constraints We Operate Under

## Benchmark Awareness

Our performance is measured relative to an index. Significant deviations require justification.

## Position Size Limits

UCITS regulations and internal risk limits cap how much we can hold in any single security.

## Liquidity Requirements

Funds must be able to meet client redemptions. Illiquid positions are severely constrained.

## Mandatory Diversification

Regulatory diversification rules prevent the kind of portfolio concentration pure VI would use.

## Shorter-Than-Ideal Horizon

Quarterly reporting and Annual Budgeting creates pressure. Our investment horizon is constrained by client expectations.

*These are the rules  
of the game.*

# Principles We Do Not Compromise

*"This is where we stay true to value investing."*

01

**Fundamental Analysis** Every investment decision is grounded in deep research into business quality and intrinsic value.

02

**Valuation Discipline** We don't chase momentum. We buy when price offers a margin of safety relative to fair value.

03

**Focus on Downside Risk** The first rule is don't lose money. Protecting capital is as important as generating return.

04

**Avoiding Permanent Loss** Volatility is not risk. Permanent impairment of capital is the real risk we manage against.

05

**Independent Thinking** We form our own views. Consensus is not our starting point – the fundamentals are.

# Our Definition of Risk

## Risk is NOT:

- Volatility of prices
- Short-term underperformance vs benchmark
- Tracking error vs an index

## Risk IS:

- Not understanding what you own
- Overpaying for an asset
- Permanent impairment of capital

"The highest risk is not knowing your investment well."

# Knowledge Is the Only Real Edge

## Deep Understanding Reduces Uncertainty

When you truly understand a business – its competitive position, its cash flows, its risks – uncertainty shrinks significantly.

## Research Is Risk Management

Every hour of rigorous analysis is an act of risk reduction. Information asymmetry is the edge we seek.

## Conviction Comes From Knowledge

You can only hold a position through volatility if you have deep conviction. Conviction comes from work, not hope.

## Markets Punish Ignorance

Eventually, price and value converge. If you don't know what you own, you will be on the wrong side of that convergence.

# Case Study: Two Greek Value Investments — Titan Cement & Briq Properties



## TITAN CEMENT (TITC)



## BRIQ PROPERTIES (BRIQ)

**1 What the market believed** ESG sentiment dominated: cement = carbon. Institutional ESG mandates pushed investors to abandon heavy-industry names. The narrative was that ESG funds would structurally sell and that no new capital would flow in, while the cost to adapt would be unbearable.

**2 What we saw differently** Fundamental analysis revealed compelling cheapness: discount to NAV, strong cash flows, and a US subsidiary valued at a fraction of what comparable US-listed peers commanded. ESG narrative was overstated vs. business reality.

**3 Valuation & upside** Both stocks offered ~100% upside to fair value. Discounts were visible across multiple metrics: NAV, P/CF, income yield. Every fundamental dimension pointed to the same conclusion: deeply cheap.

**4 How we solved for value** Titan listed its US subsidiary (Titan America) on the US market, where cement peers trade at far higher multiples. This monetised group value, distributed proceeds to shareholders, and made the remaining group's cheapness undeniable.

**5 Key risk & outcome** Main risk: value trap — market never recognises embedded value. In both cases, the outcome was spectacular. Management quality and alignment of major shareholders were crucial conviction factors.

**What the market believed** Rising inflation & interest rates in 2022 poisoned sentiment on real estate globally. REITs and bond-proxies sold off indiscriminately — a blanket discount to NAV applied to ALL real estate regardless of quality or profitability.

**What we saw differently** Briq's underlying portfolio — modern logistics, offices, retail — was highly profitable and growing. The discount to NAV was a market-wide sentiment reaction, not a reflection of company-specific deterioration.

**How we solved for value** Continued distributions, disciplined asset management, and growing rental income made the NAV discount increasingly difficult for the market to ignore. Patience was the edge.

# Value Investing Is Not Easy

## Value Traps

A stock can be cheap for a very good reason. Low P/E is not enough – you need a catalyst or improving fundamentals.

## Timing Is Unpredictable

Even if you're right, the market may take years to recognize it. Patience has a cost.

## Markets Stay Irrational

Keynes was right: markets can remain irrational longer than you can remain solvent.

## Business Risk Is Real

Underperforming a benchmark serially, even if ultimately right, can cost mandates, your career and reputation.

# What We Don't Know

*"This is not weakness – it is realism."*

We cannot forecast macro conditions consistently

We cannot predict the precise timing of market moves

We are wrong often – what matters is how wrong and how we respond

Uncertainty is permanent – it cannot be modeled away

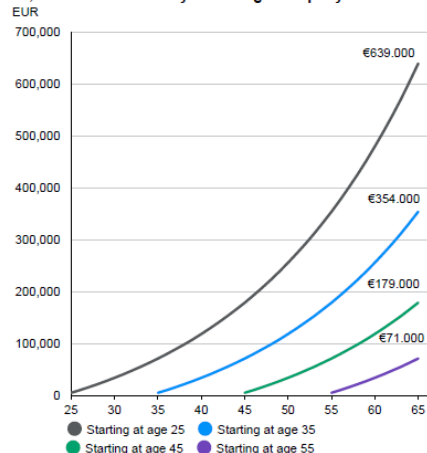
**Humility is not a limitation. It's a competitive advantage.**

# What Actually Helps Investors

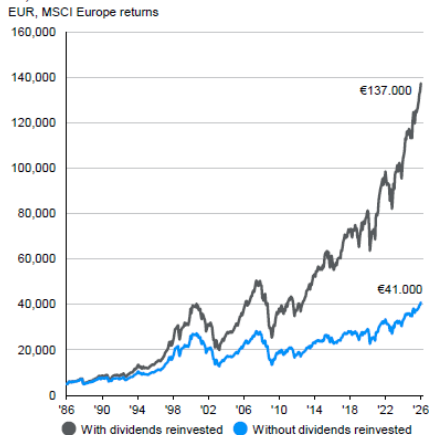
## The effect of compounding

GTM EMEA

### €5,000 invested annually with 5% growth per year



### €5,000 investment with/without income reinvested



Source: (Left) J.P. Morgan Asset Management. For illustrative purposes only. Assumes all income reinvested. Actual investments may incur higher or lower growth rates and charges. (Right) Bloomberg, MSCI, J.P. Morgan Asset Management. Based on MSCI Europe Index and assumes no charges. Past performance is not a reliable indicator of current and future results. Guide to the Markets - EMEA. Data as of 31 December 2025.

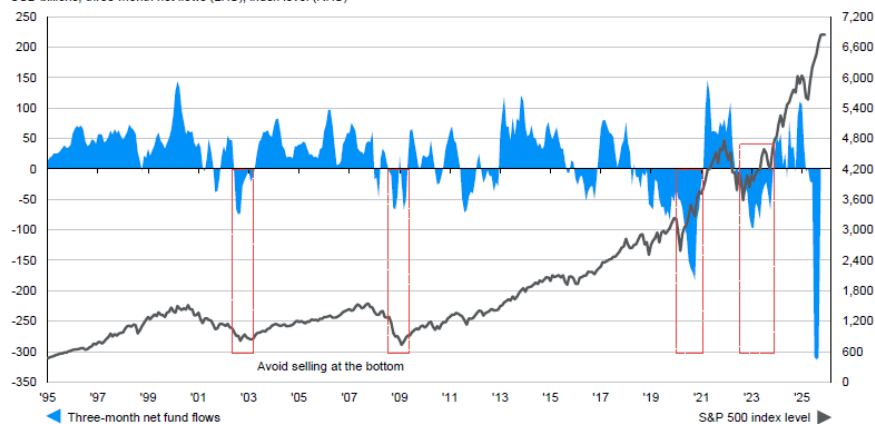
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## S&P 500 and fund flows

GTM EMEA

### US mutual fund and ETF flows and S&P 500

USD billions, three-month net flows (LHS); index level (RHS)



Source: FactSet, Investment Company Institute, LSEG Datastream, S&P Global, J.P. Morgan Asset Management. Fund flows are US long-term equity fund flows with ETF flows included from 2006 onwards. Past performance is not a reliable indicator of current and future results. Guide to the Markets - EMEA. Data as of 31 December 2025.

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## Discipline

consistency beats brilliance

## Time in Market

beats timing the market

## Markets Grow

over the long run – stay invested

## Compounding

is the most powerful force in investing

# The Only Free Lunch



## Diversification

*Harry Markowitz, 1952*

- Reduces portfolio risk WITHOUT reducing expected return
- The only strategy that offers risk reduction 'for free'
- Essential in institutional portfolios — not optional
- Complements value investing — it does not contradict it
- At Alpha Asset Management: equity, fixed income, multi-asset, international exposure

**"Seek Diversification based on potential outcomes, not just for the sake of it."**

# The Only Free Lunch - Diversification

## Asset class returns (EUR)

GTM EMEA

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	10-year ann. return	Vol.
HY bonds 18,2%	EM equities 21,0%	Govt bonds 4,6%	DM equities 30,3%	EM equities 8,9%	REITs 50,5%	Cmnty 23,7%	DM equities 20,2%	DM equities 27,2%	EM equities 18,5%	DM equities 11,9%	REITs 20,3%
Cmnty 15,1%	DM equities 8,1%	HY bonds 1,5%	REITs 30,4%	DM equities 6,9%	Cmnty 36,8%	Hedge funds 1,9%	HY bonds 9,6%	EM equities 15,3%	DM equities 7,2%	EM equities 8,0%	Cmnty 15,6%
EM equities 14,9%	Portfolio 1,7%	IG bonds 1,3%	EM equities 21,1%	Portfolio 1,6%	DM equities 31,6%	Cash 0,0%	Portfolio 8,7%	Portfolio 15,0%	Cash 2,5%	Portfolio 5,1%	DM equities 13,9%
EMD 13,4%	Cash -0,3%	REITs 0,7%	Portfolio 18,9%	IG bonds 1,3%	Portfolio 16,6%	HY bonds -7,6%	REITs 7,7%	HY bonds 14,7%	Portfolio 2,2%	HY bonds 5,1%	EM equities 11,8%
REITs 12,6%	EMD -3,2%	EMD 0,6%	EMD 17,2%	Govt bonds 0,5%	Hedge funds 11,5%	Portfolio -9,3%	EMD 7,3%	EMD 13,7%	Cmnty 2,1%	Cmnty 4,9%	EMD 8,8%
DM equities 11,4%	HY bonds -3,2%	Cash -0,3%	HY bonds 15,8%	Cash -0,3%	HY bonds 9,1%	IG bonds -11,3%	EM equities 6,5%	Cmnty 12,4%	EMD 0,8%	REITs 4,7%	HY bonds 8,6%
Portfolio 10,3%	REITs -4,0%	Portfolio -1,6%	IG bonds 13,6%	HY bonds -0,9%	EMD 5,7%	Govt bonds -12,1%	IG bonds 5,9%	Hedge funds 12,3%	HY bonds -2,3%	EMD 3,6%	Portfolio 8,5%
IG bonds 7,4%	IG bonds -4,2%	Hedge funds -2,0%	Hedge funds 10,6%	Hedge funds -2,0%	EM equities 5,2%	DM equities -12,3%	Cash 3,3%	REITs 11,3%	IG bonds -2,8%	Hedge funds 2,3%	Hedge funds 6,7%
Hedge funds 5,6%	Govt bonds -5,6%	DM equities -3,6%	Cmnty 9,7%	EMD -3,4%	IG bonds 4,5%	EMD -12,4%	Govt bonds 0,7%	IG bonds 7,9%	Hedge funds -5,5%	IG bonds 2,1%	IG bonds 6,7%
Govt bonds 4,7%	Hedge funds -6,9%	Cmnty -6,8%	Govt bonds 7,5%	Cmnty -11,1%	Govt bonds 0,5%	EM equities -14,5%	Hedge funds -0,4%	Cash 4,0%	Govt bonds -5,8%	Cash 0,8%	Govt bonds 5,7%
Cash -0,2%	Cmnty -10,7%	EM equities -9,9%	Cash -0,3%	REITs -13,6%	Cash -0,5%	REITs -20,2%	Cmnty -11,0%	Govt bonds 2,9%	REITs -10,4%	Govt bonds -0,4%	Cash 1,7%

Source: Bloomberg, FTSE, J.P. Morgan Economic Research, LSEG Datastream, MSCI, J.P. Morgan Asset Management. Vol. is the standard deviation of annual returns. Govt bonds: Bloomberg Global Aggregate Government Treasuries; HY bonds: ICE BofA Global High Yield; EMD: J.P. Morgan EMBI Global Diversified; IG bonds: Bloomberg Global Aggregate – Corporate; Cmnty: Bloomberg Commodity; REITs: FTSE NAREIT All REITs; DM equities: MSCI World; EM equities: MSCI EM; Hedge funds: HFRI Global Hedge Fund Index; Cash: J.P. Morgan Cash Index EUR (3M). Hypothetical portfolio (for illustrative purposes only and should not be taken as a recommendation): 30% DM equities; 10% EM equities; 15% IG bonds; 12,5% government bonds; 7,5% HY bonds; 5% EMD; 5% commodities; 5% cash; 5% REITs and 5% hedge funds. All returns are total return, in EUR, and are unhedged. Past performance is not a reliable indicator of current and future results. Guide to the Markets - EMEA. Data as of 31 December 2025.

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# Principles for successful long-term investing

1

Plan on living a long time.

2

Cash is rarely king.

3

Start early and reinvest income.

4

Returns and risks generally go hand in hand.

5

Volatility is normal.

6

Timing the market is difficult.

7

Diversification works.

# Key Takeaways

1 Value investing principles are timeless — price, value, margin of safety.

2 Implementation must adapt to reality — we are constrained value investors.

3 Constraints shape behavior, but not our philosophy.

4 Knowledge is the best risk control — research is everything.

5 Humility is essential — we are wrong often; what matters is how we manage it.

6 Diversification is the only free lunch — use it.

**"You don't need to predict the future.**

**You need to survive it  
and stay invested long enough to benefit from it."**

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Panagiotis Antonopoulos | Alpha Asset Management | University of Athens, May 2026

# Discussion & Q&A

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*Thank you — Looking forward to your questions*

Panagiotis Antonopoulos  
CEO, Alpha Asset Management