



First Sentier
Group

RQI Global Value Fund

Quant-based, Higher Yield and Lower Valuation Diversifier

September 2025

For professional/institutional clients only

Our investment teams

Compromising of both in-house and individually branded teams

First Sentier Group



Our in-house capabilities include:

- Asian Fixed Income
- Global Listed Infrastructure
- Global Property Securities



Our direct infrastructure business



A systematic equities manager



An Asian and Global Emerging Markets equity specialist



Stewart Investors

A pioneer in sustainable equities investing



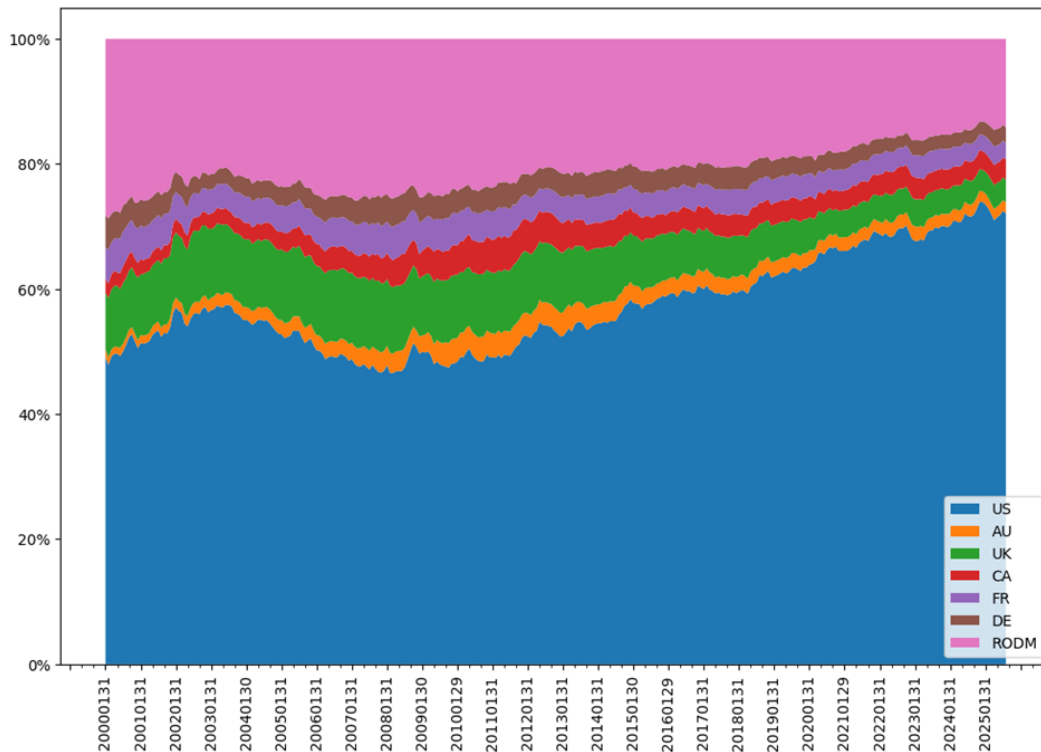
A European Alternative Credit specialist

* In order to comply with the regulatory requirements of the US Federal Reserve Board, First Sentier Investors (US) LLC is held under MUFG Americas Holdings Corporation.

** First Sentier Group completed its majority investment into strategic partnership with AlbaCore Capital Group in November 2023.

Weights of various countries in MSCI World

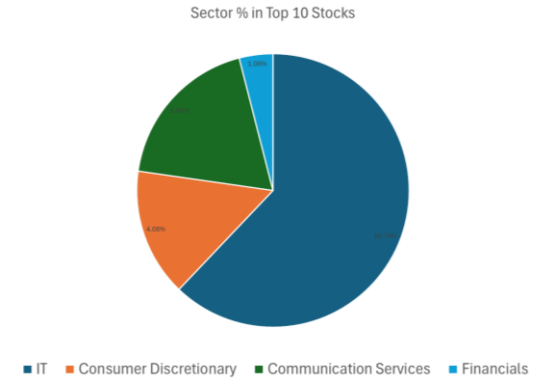
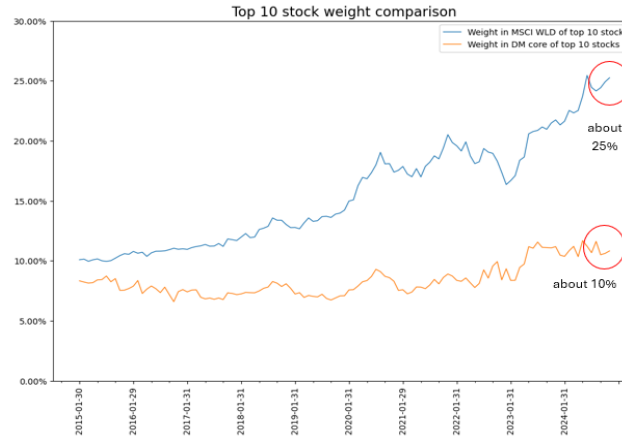
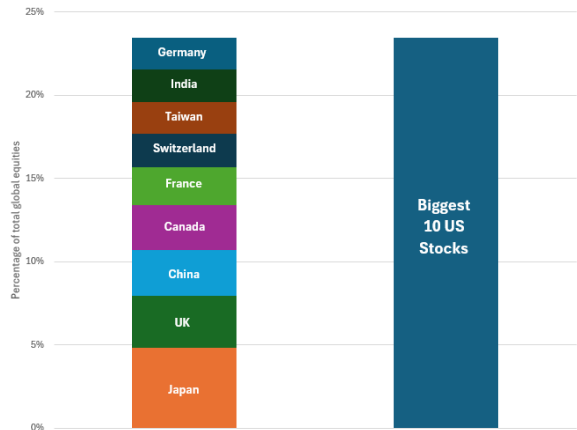
Proportion of MSCI World in various countries



The USA has increased its proportion from 49% at the beginning of 2000, to 57% at the beginning of 2015 to finally 72% at the end of August 2025. The run up in weight post GFC is very strong and has accelerated further recently.

For the same dates, the United Kingdom ('UK') has fallen from 9% to 8% to 3.6% and the rest of the developed markets ('RODM', excluding US, Australia, UK, Canada, Germany and France) has fallen from 28.2% to 20.4% and finally to 14.1%.

How big and concentrated are the top 10 stocks?



1. Markets are inefficient

- The market is not a market cap benchmark
- Prices deviate from unobserved intrinsic value
- Investors behavioural biases exacerbate valuation peaks and troughs
- Market cap indices inherently embed price momentum

2. Inefficiencies come in different forms and frequencies

- Inefficiencies can persist over extended periods of time and across different frequencies
- These can be exploited systematically
- Value investing aims to capture long horizon inefficiencies which lead to mean reversion

3. Systematic Value is a scalable way of capturing this mispricing

- Long and medium term mean reversions are captured
- Rules based rebalancing targets the medium term
- Disciplined approach avoids behavioural biases

RQI Systematic Value

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Intrinsic Value

+ Alpha Overlay

+ Rebalancing Discipline

- Benchmark agnostic approach to building a measure of intrinsic value - captures the long term value premium
- Alpha overlay captures complimentary information at shorter horizons and avoids value traps over longer ones
- Disciplined rebalancing about the combined value measure drives further returns to value

Aims to systematically capture the value premium

Create core value portfolio

A Rebalancing Anchor that is Benchmark Agnostic

- 20,000 companies screened for liquidity
- 5 year average dollar accounting-weighted measures
 - Widely acceptable measures of company size
 - Slow and steady rebalancing anchor

Adjusted sales/sales

Adjusted book value

Cash flows

Dividends

Creates a Core Value weight:

- Global – Top 1,500 Companies by accounting weights

Weighting by accounting metrics and rebalancing:

- Outperforms the market over the very long term (20 years +)
- Contrarian
- Systematic and Disciplined
- Lower Turnover
- Facilitates Capacity

Our alpha model

Bringing research and insights together: Reduce value traps, improving risk and return, maintain Value characteristics

Quality Fundamentals

Measures firm quality along several dimensions: Operating, Balance Sheet, Earnings, Organisation & Management. Due to its focus on short term results, the market undervalues the longer-term performance associated with high quality firms.

Examples: management conference call clarity and regulatory filing disclosure quality

Relative Valuation

Identifies over and undervalued firms with respect to their fundamentals and peers caused either by investor errors in expectations, compensation for non-diversifiable risk or non-risk-based preferences

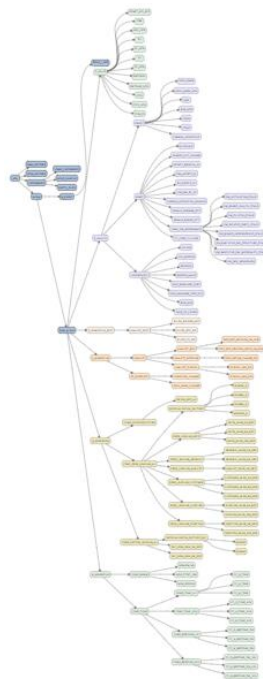
Examples: growth adjusted yields, machine learned relative value

Fundamental Momentum

Measures earnings direction and captures investor under-reaction to news about firm fundamentals via reported fundamentals and analyst's revisions

Examples: Broker alpha capture based on detailed estimates, conference call tone

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Market Sentiment

Utilizing market-based sources like trading volumes, prices and news, these insights capture emerging trends not immediately reflected in stock prices, exploiting inefficiencies caused by investor under-reaction to new information.

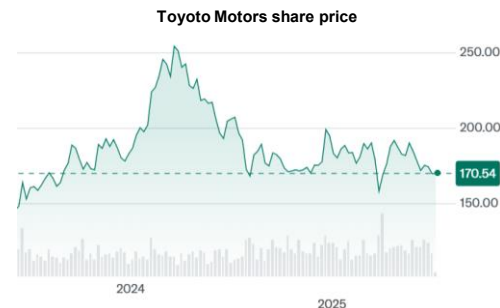
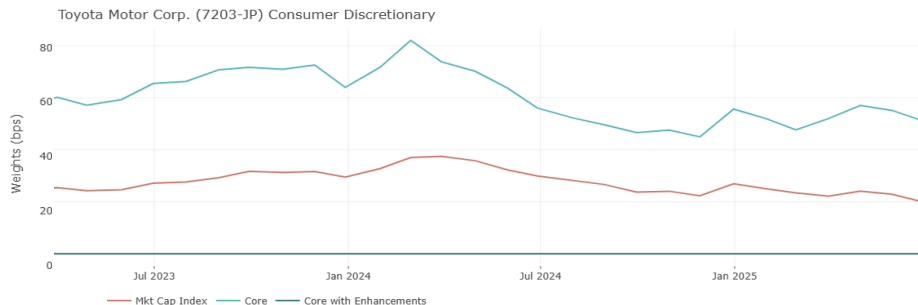
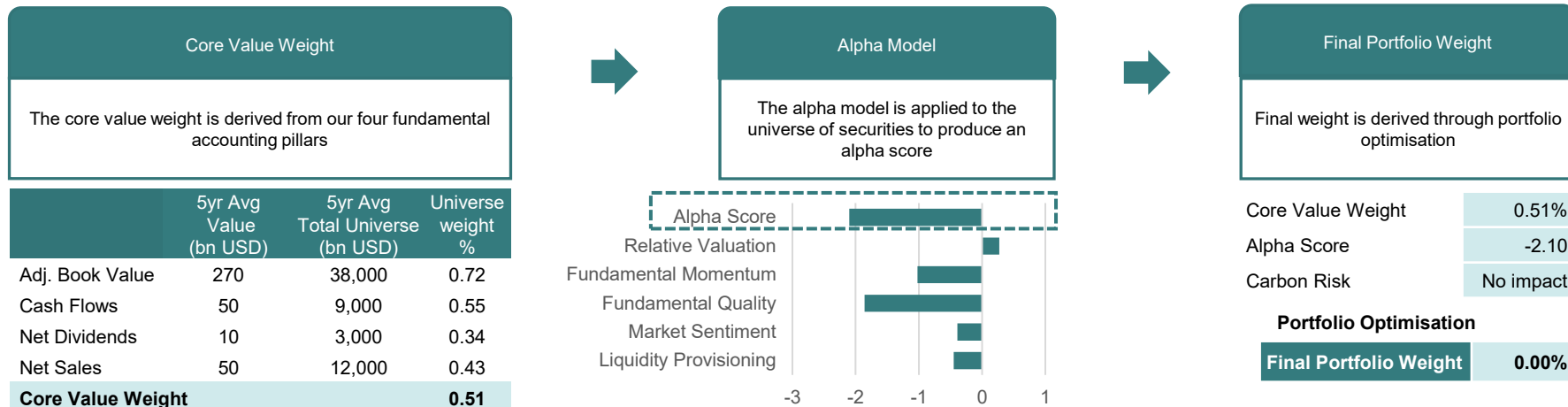
Examples: broker flows, peer linkage-based momentum; short Interest dynamics

Liquidity Provisioning

Measures market microstructure dynamics where supply and demand side pressures are likely to be transient leading to mean reversion in prices

Examples: Broker concentration, network-based lead lag models

Avoiding Value Traps: Toyota Motors



Avoiding Value Traps: NRG Energy

Core Value Weight

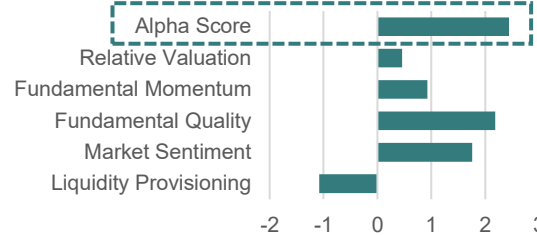
The core value weight is derived from our four fundamental accounting pillars

	5yr Avg Value (bn USD)	5yr Avg Total Universe (bn USD)	Universe weight %
Adj. Book Value	2.3	38,000	0.01
Cash Flows	2.5	9,000	0.03
Net Dividends	0.8	3,000	0.03
Net Sales	3.1	12,000	0.02

Core Value Weight 0.02%

Alpha Model

The alpha model is applied to the universe of securities to produce an alpha score



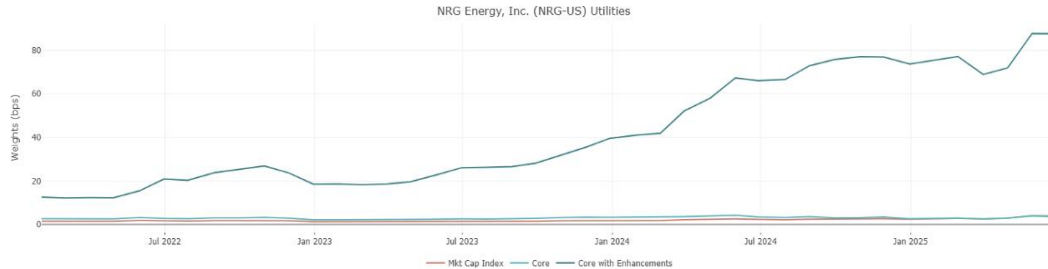
Final Portfolio Weight

Final weight is derived through portfolio optimisation

Core Value Weight	0.02%
Alpha Score	+2.44
Carbon Risk	No impact

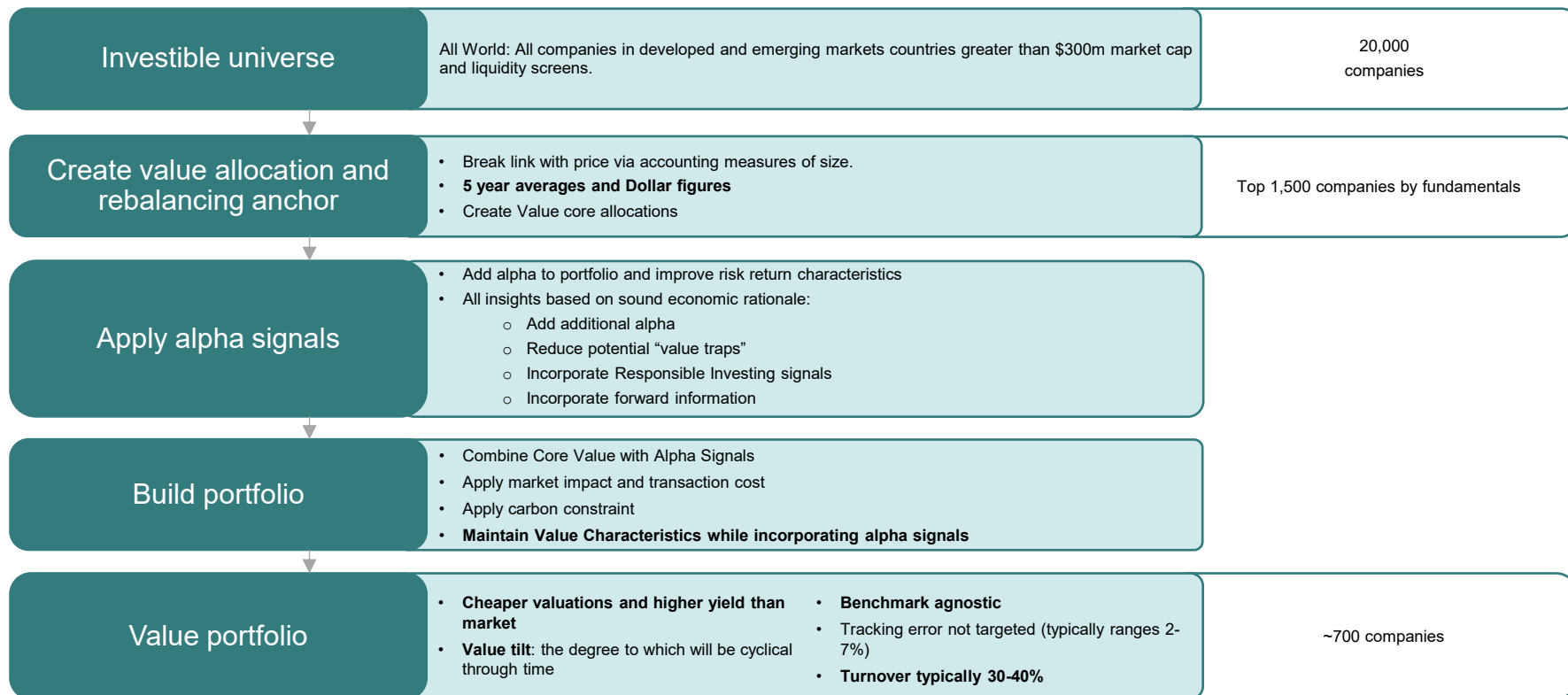
Portfolio Optimisation

Final Portfolio Weight 0.55%



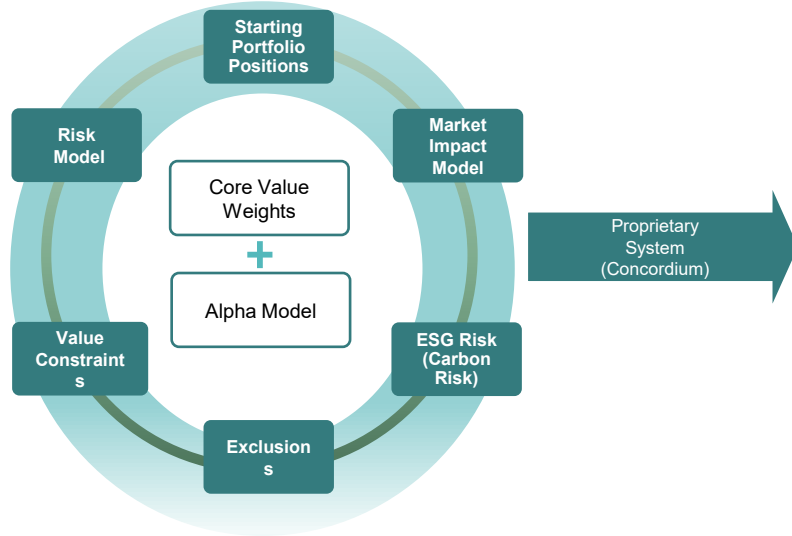
RQI value process

All Country example



Portfolio construction and model management

Combining Core Value and alpha whilst maintaining Value characteristics

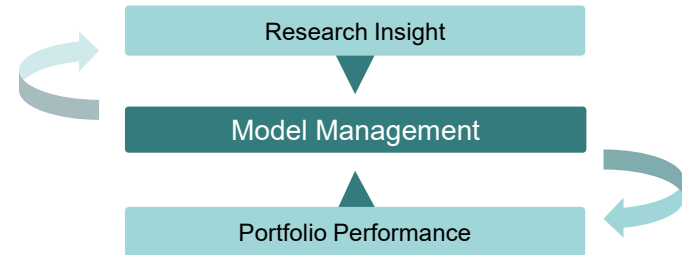


Model Management

- Regularly review process to assess ongoing signal and model performance
- Ongoing review of performance and attribution of signals within the portfolio strategies

RQI Value Portfolio

- Aiming for ~2% p.a.* excess return than the market
- Cheaper valuations and higher yield than the market
- Benchmark agnostic and tracking error not targeted (typically 2-6% p.a. but varies)
- Value Tilt and Risk is cyclical through time
- Turnover Typically 30-40% p.a.
- Global All Country ~700 Companies**



RQI Global Value

Portfolio Breakdown and Characteristics

Sector	End Port Weight	End Bench Weight	End Active Weight
Financials	26.1	17.5	8.6
Materials	5.1	3.3	1.8
Energy	5.4	3.6	1.8
Utilities	4.4	2.6	1.8
Real Estate	3.2	1.9	1.3
Communication Services	9.5	8.7	0.8
Consumer Staples	6.0	5.9	0.1
Consumer Discretionary	10.2	10.4	-0.3
Health Care	8.1	8.9	-0.7
Industrials	9.5	11.0	-1.5
Information Technology	12.6	26.3	-13.7

Characteristics	Fund	Bench	Premium/Discount
Dividend Yield (%)	2.84	1.75	62.72%
Price/Earnings (X)	19.32	26.20	-26.26%
Price/Cash Flow (X)	12.65	20.80	-39.19%
Price/Book (X)	2.76	4.17	-33.94%
Price/Sales (X)	2.79	4.44	-37.23%

Region	End Port Weight	End Bench Weight	End Active Weight
Europe	18.7	12.0	6.8
Emerging Markets	15.7	10.6	5.1
Japan	8.3	4.9	3.4
Developed Asia	2.1	0.9	1.2
UK	4.2	3.3	0.9
North America	50.9	68.3	-17.4

Top 5 overweight/underweight vs Benchmark	End Port Weight	End Bench Weight	End Active Weight
Novartis	1.2	0.3	1.0
Banco Bilbao Vizcaya Argentaria	1.0	0.1	0.9
UGI Corporation	0.9	0.0	0.9
Canadian Imperial Bank of Commerce	0.9	0.1	0.8
NRG Energy	0.9	0.0	0.8
Broadcom	0.0	1.5	-1.5
Apple	2.1	3.7	-1.6
Amazon.com	0.6	2.5	-2.0
Microsoft Corporation	0.8	4.2	-3.5
NVIDIA Corporation	0.1	4.7	-4.5

Navigating Today's Market:

The Case for RQI Global Value

Challenges Today

Concentration in US growth equities

Heavily weighted in "Magnificent 7"

Rich US valuations

Uncertain future earnings growth, weakening USD

Search for Income

High dividend equities typically comes with lower upside potential

Increased volatility

Rapidly changing policies creates challenges for traditional active managers

Cost

Many active managers struggle to beat benchmarks despite high management fees

What Investors Want



Diversification



Cheaper valuations



Yield



Disciplined Approach



Lower Fees

RQI Global Value

Portfolio Diversification

- ~700 stocks
- Underweight the US, IT sector and expensive giant cap companies

Value Philosophy

- Value-tilt with no hard exclusions on Growth
- ~30% valuation discount to MSCI ACWI index

5% p.a. Monthly Distribution

- Portfolio is generally higher yield than the market (~70% yield premium)
- No covered calls as they can cap the upside

Systematic and Active

- Reduces key person risk
- Enhanced risk-adjusted returns
- Strong performance across periods

Low Management Fee

- 1.0% annual management fee
- Lower cost than most active managers
- Aims to deliver better net returns

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