

SwissMBAs

Investment Roundtable 46

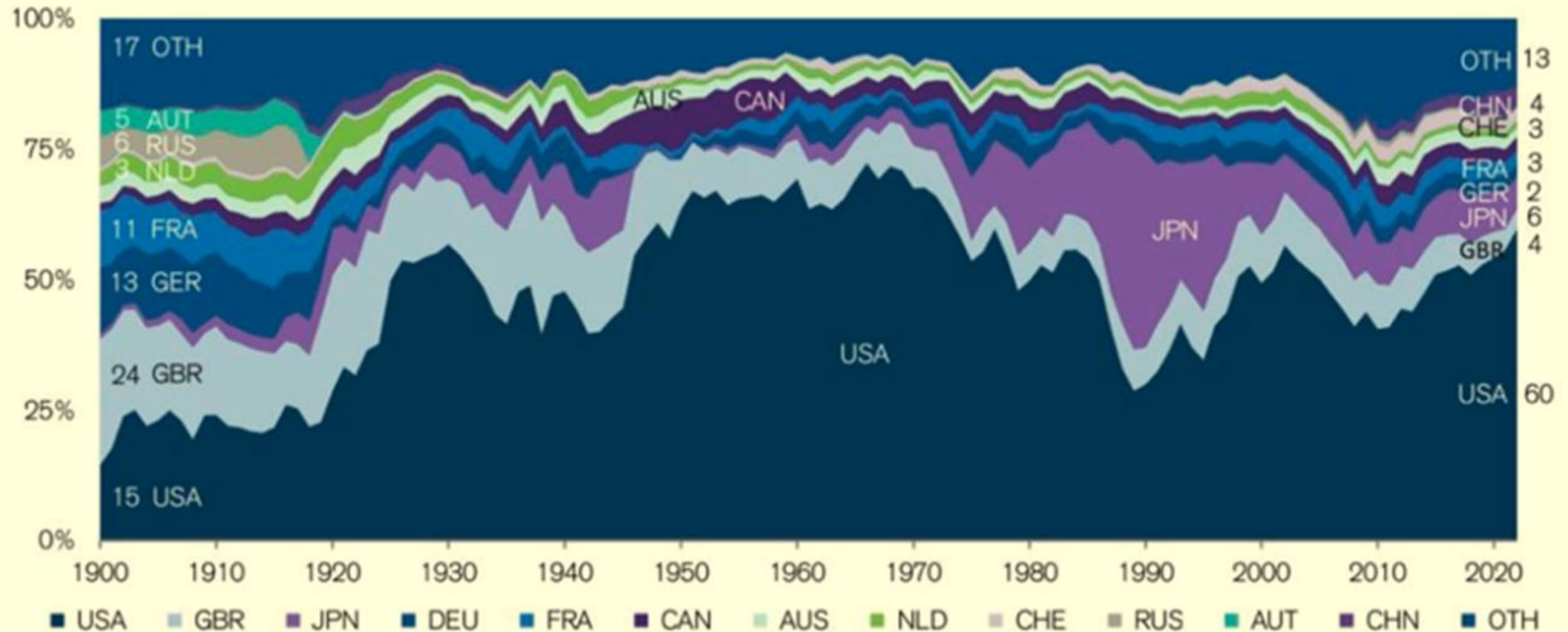
by Alex Rauchenstein
Managing Partner SIA

12 August 2025



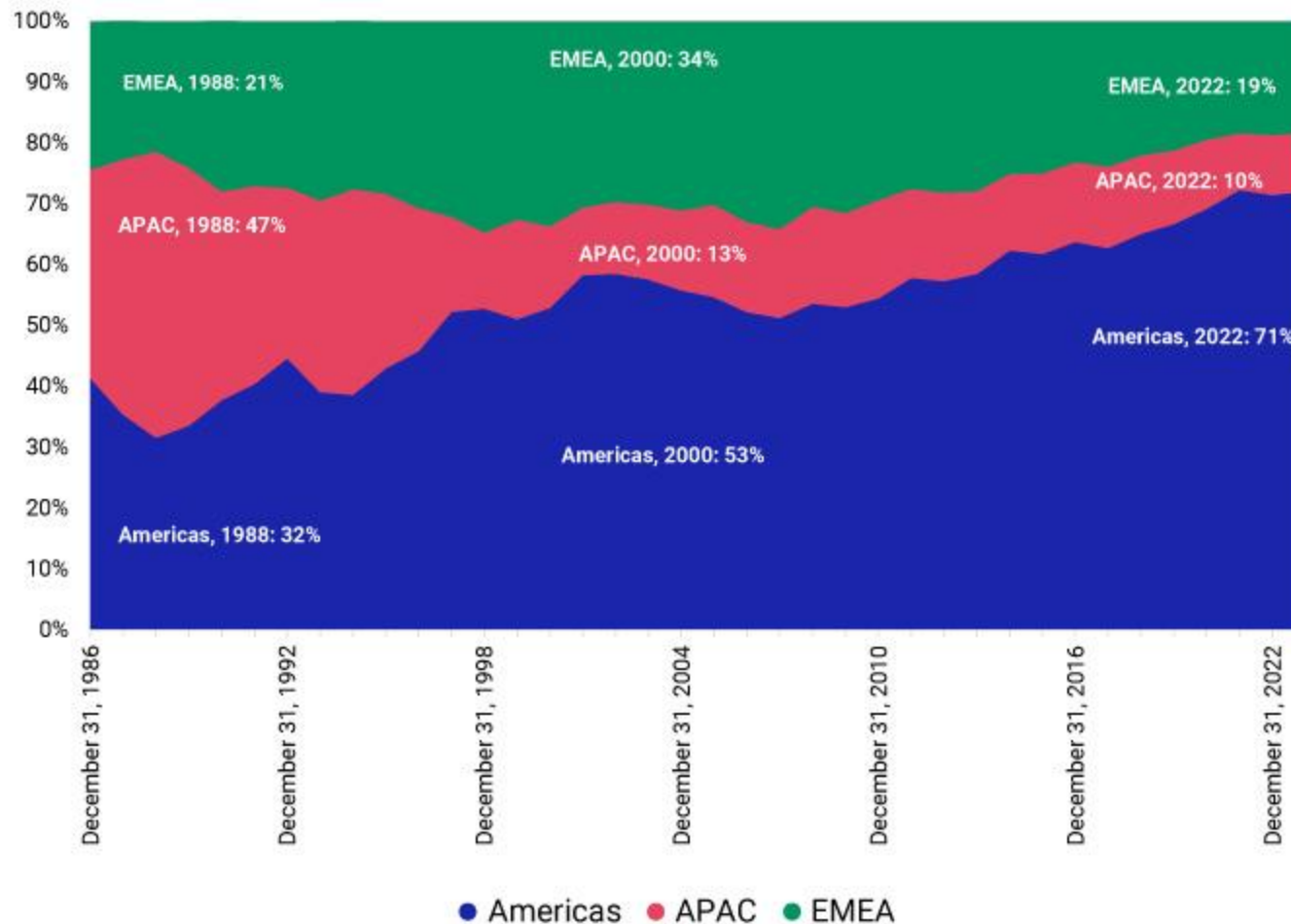
Development of Global Markets from 1899 - 2022

Figure 3: The evolution of equity markets over time from end-1899 to start-2022

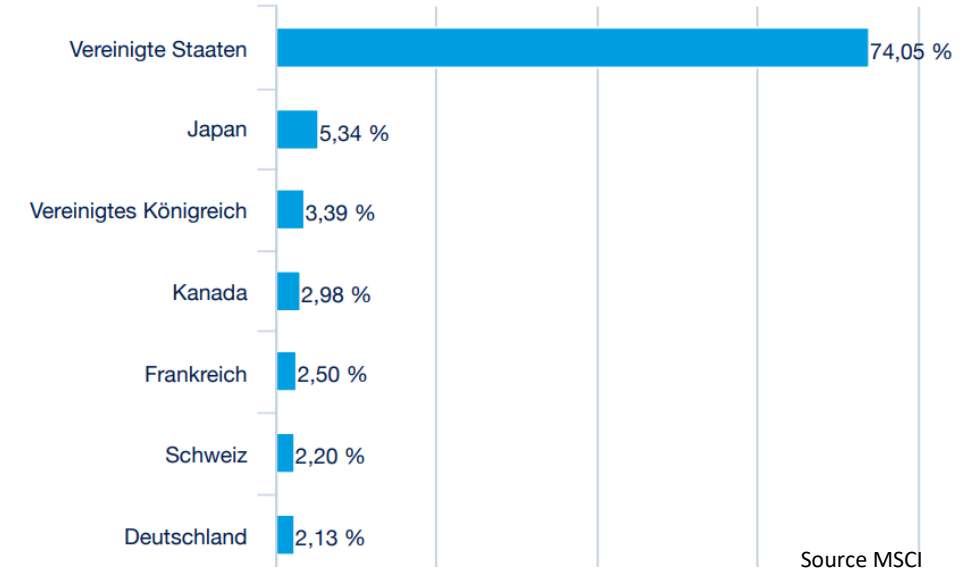


Sources: Elroy Dimson, Paul Marsh and Mike Staunton, DMS Database 2022, Morningstar, and FTSE Russell All-World Index Series weights (recent years). Not to be reproduced without express written permission from the authors.

USA weightings in the MSCI World since 1986 and today



Aufteilung nach Ländern (Quelle : Amundi)



worldometer

Coronavirus

Population

[W](#) / [GDP](#) / GDP by Country

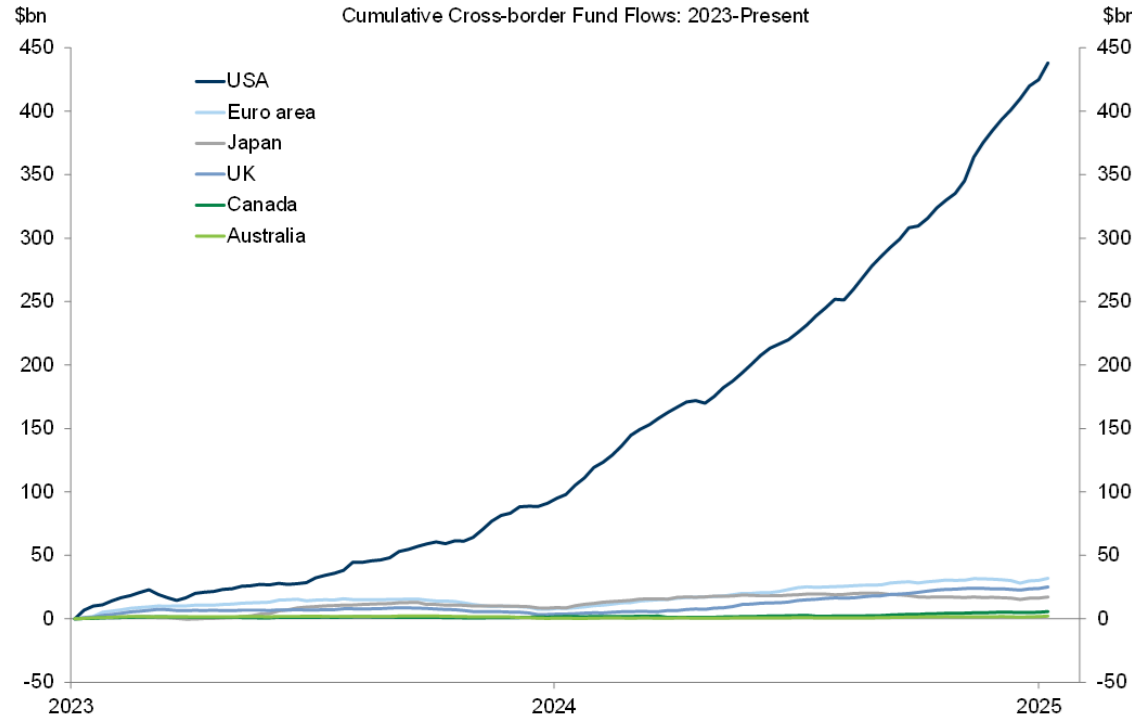
Source: SIA Group / Bloomberg

GDP by Country

#	Country	GDP (nominal, 2022)	GDP (abbrev.)	GDP growth	Population (2022)	GDP per capita	Share of World GDP
1	United States	\$25,462,700,000,000	\$25.463 trillion	2.06%	341,534,046	\$74,554	25.32%

Fund-Flows and Concentration in the S&P 500

5, Capital flows
Capital flows where it is welcome and rewarded.



7, Concentration

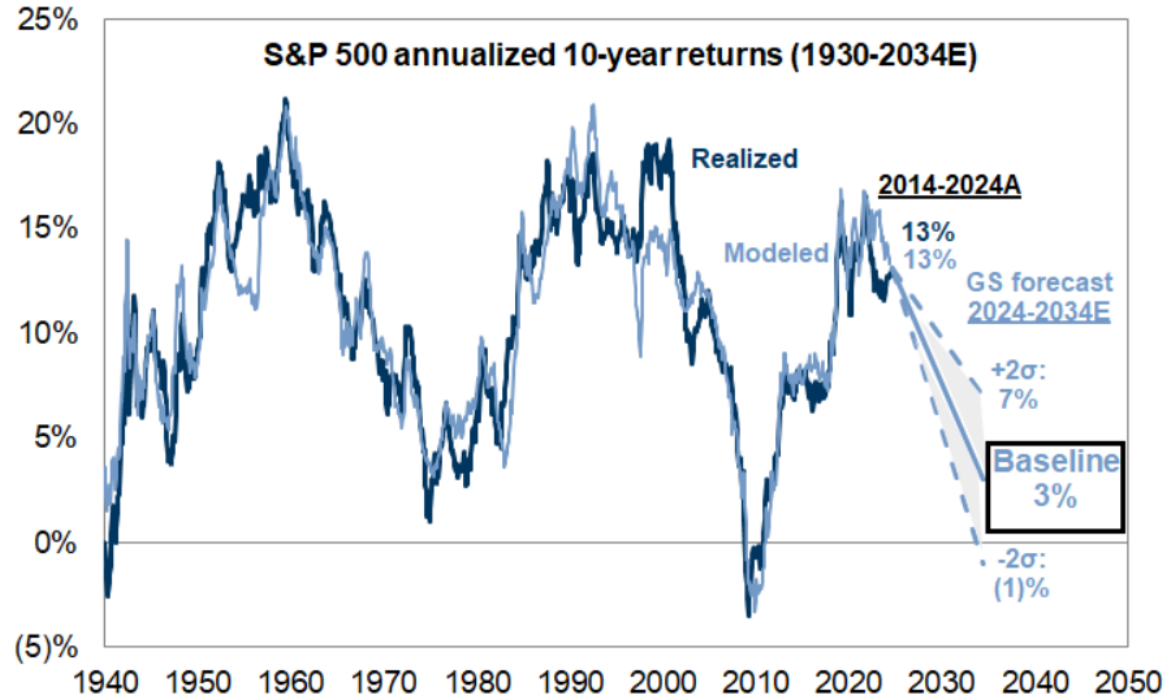
Now vs history via Market cap of 10 largest stocks relative to the 75th percentile stock. [Link](#)



Source: Goldman Sachs

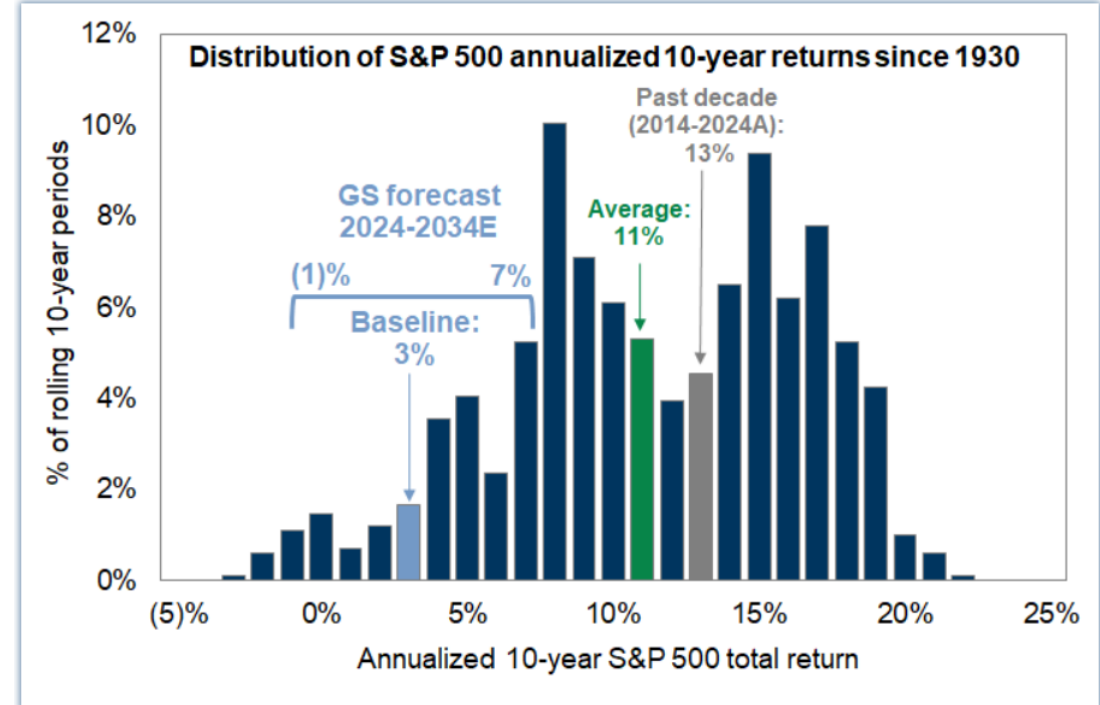
What is the expected nom. total Return of the S&P 500?

Exhibit 1: S&P 500 annualized trailing 10-year returns: modeled vs. realized (1930-2024) and forecast (2024-34E)



Source: Robert Shiller, Goldman Sachs Global Investment Research

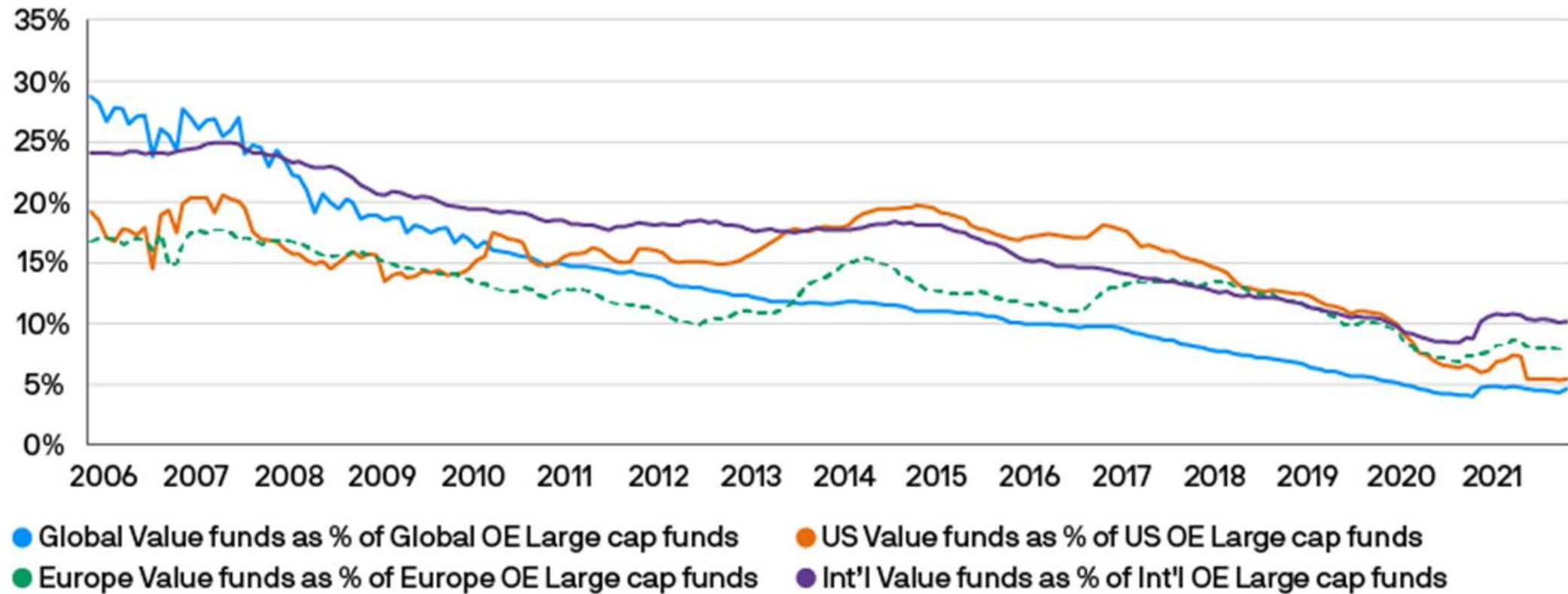
Exhibit 2: Distribution of S&P 500 annualized 10-year total returns, 1930-2024



Source: Robert Shiller, Goldman Sachs Global Investment Research

Source: Goldman Sachs

AUM of Value Funds as % of Large Cap Funds By Region



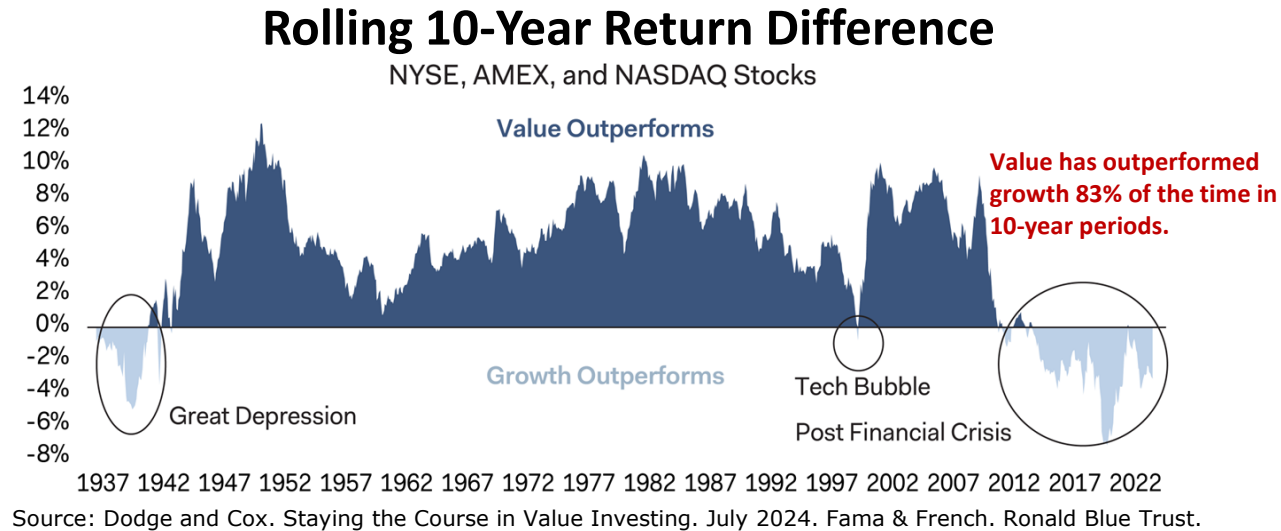
Source: Morningstar. Data as of 31 December 2021.

- Creating contrarian opportunity in expensive market

Source: J.P. Morgan Asset Management. Value vs Growth Investing: Value Returns with a Vengeance. March 2022.

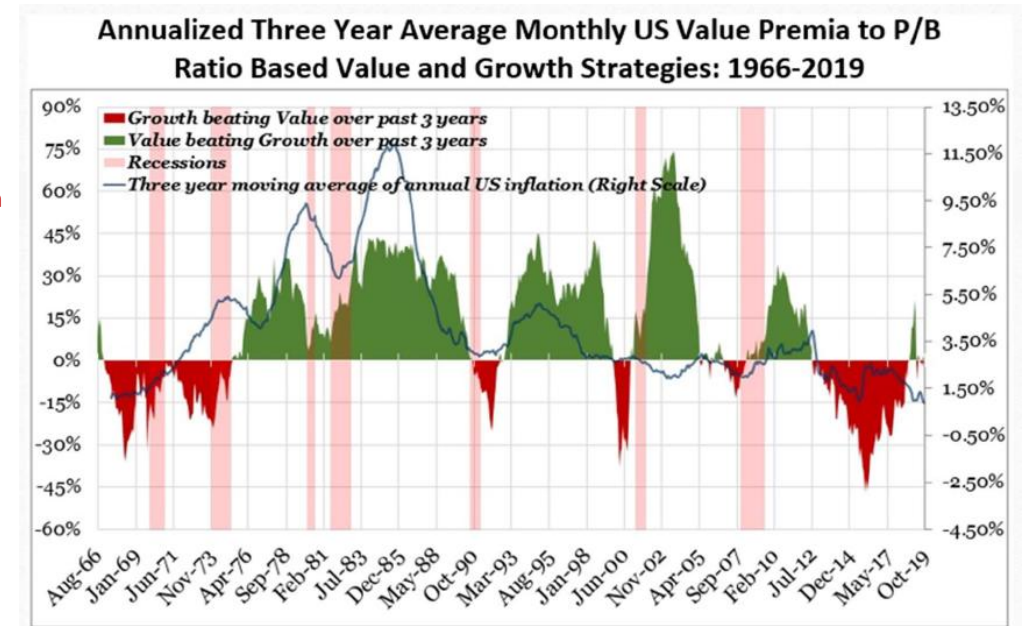
The investment case for Value Investing

Value Outperforms over the Long Term



The value recovery has just begun

When Inflation Rises Above 2.5%, Value Begins to Outperform



History would say that it is at least worth checking!

Since Rates Bottomed Summer 2020, Value Style Outperforming



	Annualized Total Return
LTIF Classic	14.3%
MSCI EAFE Value	11.4%
MSCI EAFE	8.2%
MSCI EAFE Growth	5.0%

- **International Equities (MSCI EAFE)** started to underperform **MSCI EAFE Value** since summer 2020.
- **MSCI EAFE Value** substantially outperformed **MSCI EAFE Growth** since then.
- And last but not least the **LTIF Classic** outperformed the **MSCI EAFE Value** Index.

Why do we call our investment style Strategic Value?

Because we developed from Value to Strategic Value: the 4 Gs

- **Strategic analysis of the sector:** competitive framework, entry & exit barriers, historical returns, cyclicalities, regime change
- **Strategic analysis of the company:** 5 forces, moats, competitive advantages, growth, returns
- **Choose good (moaty) businesses.** Buy them at a discount. Discard weak business models... at any price.

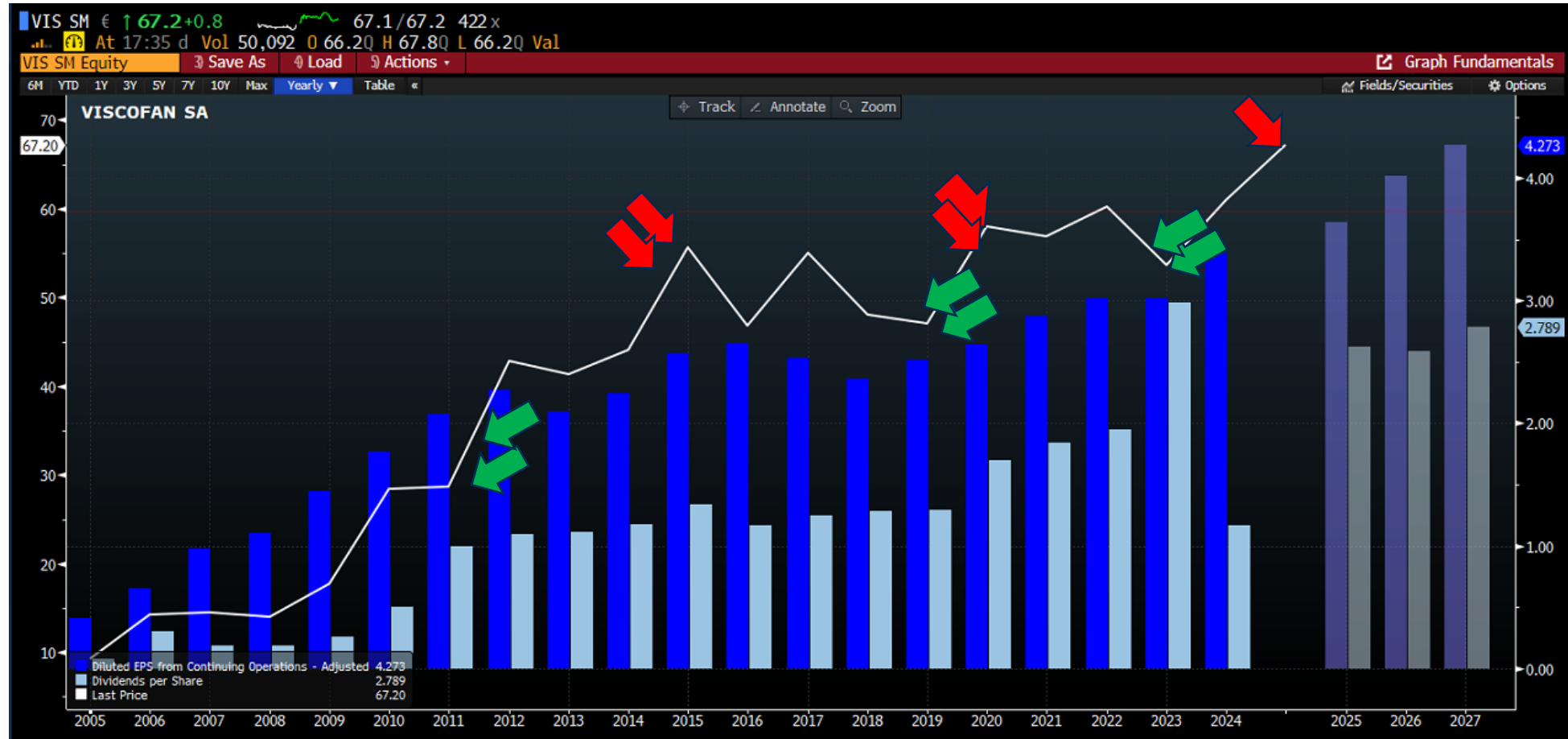
The 4 Gs: Good business, good management, good balance sheet and @ a good price

Our Expertise and Commitment



- **Highly Experienced Team:** Over 120 years of combined expertise in financial markets, sector cycles, and company analysis.
- **Global Insights:** Regular engagement with company management teams, expert networks, and sector specialists worldwide to identify emerging opportunities.
- **Proven Track Record:** Since its launch in January 2002, investors in the Long Term Investment Fund Classic have multiplied their capital 7x (9% p.a.), outperforming the MSCI World TR by nearly 200% since inception.
- **Skin in the Game:** Our entire team is heavily invested in our own fund, ensuring full alignment with our investors.

Long Term Investing example Viscofan SA



We love reinvesting in old friends.

Arguments in favour of the LTIF Classic (SIA)

The **LTIF Classic** is **managed actively and opportunistically**, just as we would manage our own personal portfolio—because, at the end of the day, it is. **The Global Financial Crisis (GFC)** taught us **invaluable lessons**.



- 4 risk categories initiated in 2011
- 10.3 % per year since 2011
- Doubling every 7 years; x4 in 14

Alpha is not the target but the consequence

Arguments in favour of the LTIF Classic (SIA)

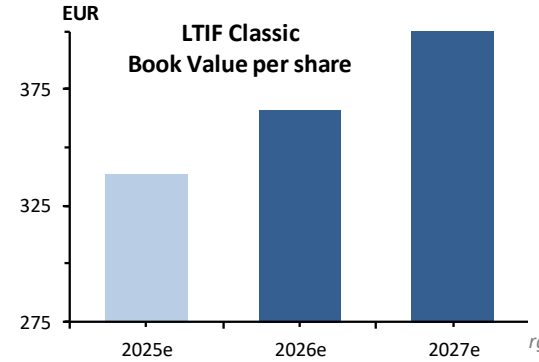
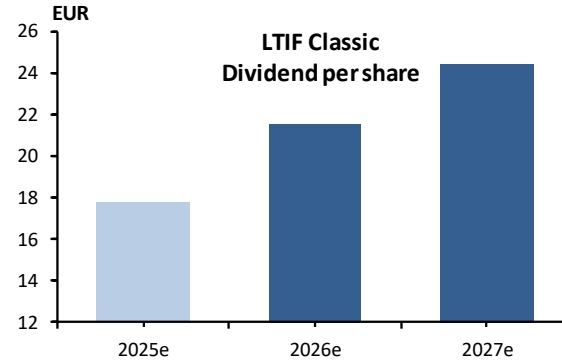
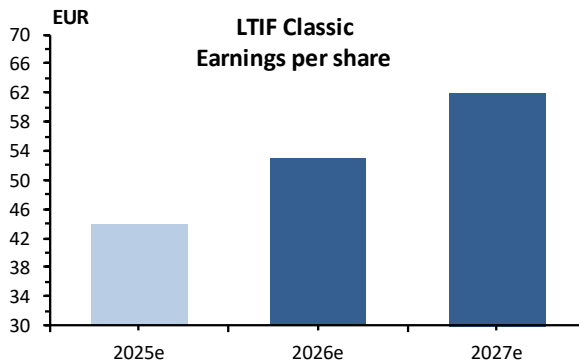
Date	NAV	%
31.12.2020	407.9	
31.12.2021	494.3	21.2%
31.12.2022	565.3	14.4%
31.12.2023	616.7	9.1%
31.12.2024	688.5	11.6%

Reporting LTIF Classic as of 30.06.2025 (aggregated data in EUR)

Year	EPS	%	P/E	EPS yield	MSCI World P/E	MSCI World EPS yield
2025e	43.9		16.2	6.2%	23.6	4.2%
2026e	52.8	20%	13.5	7.4%	21.7	4.6%
2027e	62.0	17%	11.5	8.7%	19.3	5.2%

Year	DPS	%	Div. Yield	MSCI World Div. Yield
2025e	17.8		2.5%	1.7%
2026e	21.5	21%	3.0%	1.8%
2027e	24.4	13%	3.4%	2.0%

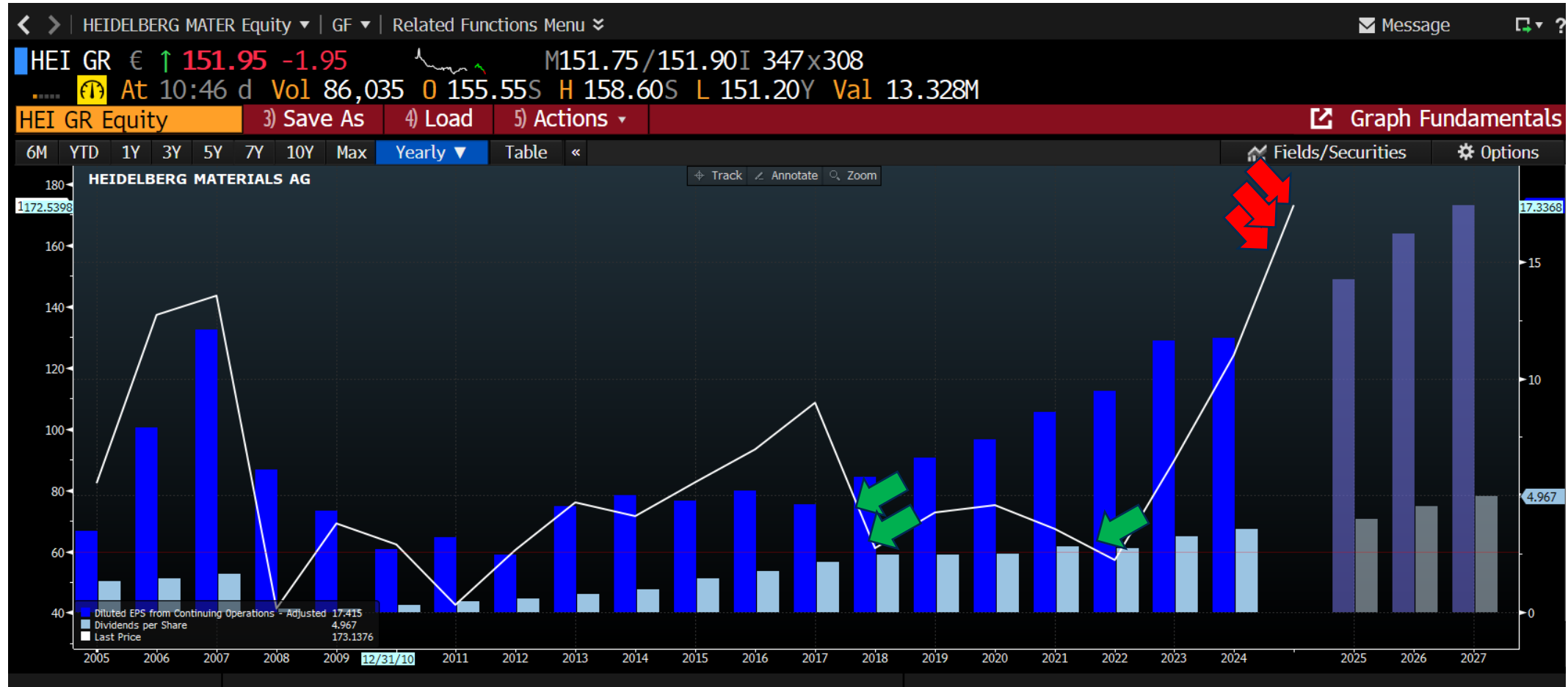
Year	BPS	%	P/B	MSCI World P/B
2025e	338.9		2.1	3.7
2026e	366.1	8%	1.9	3.4
2027e	399.9	9%	1.8	3.1



Source: SIA Group / Bloomberg

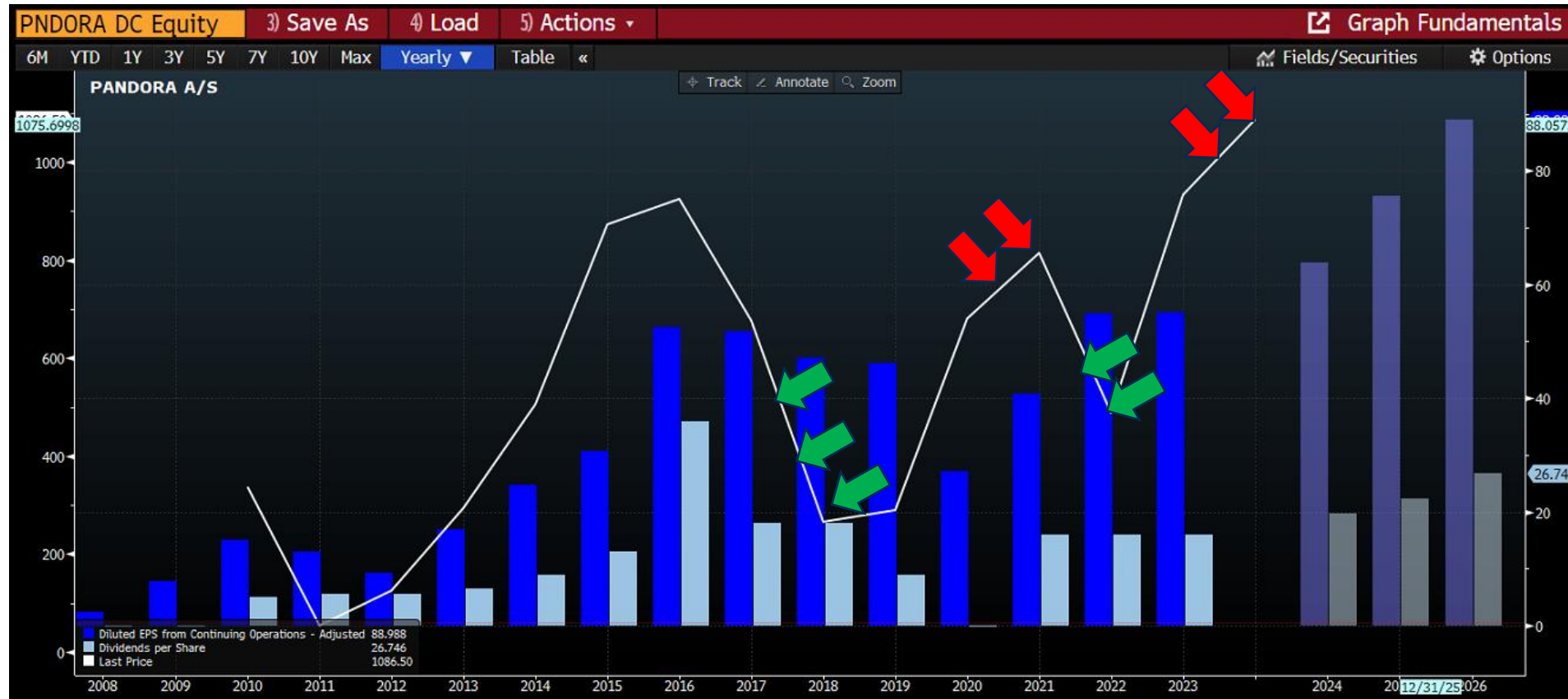
- Value means buying at a discount
- We usually look for 30% discount to IV
- Discount = risk management

Long Term Investing example Heidelberg



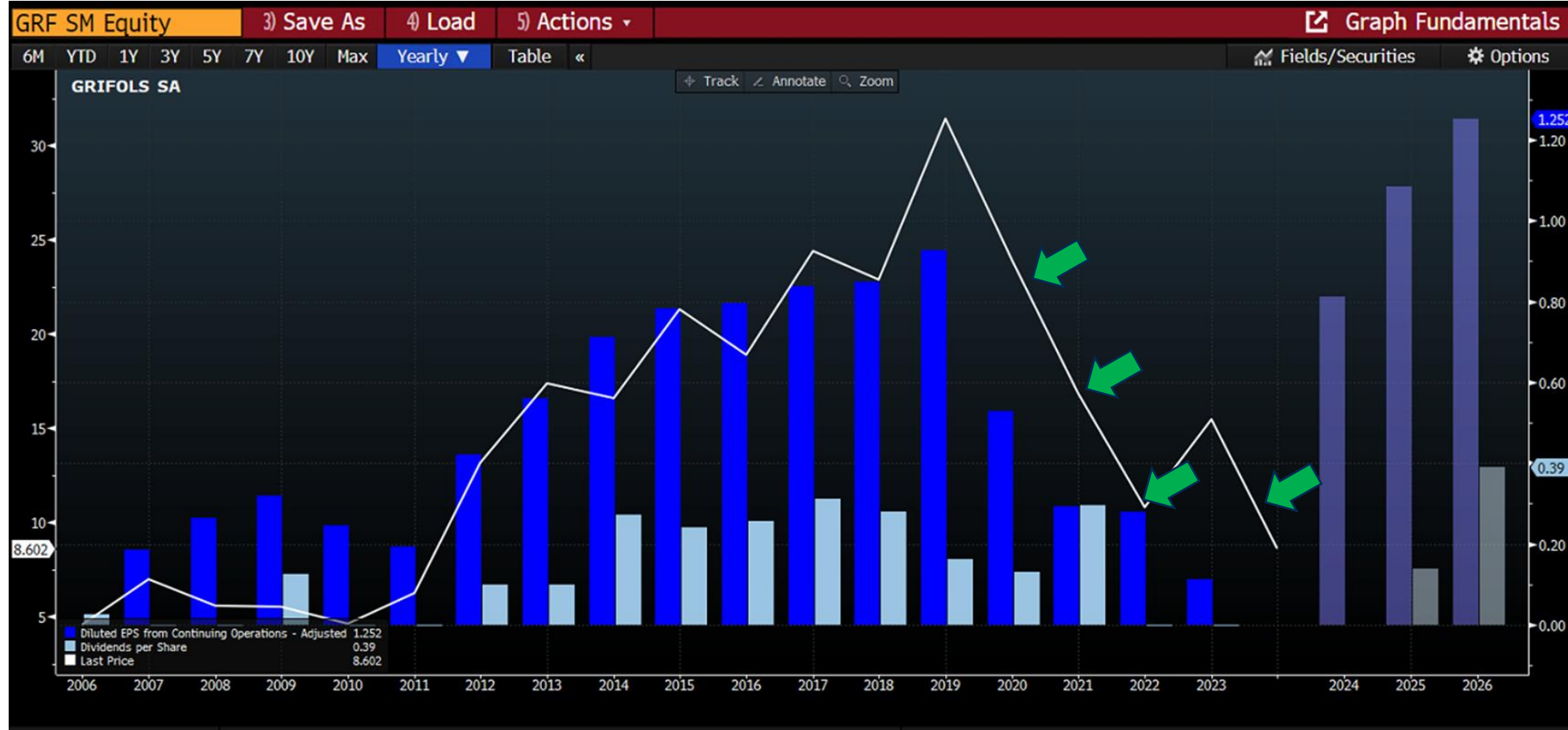
Our big advantage is that hardly anyone thinks long-term anymore.

Long Term Investing example Pandora A/S



Our long-term thinking pays off, but it can take years.

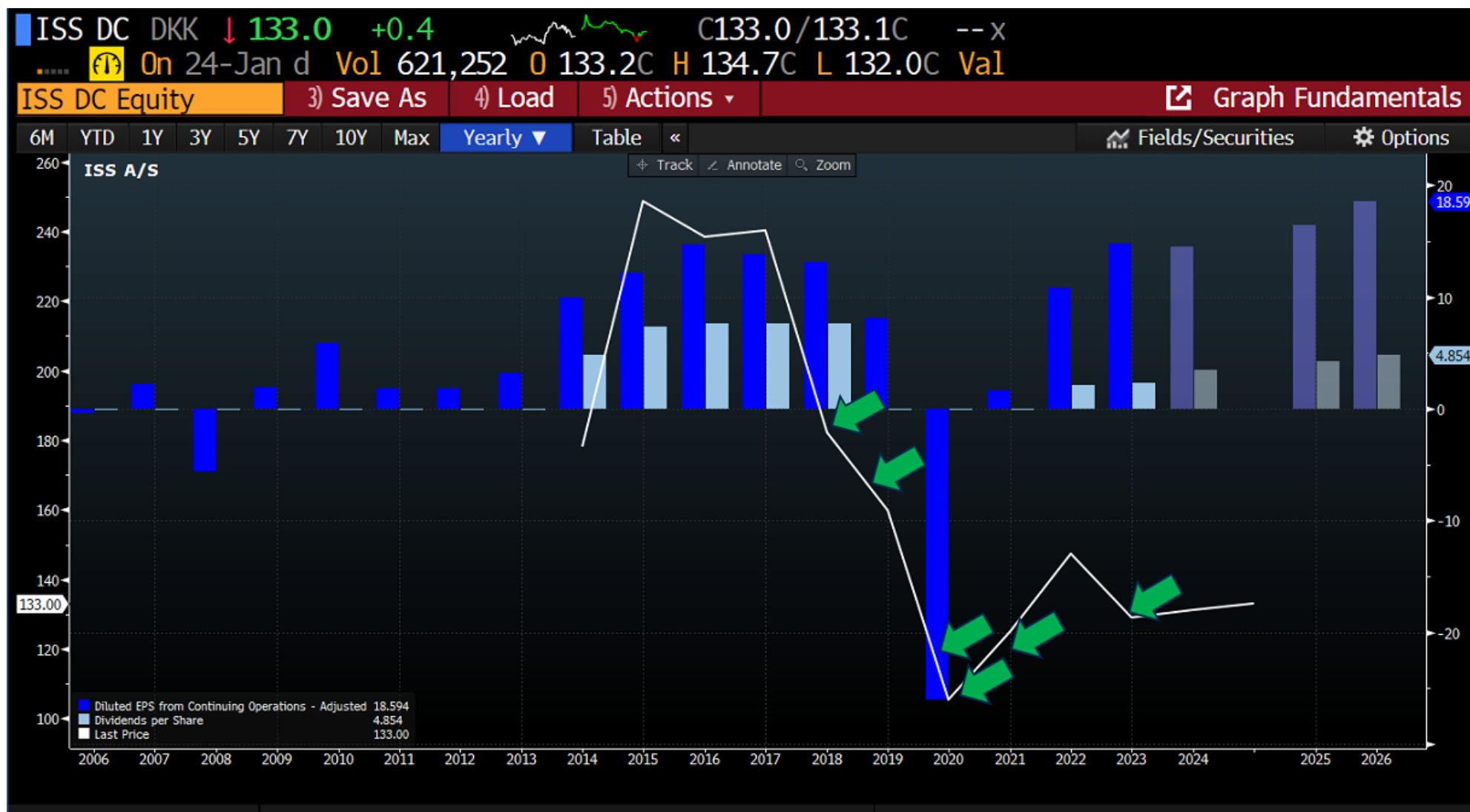
Long Term Investing example Grifols



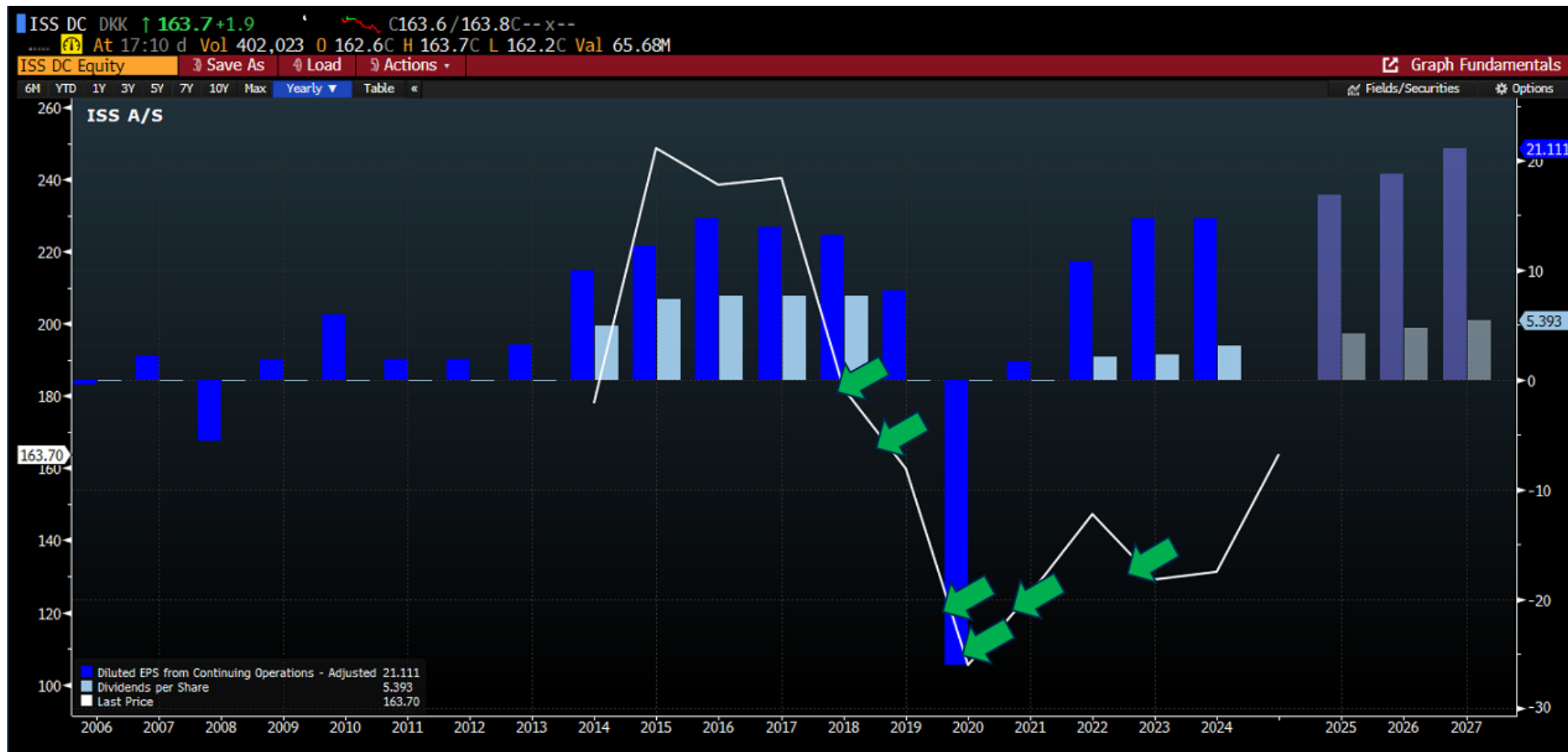
We firmly believe that our patience will pay off.



Long Term Investing example ISS



Long Term Investing example ISS



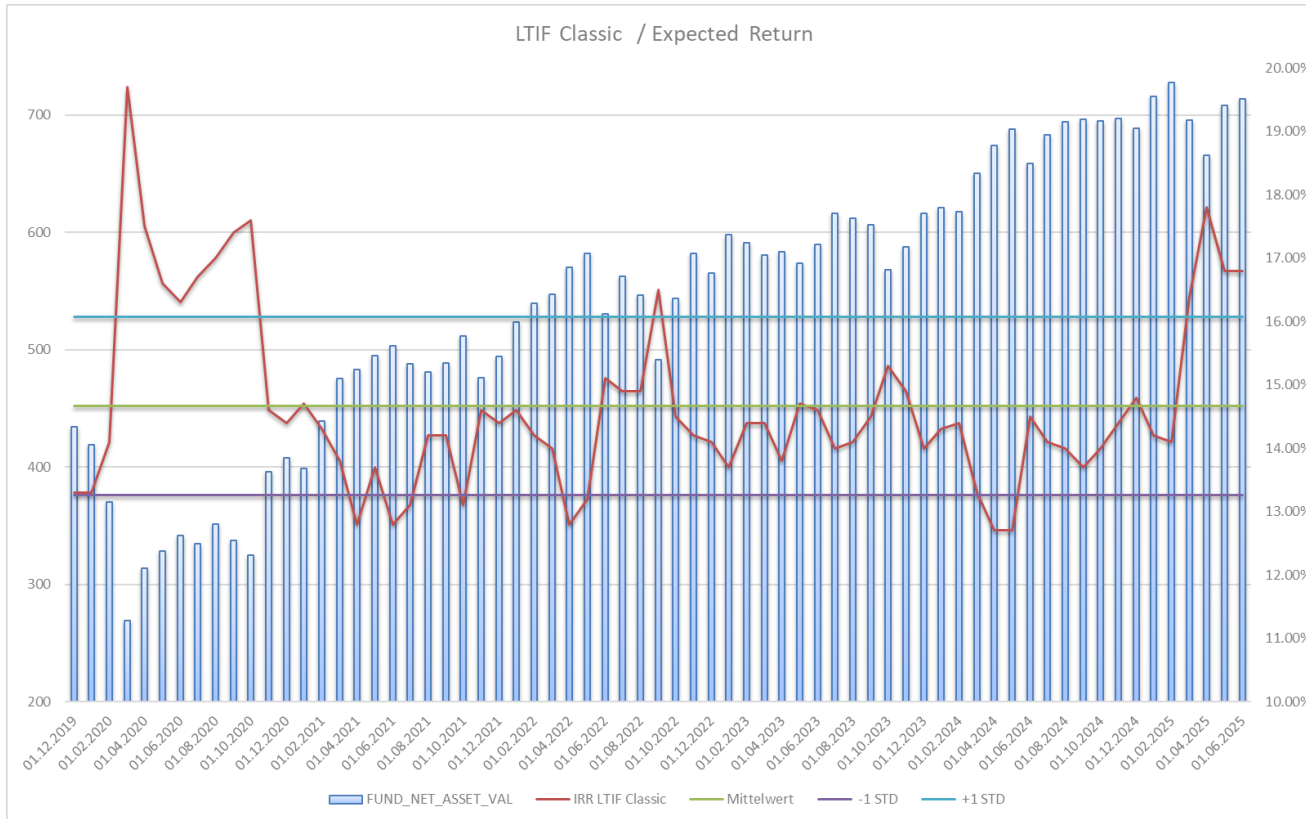
ISS Shares trade at a deep discount



- P/E 2026 of 9.9x vs. historical average of 20 x
- Free Cash Flow Yield 10% on 2025E
- ROE of 25%, P/Book 2.5x, Div. Yield 2.4%

- **Share price: DKK 188**
- **Intrinsic Value of DKK 250 per share and IRR of 14.4% at current prices**

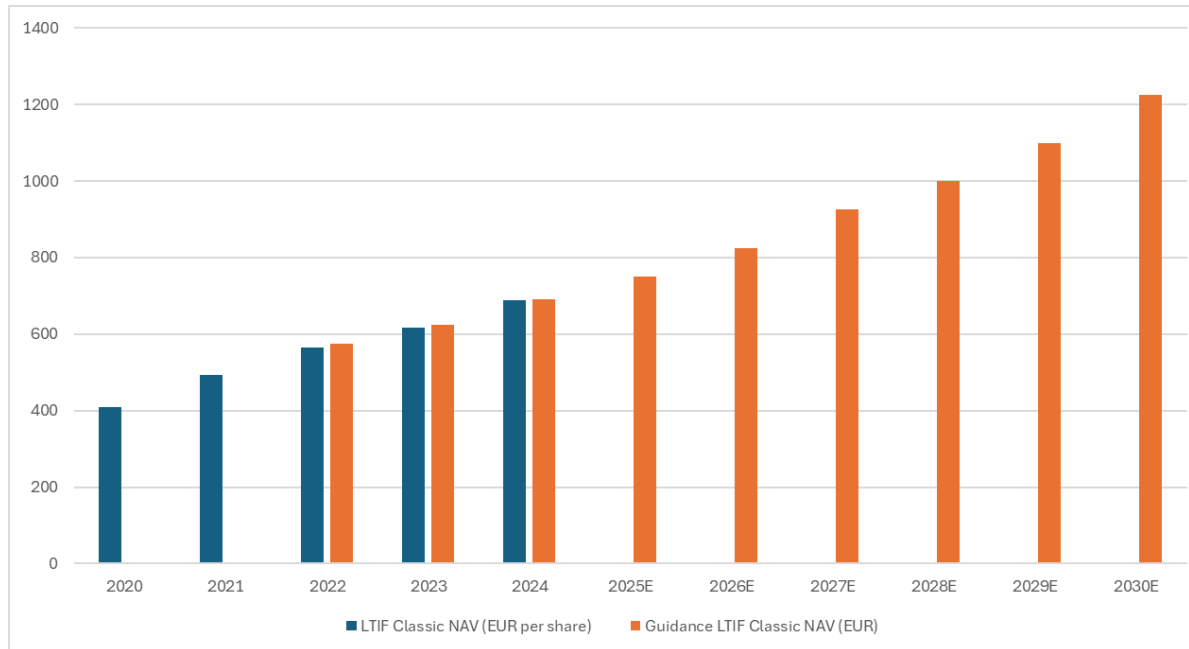
LTIF Classic / Expected Return



Source: SIA Group / Bloomberg

- We calculate our **own Expected Return** for all our portfolio holdings.
- With that we get the **Expected Return** of our Fund, currently **16.2%**.
- In the last **5 years** the **Expected Return** varied most of the time between **13%** and **16%**.
- In the Covid low the **Expected Return** hit **almost 20%** clearly showing the **massive buying opportunity**.

LTIF Classic / Guidance



Source: SIA Group / Bloomberg

- Since 2021 we publish a **fund price guidance**.
- In the first three years, this **fund price guidance was very precise**.
- However, please **do not expect this to always be the case**.
- **Think of it as an anchor.**

Long Term Investment Fund (SIA) structure

Compartments	LTIF Classic Series			
Investment style	Long-only			
Management fee	1.5% pa			
Performance fee	15% (HWM and Hurdle Rate)			
Currency	EUR	CHF	USD	EUR
ISIN number	LU0244071956	LU0301246772	LU0301247077	LU1449969846
Telekurs valor	2'432'569	3'101'817	3'101'820	33'180'015
Bloomberg ticker	LTIFCLA LX	LTIFCLC LX	LTIFCLU LX	LTIFCLD LX
Distribution	reinvested	reinvested	reinvested	distributed

Compartments	LTIF Natural Resources		
Investment style			
Management fee	1.5% pa		
Performance fee	15% (HWM)		
Currency	EUR	CHF	USD
ISIN number	LU0244072335	LU0301246939	LU0301247234
Telekurs valor	2'432'575	3'101'836	3'101'839
Bloomberg ticker	LTIFGEV LX	LTIFGEC LX	LTIFGEU LX
Distribution	reinvested	reinvested	reinvested

- **Daily liquidity**, cut-off time previous day at 4:00 pm CET
- **Performance fees are assessed and paid yearly**



SIA Funds AG is an authorized Asset Manager of collective investment schemes, regulated by the Swiss Financial Market Supervisory Authority FINMA.



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Switzerland

Ideally, 25 years
from now.



Highly qualified team:

Over **220 years of combined experience**
in financial markets, sector cycles, and
company analysis.



DISCLAIMER: LTIF (SIA) Classic and Natural Resources

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