QUARTERLY NEWSLETER

TO OUR INVESTORS

THIRD QUARTER 2025

BESTINVER
acciona

BESTINVER Madrid

Mark Giacopazzi, CIO - Chief Investment Officer de BESTINVER

Dear Investor,

Rarely in the history of the markets has there been such a contrast between perception and reality. Just six months ago, the world's major stock markets suffered declines of around 20% following the announcement of the new US trade policy. Within weeks, they went from post-election euphoria to tariff panic, pricing in an imminent spike in inflation and recession. However, those same indices ended the third quarter of the year trading at unprecedented highs. Faced with this extreme situation, in this editorial we want to offer a calmer and more balanced view of reality.

Over the last few months, the noise coming from the US has been incessant. However, the market's worst fears dissipated as the US government signed agreements with its main trading partners, with the exception of China. In all these cases, the terms have been substantially more moderate than the initial, abusive proposals. Although they continue to pose an obstacle to international trade, their impact will be much less than initially estimated. This explains much of the strong performance of equities throughout the quarter.

Looking ahead to the coming months, investors in the US will focus their attention on three different areas. The most significant will be the impact of the major tax reform approved last July. This confirms the tax cuts introduced in 2017 and adds substantial tax exemptions for businesses and families. In addition, the Federal Reserve will receive its share of attention after lowering interest rates in response to a cooling labour market. Such cuts, when made at times of record highs for equities, have traditionally led to additional gains. Finally, negotiations have recently begun to raise the spending ceiling. This issue always causes a lot of chatter in the media. However, over the last 20 years, the spending ceiling has been adjusted 21 times without hindering the positive performance of equities.

In Europe, the situation has also fluctuated between optimism and concern. The macroeconomic data points to an acceleration in economic growth thanks to the boost from fiscal policy. Furthermore, inflation appears to be under control and no interest rate rises are expected from the European Central Bank. As we explained in previous newsletters, Europe seems willing to take important steps in the right direction. But it is not enough simply to announce these steps; they must be implemented. And, in this regard, doubts seem to be growing. The political situation in France, its high level of debt, which has led to a downgrade of its credit rating, and the difficult balance of the governing coalition in Germany will continue to make alarming headlines in the coming months.

In general terms, despite the background noise, our interpretation of the environment remains unchanged. Economic activity remains stable and private debt remains at very low levels. No inflationary pressures capable of unexpectedly altering monetary policy are foreseen by us. And we believe that US tax reform and the European investment plan should serve as additional tailwinds for the economy and markets. On the downside, the framework for a trade agreement between the US and China has yet to be established. Meanwhile, in Europe, the political agenda will continue to be marked by instability in France and Germany. In summary, the market will continue to have reasons to see the glass as half full and, at the same time, half empty.

This dual interpretation has led global equities into a paradoxical situation. On the one hand, the main indices have returned to historic highs. At the same time, most companies remain at significantly lower levels. The same applies to valuation multiples, where size differentials remain highly significant. This dispersion has meant that, after the stock markets reached historic highs, there is now a market full of good investment ideas. The sources of uncertainty we have highlighted and the episodes of volatility they may cause only serve to increase the opportunities available to patient, long-term investors like us. In the newsletters below, we provide examples from sectors including manufacturing, real estate, technology, and healthcare.

We are now entering the final stretch of what has been a positive year for the markets and our funds. Bestinfond and Bestinver Internacional, the company's flagship funds, continue to perform well, accumulating gains of 8.3% and 6.5% respectively. We would also like to highlight the strong performance of Bestinver Bolsa and Bestinver Latam, with gains of 40.4% and 25.1% during the current financial year. Finally, in fixed income, Bestinver

Renta's 3.0% return reflects the excellent work of our team in today's complex environment. Overall, we are satisfied with the performance of our portfolios and their potential for the coming years.

Before concluding this editorial, I am delighted to announce that we now have 48,000 investors in our funds. All of us who are part of this company take pride in safeguarding your capital every day. Thank you on behalf of the entire BESTINVER team.

I bid you farewell, thanking you once again for the trust you have placed in us.
Yours sincerely,

Mark Giacopazzi
[redacted]

BESTINVER in figures

48,000 investors trust in us	**We manage EUR 7,340 million**	**Independence of the Acciona Group**	**We are endorsed by several awards in recent years**

Figures as of 09/30/2025 Source: BESTINVER

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Investment Funds period

BESTINVER - Auditorio Campus ACCIONA

Bestinfond

It is an investment fund aimed at investors with a long-term time horizon (more than five years). The fund invests up to 100% in global equities, with European listed companies being the most represented in the portfolio. The objective of the fund is to achieve long-term performance through the selection of attractive, well-managed businesses with high growth potential. The fund is managed according to the three pillars of our investment philosophy: proprietary fundamental analysis, appropriate risk management and a shared time horizon between investors and managers.

MANAGEMENT TEAM

Tomás Pintó
Head of International Equities

Jorge Fuentes
International Equities Manager

ANNUAL RETURNS TABLE

	2025	2024	2023	2022	2021	2020
Bestinfond	8.26%	12.82%	25.27%	-16.98%	13.70%	-3.83%

ANNUALISED RETURNS TABLE

	3 years	5 years	10 years	15 years	20 years
Bestinfond (1)	19.18%	11.65%	6.70%	7.03%	12.72%

Figures at 09/30/2025
Past performance is no guarantee of future performance.

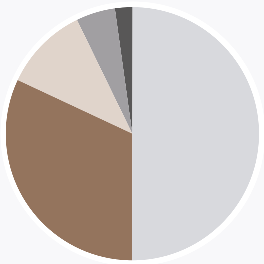
(1) Launch date: 01/13/1993

TOP POSITIONS

	% OF PORTFOLIO
PHILIPS ELECTRONICS NV	3.33%
META PLATFORMS INC-CLASS A	2.91%
ARCELORMITTAL	2.78%
GRIFOLS SA	2.76%
NORDEA BANK ABP EUR	2.55%

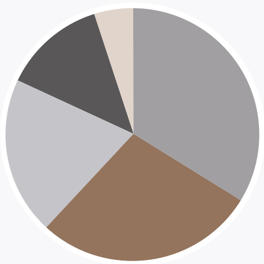
DISTRIBUTION OF THE PORTFOLIO

Geographical distribution



Europe	**50%**	Liquidity	**5%**
USA	**32%**	Rest of the world	**2%**
Iberia	**11%**		

Sectoral Distribution



Industrial	**34%**	Financial	**13%**
Consumer	**28%**	Liquidity	**5%**
Communication & Technology	**20%**		

NET ASSET VALUE TRENDS (€)

Data at close of day: 09/30/2025. Source: BESTINVER. Periods longer than 1 year in annualised rate. Launch date: 01/13/1993.

RISKS ASSOCIATED WITH THE INVESTMENT

Bestinfond is an equity investment fund and, as such, mainly involves the following risks: market risk, currency risk, country risk, concentration risk and inflation risk.

Detailed information on the risks associated with the investments can be found at the end of this document.

Past performance is no guarantee of future performance.

The fund's full prospectus, regular reports and KIID can be found on the following websites www.bestinver.es and www.cnmv.es

MANAGEMENT ASSESSMENT

Dear Investor,

Bestinfond ended the quarter with a gain of 5.1%, accumulating a return of 8.3% during the first nine months of the year.

We celebrate the arrival of autumn having enjoyed a reasonably quiet summer period. After a volatile but profitable first half of the year, the portfolio has consolidated its gains and continued to generate good returns on our savings.

In this newsletter, we will attempt to summarise the most significant events that have taken place during the quarter and explain the main changes we have made to the portfolio. We will also review the history of an investment we made five years ago and have just sold, after it provided us with a fantastic return. Of course, it wasn't without blood, sweat and the occasional tear.

The aim is to take advantage of the break that summer has given us to draw some valuable lessons with a constructive eye on the future.

Optimists and pessimists can continue to trust and distrust the environment

After a turbulent spring, the market breathed a sigh of relief upon learning of the trade agreements signed by the US with most of its trading partners (with the exception of China, with whom negotiations are ongoing) and seeing that the recession and rise in inflation anticipated by many pessimists had not materialised.

The US Congress has passed the Big Beautiful Bill, the legislative cornerstone of Donald Trump's second term, which includes the permanent renewal of the 2017 tax cuts and the introduction of significant tax breaks for businesses and workers[(1)]. At the same time, the Federal Reserve has cut interest rates by a quarter of a point and signalled that it will ease its monetary policy if the labour market continues to weaken.

In Europe, leading indicators point to an improvement in economic growth. The continent's fiscal policy will be very expansionary in the coming years (the investments announced in infrastructure and defence are of an exceptional magnitude) and consumer and business sentiment has reflected this. Inflation is at levels that the European Central Bank (ECB) considers appropriate, and both analysts and the institution itself do not anticipate any significant changes in interest rates given the current phase of the cycle.

As can be seen, optimists have compelling reasons to remain confident about the future. While pessimists also have enough ammunition to demolish any constructive scenario.

In terms of tariffs, there are still many loose ends to be tied up. Both at the macro level, with China as the main unknown, as well as at the micro level, with new tariffs each week affecting sectors in countries that, in theory, have signed agreements with the US . The drama of the conflicts in Gaza and Ukraine continues with no sign of a stable resolution, and everything points to the conclusion that, if a resolution is found, it will not be an immediate or straightforward one. And as for politics, in the US we are in the midst of a shutdown[(2)], which —if history is any guide— is sure to generate its fair share of alarming headlines.

Europe, for its part, is always full of surprises, as we saw a few weeks ago in France, and no one should be surprised if, in the coming months, ambitious investment plans in Europe end up suffering significant delays. The continent has a structural complexity that hinders the swift implementation of any initiative: approvals must pass through the parliaments of each country, where electoral calculations carry more weight than technical consensus; and the institutional dynamics of Brussels itself, marked by slow and cumbersome processes, further complicate decision-making.

In our view, the environment remains complex but ripe with opportunities. Can both ideas coexist? Of course. They are not mutually exclusive, but complementary: in the world of investment, uncertainty and opportunity always go hand in hand.

No serious entrepreneur has ever generated wealth out of fear

At BESTINVER, we are not particularly pessimistic about the macroeconomic outlook. Nor are we pessimistic about the market. And when it comes to our portfolio, we can be described as staunch optimists.

We understand that in the world of investment, pessimism has a certain magnetic appeal. It sells headlines, attracts attention, and disguises itself as prudence. But investing in shares is, in essence, becoming a business owner. That is, becoming an entrepreneur (vaguely, but an entrepreneur none the less).

No serious entrepreneur has ever generated wealth out of fear. He has done so based on conviction, in-depth knowledge of his business, and a healthy dose of optimism. It is not a matter of ignoring the risks, but of understanding that long-term success is not achieved through fear, but through well-founded confidence.

At BESTINVER, we strive to earn that trust through our investment process. A method built on three essential cornerstones: fundamental analysis, discipline with valuations, and prudence, under an umbrella of patience.

At the Berkshire Hathaway shareholders' meeting in 1998, Warren Buffett uttered a seemingly simple phrase, but one of profound relevance to those of us who invest our long-term savings in the stock market: "We try to think about two things: things that are important and things that are knowable".

Although at first glance this comment may seem innocuous, it contains an essential idea for successfully navigating the world of investment. Obviously, nothing is perfectly predictable in the financial markets, but there are factors on which we can achieve a sufficient level of confidence, as opposed to many others whose behaviour is, if not random, very close to it. It is essential to distinguish between the two groups, the second being much larger than the first.

For example, we do not know how high the tariffs that the US will ultimately impose on China will be. Nor do we know whether the Federal Reserve will cut rates in the coming quarters. Similarly, we would be delighted if the investments announced in Europe were to be implemented in a straightforward manner and one that, furthermore, did not entail additional tax pressure on the private sector. But, in all honesty, we have no certainty that our wishes will come true.

However, we do have reasonably high confidence that, in the coming years, regardless of the outcome of the events we have just described, these economies will grow. Our companies will capitalise on this growth in the form of corporate profits, and our shares will eventually provide us with the excellent long-term returns that good businesses have always offered when purchased at good prices.

You may call us optimists (we are), but it is an optimism that knows that long-term wealth is not built on anxiety, but on conviction, the indispensable foundation of any investment.

It's the same play, but it's not the same sport

Many of the discrepancies we see every day in the world of investment have nothing to do with how we interpret macroeconomic data, geopolitical events or company results.

The disagreements arise because we are all discussing the same play, but from a different sport.

This is something that not everyone fully understands. We are all in a stadium with 40,000 cheering and shouting spectators, wearing boots and shorts. But the reality is that some of us are playing rugby, while others are playing football. From the outside, they may seem like similar sports; from the inside, they are completely different.

The sport one chooses to practise in the financial markets depends fundamentally on two factors: what we want to achieve and how we believe is the best way to do so. These two elements are what truly determine how we analyse any macro data (or business results) and the stance we take towards it.

In the case of BESTINVER, our investment work is primarily based on "micro" analysis, i.e. the detailed study of individual companies, the quality of their businesses and their long-term valuation. The analysis of macro factors, economic and political, plays an important but subordinate role: it helps us contextualise the operating environment in which companies are operating and assess the risks and opportunities that this environment presents for their businesses. In other words, our job is not so much to predict the next macroeconomic turbulence, but rather to select the businesses and management teams that are best equipped to adapt to it.

At BESTINVER, we also firmly believe that time is the ultimate arbiter of business value. In the short term, multiple volatile factors, such as competitive challenges, changes in management teams, or restructuring, can temporarily depress a company's profitability, leading investors to extrapolate these difficulties indefinitely, significantly distorting the share price from its underlying value. It is precisely these short-term pressures that generate the greatest opportunities for those capable of analysing the normalisation of conditions and the full manifestation of the true profitability of a business.

All this is of little concern to many (so-called) investors who spend most of their time predicting what will happen to the economy or stock prices over the next 90 days. We are in the same "stadium", yes, but we are playing a very different "sport".

We must never forget that one of the most peculiar features of the investment world is that it brings together people who are immersed in completely different activities, although it is often mistakenly assumed that we all do the same thing. Much of the noise and tension generated by the financial markets stems from these cacophonous interactions.

Understanding this dynamic is key for any investor. If we do not fully understand this, we run the risk of being influenced by every opinion we hear. When someone expresses a view about the market, we should ask ourselves: how does this person earn their money and how long do they intend to do so? If their objectives and methods are very different from ours, it is best to keep our distance.

This does not mean that we should not question our own beliefs, but there is a big difference between calmly reflecting on our approach and allowing ourselves to be swept along by the daily noise of those who, fundamentally, do not do the same thing as us.

Having shared principles and goals does not mean surrounding yourself only with those who think alike. It is possible to disagree strongly while starting from a common basis, and that is a fundamentally healthy exercise. But we must be wary of the opinions of those who, while they may be in the same stadium as us, are playing a completely different sport.

Changes in the portfolio

Throughout the quarter, investors have shown a clear preference for interpreting the environment with a positive bias.

However, this optimism has not been distributed evenly. The market has mainly rewarded those sectors that have been offering good returns for several quarters, while the laggards on the stock market continue to attract no interest whatsoever.

In the US, this dynamic has translated into sharp rises for everything related to artificial intelligence (AI), while in Europe, advances have continued to be dominated by banks and sectors that are expected to benefit from investments in armaments and infrastructure in the coming years.

By contrast, many companies on both sides of the Atlantic in sectors that are not in vogue (pharmaceuticals, chemicals, consumer goods, the automotive industry, etc.) have not only failed to see a revaluation on their share prices, but they have continued to fall. A reality that reinforces the idea that investor positioning continues to be guided by inertia and prevailing narratives, rather than by valuation and the long term.

In this context, throughout the quarter we have increased our positions in Pandora, Harley Davidson, BP and Inditex. Purchases we have financed by reducing the weight in our portfolio of certain shares that have performed fantastically well. These include Metso, Lundin Mining, Ashtead, and Merlin Properties, names that until recently had been consigned to oblivion by the market.

This quarter, we also sold our entire position in Ryanair and became shareholders in a new company: Amrize.

Ryanair has been one of our most profitable positions in recent quarters. Its leadership in the European short-haul market, its cost advantage and the strength of its balance sheet have been key to generating outstanding returns. However, we have decided to sell our shares. The reason? We believe it is difficult to improve upon the environment it is enjoying.

The company is at an optimal point in the cycle: optimism about accelerating European growth, favourable comparisons with the previous year, and falling oil prices. But above all, its level of investment (aircraft purchases) is at an all-time low. In other words, its cash flow is at its highest level.

The market has already recognised much of the hidden value that Ryanair shares held a year ago. Its current multiples discount a very favourable demand environment, a very limited supply of aircraft (due to delays in Boeing's production) and a benign macroeconomic environment. In our opinion, this is a scenario that is difficult to improve upon.

Ryanair remains an extraordinary company, but we believe it is better to recycle our capital into ideas where we have greater conviction, as is the case with Amrize.

Amrize is a building materials company that offers cement, aggregates, and solutions for roofing and insulation. Its business needs no introduction: it is the undisputed leader in cement in the US and Canada, with a dominant position in local markets and a production capacity double that of the country's second-largest operator. One of the most important aspects for us, however, is who runs it. We are talking about the current CEO of Holcim (Jan Jenisch), one of the best managers in a sector we know well, with a proven track record in creating value through organic growth and well-executed acquisitions.

Amrize was spun off from Holcim in the summer and listed in both Switzerland and the US in a transaction that has created a rare opportunity: to buy a leading, well-managed company with room for operational improvement and a clear roadmap for growth, at a price that does not reflect either its quality or its potential.

Finally, we would like to conclude this newsletter by commenting on the case of a company that is no longer in our portfolio. This is a company we began buying into during the worst moments of Covid, and in which we have more than tripled our capital. A story of blood, sweat and the occasional tear, but one which, as often happens when rigorous analysis and a great deal of patience are combined, has ended up being a source of great joy for the fund.

Heidelberg Materials: When success means being right in the end

In the markets, narratives matter. A lot. The stories that are built around a company have a direct impact on its valuations. Sometimes they reflect reality. Other times, they distort it. And it is precisely in those moments of dissonance between narrative and fundamentals (between price and value) that the best opportunities arise for BESTINVER.

The investment thesis for Heidelberg Materials was developed at a time when the cement sector was a clear example of this dissonance. Forgotten by the market after a decade of digesting excesses and bubbles, first with the financial crisis, then the sovereign debt crisis, the sector showed signs of structural improvement at the end of the previous decade that went largely unnoticed by investors.

Installed capacity in Europe had not grown for years, and the sector had consolidated with the merger of Holcim and Lafarge (2015) and Heidelberg's acquisition of Italcementi (2016). Furthermore, emissions regulations, the core of our thesis(3), were beginning to change. The result? A renewed power to set prices in the industry that had gone completely unnoticed by the market.

At BESTINVER, we like to buy sectors at the bottom of the cycle. With the arrival of Covid, we had the opportunity to invest in a structurally neglected sector that was then also cyclically depressed due to the pandemic. This is how we became shareholders in this German cement company.

The company was trading at historically low multiples, with double-digit free cash flow returns and an aggregates division that, on its own, justified much of its valuation. Furthermore, unlike in the previous decade, Heidelberg had a healthy balance sheet, balanced geographical exposure (the US and Europe) and a clear decarbonisation strategy that positioned it as one of the winners in the new cycle.

The vaccines arrived and the market began to discount the cyclical recovery of the economy. We were feeling happy (we had accumulated gains of 70%), but then another blow struck: the change in perception regarding ESG investing.

The market, in its eagerness to label and then praise or stigmatise, classified Heidelberg as a "loser" in a world where fashion was driving investment towards less CO2-intensive companies. However, at BESTINVER we have always believed that companies in the most polluting sectors had the potential to become an important part of the solution.

As it was not considered "sustainable" by the market, it was excluded by many funds, contributing to the German company accumulating losses of 30-40% in the second half of 2021. An unfair penalty that we explain in this blog post, as it ignored the company's real efforts to reduce its emissions, invest in carbon capture and lead the transition to a cleaner industry.

Despite the setbacks and narratives, we remained calm. Our thesis had not changed, and the valuation remained highly attractive. We were confident that the story would eventually align with reality, as it always has throughout history. But before that happened, the invasion of Ukraine in early 2022 sent gas prices soaring to record highs. Many investors fled, not only because of fears of a recession in Europe, but also because of doubts the industry would be able to pass on the increased costs in the price of its products.

We were facing the most important test to prove the validity of our thesis about the sector. These were difficult times, with their shares falling another 40%, but we defended our investment in our quarterly newsletters, in numerous meetings with our shareholders, and even publicly at an event organised by a national newspaper. We were confident in market concentration and regulatory changes that were overlooked by the consensus, without forgetting the structural need for concrete in a world that, despite everything, continued to urbanise and invest in infrastructure.

We were confident in our analysis and had a huge margin of safety provided by the valuation of its securities at historic lows[4]. The market, unprompted, had rallied just as Heidelberg was raising prices by double digits in many of its markets, demonstrating that pricing power not only existed but was stronger than anyone had expected.

Despite the challenging economic climate, profits and cash flow continued to grow, and the management team, after countless meetings with BESTINVER, was doing the right thing: continuing its commitment to sustainability by investing in assets that would improve its long-term competitiveness; paying dividends; and, for the first time in its history, taking advantage of market short-sightedness to buy back its own shares at unprecedented discounts.

The investors had paid, but they had made a mistake. The reality was indisputable, and the merits began to be recognised by the market. As a result, just 18 months after hitting its low point in September 2022 at around €40, its share price more than doubled, exceeding €100. Heidelberg continued to enjoy a prominent position in our fund, despite the fact that we had reduced its weight in the portfolio for reasons of diversification and balance, which are essential cornerstones of our management philosophy.

And so 2025 arrived, with announcements of massive infrastructure investments in Germany, a renewed push for defence spending in Europe, and Trump's attempts to end the war in Ukraine.

We live in a peculiar world, where the proliferation of passive investment vehicles (ETFs) has segmented the market into themes that can be ‘bet on’ with apparent ease. Heidelberg shares have been included in several of these thematic baskets, such as “Winners of the end of the war in Ukraine” or “Beneficiaries of the German infrastructure plan” created *ad hoc* by investment banks and fund supermarkets. This has enabled many (so-called) investors to jump on a passive bandwagon, driven more by narratives than by rigorous business analysis and respect for valuation.

Since our last purchase below €90 in August 2024, after its shares fell 15% in just a few sessions[5], Heidelberg shares have more than doubled again. Its current valuation is much more demanding, the narrative could hardly be more favourable, and its shareholder base shows a growing presence of financial “tourists” riding on passive investment vehicles.

We continue to see value in the cement sector, we are shareholders in Holcim, and recognise the quality of Heidelberg's assets and the strength of its management team. But at BESTINVER, price is king[6]. Consequently, in recent quarters we have been gradually unwinding our position, the last sales were executed this summer, choosing to recycle our capital into ideas with more attractive valuations and where market consensus argues against marked pessimism.

Our investment in Heidelberg is an example of how, in the markets, success often consists of being right in the end. It means ignoring the noise, resisting panic, and maintaining conviction based on business fundamentals and valuation. Over the past five years, we have more than tripled our investment. An excellent result, achieved through confidence in the analysis of an exceptional investment team and the support of experienced participants who share our vision and temperament.

A story that reminds us of who we are: owners of valued businesses, not financial tourists on the hunt for narratives. Entrepreneurs (vaguely) who know their business and risk their savings with the best tools possible: optimism, prudence, and a good dose of patience.

Thank you again for placing your trust in us.

Yours sincerely,

The Investment Team.

MAIN MOVIMENTS

Additions

AMRIZE

Disposals

HEIDELBERG MATERIALS
RYANAIR
ASM INTERNACIONAL

Increases

NORDEA
PANDORA
BARCLAYS
HARLEY DAVIDSON
BP
INDITEX

Reductions

METSO
LUNDIN MINING
ASHTEAD
MERLIN PROPERTIES

NOTES

[(1)] One of the most significant measures in the Big Beautiful Bill for businesses is the reintroduction of accelerated depreciation of investments. This provision allows companies to immediately deduct a larger portion of the cost of their productive assets, such as machinery, technology, or infrastructure, in the fiscal year in which they are acquired, rather than spreading that deduction over several years. This incentive improves cash flow, reduces the tax burden in the short term and stimulates business investment, especially in capital-intensive sectors. By facilitating rapid cost recovery, companies can renew equipment, expand operations, or adopt new technologies with greater agility. Overall, this measure enhances the appeal of investing in the US, although its impact will ultimately depend on the macroeconomic environment and business confidence.
For their part, the tax exemptions on tips and overtime included in the 'Big Beautiful Bill' have a direct impact on workers, especially in sectors such as hospitality, retail, and personal services. As they are exempt from federal tax, these payments increase employees' net disposable income, which can translate into an immediate improvement in their purchasing power. For anyone who relies heavily on tips, such as waiters, delivery drivers, or customer service staff, this measure provides significant tax relief. In the case of overtime, the incentive could encourage greater willingness to work longer hours, knowing that the additional effort will be less penalised fiscally.

[(2)] The US Congress has a constitutional obligation to periodically approve budget and funding laws for federal agencies. If legislators (representatives and senators) fail to reach an agreement before the deadline (usually September 30th of each fiscal year), there is no legal authorisation for the government to spend money on many federal programmes and agencies. In this scenario, the government enters a "shutdown", whereby non-essential services are suspended and thousands of federal employees are temporarily sent home without pay (although they usually receive back pay once the issue is resolved).

[(3)] A significant part of our investment thesis in 2020 rested on the fact that cement markets in Europe were depressed and far below pre-crisis levels. In many cases, plant utilisation capacity was around 60%. Pricing, on the other hand, was showing signs of improvement. This point was of vital importance to our thesis. The EU's CO2 permit scheme was partly responsible for this low utilisation rate. The credits allocated to cement producers, based on average volumes prior to the crisis (the boom years), had encouraged overproduction, as these could be sold and converted into "cash". A situation that was about to change. From the following year onwards, the appropriations would reflect a much less inflated production, that of the period 2016-18, and in subsequent years the allocations would continue to be reduced significantly. It was to be expected that we would see the long-awaited rationalisation of supply and the resulting improvement in prices (the main driver of revenue growth and the central point of our thesis). In fact, the evidence was there for anyone willing to analyse it: in 2019, we had seen significant price increases (10%) without any rebound in volumes, anticipating this new reality that was first obscured by Covid, then by the debate surrounding ESG, and finally made evident by the crisis in Ukraine, despite the fact that the market asked first and was wrong later.

[(4)] In mid-2022, Heidelberg's share price was so low (an all-time low) that the free cash flow that we projected the business would generate over the next five years represented almost 80% of its market value (a calculation we have not deviated from at all, with the unknown factor being the figure it will generate in 2026). To give you an idea, imagine that you buy a flat as an investment and the rent over the next five years will pay you 80% of the amount you have spent. That is how cheap Heidelberg was on the stock market in 2022, but this did not prevent us from sweating bullets that year because of a story that put it in the wrong ETF ("Losers of the Ukraine War").

[(5)] You have no idea what happened in the financial markets during the summer of 2024, do you? The problem is that, at that moment, it seemed like the most important thing in the world. Now, however, we do not even remember it. Our obsession with dealing with the present is a terrible burden on our future returns. To give you an idea of the market madness we experienced that summer, on Monday 5 August, the Japanese stock market recorded its worst fall since 1987 after the central bank announced a 25 basis point rise in interest rates. A historic fall of 12%, to which must be added the 6% drop on Friday following worse-than-expected US employment figures (112,000 jobs were created, compared to the 179,000 widely-believed estimate). That morning, with European stocks and US futures falling another 5%, the VIX volatility index, also known as the "fear index", shot up to its third-highest value ever, just a few points below the levels reached during the worst moments of the 2008 financial crisis and the onset of the COVID-19 pandemic in 2020. A veritable insanity in which the recent prevails over the relevant and the urgent overshadows the important.

[(6)] At current prices, Heidelberg is trading at a free cash flow (FCF) multiple that is double the level it was at in 2020, when we made our first investment in the company, and triple that of the worst moments of 2022. Something similar occurs in other valuation metrics that focus more on the book value of assets. For example, a useful way to value capital-intensive industrial companies is through the ratio between Enterprise Value (EV) and Capital Employed (CE). This metric (EV/CE) compares the total value that the market assigns to a company, including debt and equity, with the operating resources that the company has invested to generate profits. Unlike other multiples that focus more on operating results, EV/CE allows you to assess how much the market is paying for each unit of operating capital invested in the business. In sectors where capital employed is key to value creation, such as chemicals, cement and manufacturing, this metric offers a particularly important perspective. At current prices, Heidelberg is trading at almost 1.4 times its capital employed, compared to 0.6 times in 2020 and 0.4 times at the worst moments of 2022 (a multiple of less than 1 indicates that the market value of the company is lower than the value of the resources it uses to operate its business).

Bestinver Internacional

It is an investment fund aimed at investors with a long-term time horizon (more than five years). The fund invests up to 100% in global equities, excluding Iberian equities, with European listed companies being the most represented companies in the portfolio. The objective of the fund is to achieve long-term performance through the selection of attractive, well-managed businesses with high growth potential. The fund is managed according to the three pillars of our investment philosophy: proprietary fundamental analysis, appropriate risk management and a shared time horizon between investors and managers.

MANAGEMENT TEAM

Tomás Pintó
Head of International Equities

Jorge Fuentes
International Equities Manager

ANNUAL RETURNS TABLE

	2025	2024	2023	2022	2021	2020
Bestinver Internacional	6.48%	14.25%	24.62%	-17.85%	14.17%	-1.38%

ANNUALISED RETURNS TABLE

	3 years	5 years	10 years	15 years	20 years	Launch
Bestinver Internacional (1)	8.79%	11.51%	6.97%	8.18%	7.50%	9.00%

Figures at 09/30/2025
Past performance is no guarantee of future performance.

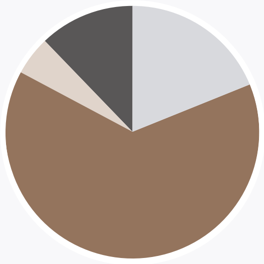
(1) Launch date: 11/19/1997

TOP POSITIONS

	% OF PORTFOLIO
PHILIPS ELECTRONICS NV	3.75%
META PLATFORMS INC-CLASS A	3.30%
ARCELORMITTAL	3.3%
NORDEA BANK ABP EUR	2.83%
HEINEKEN NV	2.81%

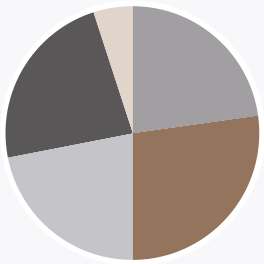
DISTRIBUTION OF THE PORTFOLIO

Geographical distribution



Europe **56%**
Liquidity **5%**
USA **37%**
Rest of the world **2%**

Sectoral distribution



Industrial **37%**
Financial **13%**
Consumer **24%**
Liquidity **5%**
Communication & Technology **21%**

NET ASSET VALUE TRENDS (€)

Data at close of day: 09/30/2025. Source: BESTINVER. Periods longer than 1 year in annualised rate. Launch date: 11/19/1997.

RISKS ASSOCIATED WITH THE INVESTMENT

Bestinver Internacional is an equity investment fund and as such mainly involves the following risks: market risk, currency risk, country risk, concentration risk and inflation risk.
Detailed information on the risks associated with the investments can be found at the end of this document.
Past performance is no guarantee of future performance.
The fund's full prospectus, regular reports and KIID can be found on the following websites www.bestinver.es and www.cnmv.es

MANAGEMENT ASSESSMENT

Dear Investor,

Bestinver Internacional ended the quarter with a gain of 4.5%, accumulating a return of 6.5% for the first nine months of the year.

We celebrate the arrival of autumn having enjoyed a reasonably quiet summer period. After a volatile but profitable first half of the year, the portfolio has consolidated its gains and continued to generate good returns on our savings.

In this newsletter, we will attempt to summarise the most significant events that have taken place during the quarter and explain the main changes we have made to the portfolio. We will also review the history of an investment we made five years ago and have just sold, after it provided us with a fantastic return. Of course, it wasn't without blood, sweat and the occasional tear.

The aim is to take advantage of the break that summer has given us to draw some valuable lessons with a constructive eye on the future.

Optimists and pessimists can continue to trust and distrust the environment

After a turbulent spring, the market breathed a sigh of relief upon learning of the trade agreements signed by the US with most of its trading partners (with the exception of China, with whom negotiations are ongoing) and seeing that the recession and rise in inflation anticipated by many pessimists had not materialised.

The US Congress has passed the Big Beautiful Bill, the legislative cornerstone of Donald Trump's second term, which includes the permanent renewal of the 2017 tax cuts and the introduction of significant tax breaks for businesses and workers(1). At the same time, the Federal Reserve has cut interest rates by a quarter of a point and signalled that it will ease its monetary policy if the labour market continues to weaken.

In Europe, leading indicators point to an improvement in economic growth. The continent's fiscal policy will be highly expansionary in the coming years (the investments announced in infrastructure and defence are of exceptional magnitude), and consumer and business sentiment has reflected this. Inflation is at levels that the European Central Bank (ECB) considers appropriate, and both analysts and the institution itself do not anticipate any significant changes in interest rates given the current phase of the cycle.

As can be seen, optimists have compelling reasons to remain confident about the future. While pessimists also have enough ammunition to demolish any constructive scenario.

In terms of tariffs, there are still many loose ends to be tied up. Both at the macro level, with China as the main unknown, as well as at the micro level, with new tariffs each week affecting sectors in countries that, in theory, have signed agreements with the US A. The drama of the conflicts in Gaza and Ukraine continues with no sign of a stable resolution, and everything points to the conclusion that, if a resolution is found, it will not be an immediate or straightforward one. And as for politics, in the USA.

we are in the midst of a “shutdown”(2), which —if history is any guide— is sure to generate its fair share of alarming headlines.

Europe, for its part, is always full of surprises —as we saw a few weeks ago in France— and no one should be surprised if, in the coming months, ambitious investment plans in Europe end up suffering significant delays. The continent has a structural complexity that hinders the swift implementation of any initiative: approvals must pass through the parliaments of each country, where electoral calculations carry more weight than technical consensus; and the institutional dynamics of Brussels itself, marked by slow and cumbersome processes, further complicate decision-making.

In our view, the environment remains complex but ripe with opportunities. Can both ideas coexist? Of course. They are not mutually exclusive, but complementary: in the world of investment, uncertainty and opportunity always go hand in hand.

No serious entrepreneur has ever generated wealth out of fear

At BESTINVER, we are not particularly pessimistic about the macroeconomic outlook. Nor are we pessimistic about the market. And when it comes to our portfolio, we can be described as staunch optimists.

We understand that in the world of investment, pessimism has a certain magnetic appeal. It sells headlines, attracts attention, and disguises itself as prudence. But investing in shares is, in essence, becoming a business owner. That is, becoming an entrepreneur (vaguely, but an entrepreneur none the less).

No serious entrepreneur has ever generated wealth out of fear. He has done so based on conviction, in-depth knowledge of his business, and a healthy dose of optimism. It is not a matter of ignoring the risks, but of understanding that long-term success is not achieved through fear, but through well-founded confidence.

At BESTINVER, we strive to earn that trust through our investment process. A method built on three essential cornerstones —fundamental analysis, discipline with valuations, and prudence— under an umbrella of patience.

At the Berkshire Hathaway shareholders' meeting in 1998, Warren Buffett uttered a seemingly simple phrase, but one of profound relevance to those of us who invest our long-term savings in the stock market: "We try to think about two things: things that are important and things that are knowable".

Although at first glance this comment may seem innocuous, it contains an essential idea for successfully navigating the world of investment. Obviously, nothing is perfectly predictable in the financial markets, but there are factors on which we can achieve a sufficient level of confidence, as opposed to many others whose behaviour is, if not random, very close to it. It is essential to distinguish between the two groups, the second being much larger than the first.

For example, we do not know how high the tariffs that the US will ultimately impose on China will be. Nor do we know whether the Federal Reserve will cut rates in the coming quarters. Similarly, we would be delighted if the investments announced in Europe were to be implemented in a straightforward manner and one that, furthermore, did not entail additional tax pressure on the private sector. But, in all honesty, we have no certainty that our wishes will come true.

However, we do have reasonably high confidence that, in the coming years, regardless of the outcome of the events we have just described, these economies will grow. Our companies will capitalise on this growth in the form of corporate profits, and our shares will eventually provide us with the excellent long-term returns that good businesses have always offered when purchased at good prices.

You may call us optimists (we are), but it is an optimism that knows that long-term wealth is not built on anxiety, but on conviction, the indispensable foundation of any investment.

It's the same play, but it's not the same sport

Many of the discrepancies we see every day in the world of investment have nothing to do with how we interpret macroeconomic data, geopolitical events or company results.

The disagreements arise because we are all discussing the same play, but from a different sport.

This is something that not everyone fully understands. We are all in a stadium with 40,000 cheering and shouting spectators, wearing boots and shorts. But the reality is that some of us are playing rugby, while others are playing football. From the outside, they may seem like similar sports; from the inside, they are completely different.

The sport one chooses to practise in the financial markets depends fundamentally on two factors: what we want to achieve and how we believe is the best way to do so. These two elements are what truly determine how we analyse any macro data (or business results) and the stance we take towards it.

In the case of BESTINVER, our investment work is primarily based on “micro” analysis, i.e. the detailed study of individual companies, the quality of their businesses and their long-term valuation. The analysis of macro factors, economic and political, plays an important but subordinate role: it helps us contextualise the operating environment in which companies are operating and assess the risks and opportunities that this environment presents for their businesses. In other words, our job is not so much to predict the next macroeconomic turbulence, but rather to select the businesses and management teams that are best equipped to adapt to it.

At BESTINVER, we also firmly believe that time is the ultimate arbiter of business value. In the short term, multiple volatile factors, such as competitive challenges, changes in management teams, or restructuring, can temporarily depress a company's profitability, leading investors to extrapolate these difficulties indefinitely, significantly distorting the share price from its underlying value. It is precisely these short-term pressures that generate the greatest opportunities for those capable of analysing the normalisation of conditions and the full manifestation of the true profitability of a business.

All this is of little concern to many (so-called) investors who spend most of their time predicting what will happen to the economy or stock prices over the next 90 days. We are in the same “stadium”, yes, but we are playing a very different “sport”.

We must never forget that one of the most peculiar features of the investment world is that it brings together people who are immersed in completely different activities, although it is often mistakenly assumed that we all do the same thing. Much of the noise and tension generated by the financial markets stems from these cacophonous interactions.

Understanding this dynamic is key for any investor. If we do not fully understand this, we run the risk of being influenced by every opinion we hear. When someone expresses a view about the market, we should ask ourselves: how does this person earn their money and how long do they intend to do so? If their objectives and methods are very different from ours, it is best to keep our distance.

This does not mean that we should not question our own beliefs, but there is a big difference between calmly reflecting on our approach and allowing ourselves to be swept along by the daily noise of those who, fundamentally, do not do the same thing as us.

Having shared principles and goals does not mean surrounding yourself only with those who think alike. It is possible to disagree strongly while starting from a common basis, and that is a fundamentally healthy exercise. But we must be wary of the opinions of those who, while they may be in the same stadium as us, are playing a completely different sport.

Changes in the portfolio

Throughout the quarter, investors have shown a clear preference for interpreting the environment with a positive bias.

However, this optimism has not been distributed evenly. The market has mainly rewarded those sectors that have been offering good returns for several quarters, while the laggards on the stock market continue to attract no interest whatsoever.

In the US, this dynamic has translated into sharp rises for everything related to artificial intelligence (AI), while in Europe, advances have continued to be dominated by banks and sectors that are expected to benefit from investments in armaments and infrastructure in the coming years.

By contrast, many companies on both sides of the Atlantic in sectors that are not in vogue (pharmaceuticals, chemicals, consumer goods, the automotive industry, etc.) have not only failed to see their share prices rise, but they have seem them continue to fall. A reality that reinforces the idea that investor positioning continues to be guided by inertia and prevailing narratives, rather than by valuation and the long term.

In this context, throughout the quarter we have increased our positions in Pandora, Harley Davidson, BP and the oil company BP. Purchases we have financed by reducing the weight in our portfolio of certain shares that have performed fantastically well. These include Metso, Lundin Mining and Ashtead; names that until recently had been consigned to oblivion by the market.

This quarter, we also sold our entire position in Ryanair and became shareholders in a new company: Amrize.

Ryanair has been one of our most profitable positions in recent quarters. Its leadership in the European short-haul market, its cost advantage and the strength of its balance sheet have been key to generating outstanding returns. However, we decided to sell our shares. The reason? We believe it is difficult to improve upon the environment it is enjoying.

The company is at an optimal point in the cycle: optimism about accelerating European growth, favourable comparisons with the previous year, and falling oil prices. But above all, its level of investment (aircraft purchases) is at an all-time low. In other words, its cash flow is at its highest level.

The market has already recognised much of the hidden value that Ryanair shares held a year ago. Its current multiples discount a very favourable demand environment, a very limited supply of aircraft (due to delays in Boeing's production) and a benign macroeconomic environment. In our opinion, this is a scenario that is difficult to improve upon.

Ryanair remains an extraordinary company, but we believe it is better to recycle our capital into ideas where we have greater conviction, as is the case with Amrize.

Amrize is a building materials company that offers cement, aggregates, and solutions for roofing and insulation. Its business needs no introduction: it is the undisputed leader in cement in the US and Canada, with a dominant position in local markets and a production capacity double that of the country's second-largest operator. One of the most important aspects for us, however, is who runs it. We are talking about the current CEO of Holcim (Jan Jenisch), one of the best managers in a sector we know well, with a proven track record in creating value through organic growth and well-executed acquisitions.

Amrize was spun off from Holcim in the summer and listed in both Switzerland and the US in a transaction that has created a rare opportunity: to buy a leading, well-managed company with room for operational improvement and a clear roadmap for growth, at a price that does not reflect either its quality or its potential.

Finally, we would like to conclude this newsletter by commenting on the case of a company that is no longer in our portfolio. This is a company we began buying into during the worst moments of Covid, and in which we have more than tripled our capital. A story of blood, sweat and the occasional tear, but one which, as often happens when rigorous analysis and a great deal of patience are combined, has ended up being a source of great joy for the fund.

Heidelberg Materials: When success means being right in the end

In the markets, narratives matter. A lot. The stories that are built around a company have a direct impact on its valuations. Sometimes they reflect reality. Other times, they distort it. And it is precisely in those moments of dissonance between narrative and fundamentals (between price and value) that the best opportunities arise for BESTINVER.

The investment thesis for Heidelberg Materials was developed at a time when the cement sector was a clear example of this dissonance. Forgotten by the market after a decade of digesting excesses and bubbles, first with the financial crisis, then the sovereign debt crisis, the sector showed signs of structural improvement at the end of the previous decade that went largely unnoticed by investors.

Installed capacity in Europe had not grown for years, and the sector had consolidated with the merger of Holcim and Lafarge (2015) and Heidelberg's own acquisition of Italcementi (2016). Furthermore, emissions regulations, the core of our thesis[3], were beginning to change. The result? A renewed power to set prices in the industry that had gone completely unnoticed by the market.

At BESTINVER, we like to buy sectors at the bottom of the cycle. With the arrival of Covid, we had the opportunity to invest in a structurally neglected sector that was then also cyclically depressed due to the pandemic. This is how we became shareholders in this German cement company.

The company was trading at historically low multiples, with double-digit free cash flow returns and an aggregates division that, on its own, justified much of its valuation. Furthermore, unlike in the previous decade, Heidelberg had a healthy balance sheet, balanced geographical exposure (the US and Europe) and a clear decarbonisation strategy that positioned it as one of the winners in the new cycle.

The vaccines arrived and the market began to discount the cyclical recovery of the economy. We were feeling happy (we had accumulated gains of 70%), but then another blow struck: the change in perception regarding ESG investing.

The market, in its eagerness to label and then praise or stigmatise, classified Heidelberg as a "loser" in a world where fashion was driving investment towards less CO_2-intensive companies. However at BESTINVER we have always believed that companies in the most polluting sectors had the potential to become an important part of the solution.

As it was not considered "sustainable" by the market, it was excluded by many funds, contributing to the German company accumulating losses of 30%-40% in the second half of 2021. An unfair penalty that we explain in this blog post, as it ignored the company's real efforts to reduce its emissions, invest in carbon capture and lead the transition to a cleaner industry.

Despite the setbacks and narratives, we remained calm. Our thesis had not changed, and the valuation remained highly attractive. We were confident that the story would eventually align with reality, as it always has throughout history. But before that happened, the invasion of Ukraine in early 2022 sent gas prices soaring to record highs. Many investors fled, not only because of fears of a recession in Europe, but also because of doubts the industry would be able to pass on the increased costs in the price of its products.

We were facing the most important test to prove the validity of our thesis about the sector. These were difficult times, with their shares falling another 40%, but we defended our investment in our quarterly newsletters, in numerous meetings with our shareholders, and even publicly at an event organised by a national newspaper. We were confident in market concentration and regulatory changes that were overlooked by the consensus, without forgetting the structural need for concrete in a world that, despite everything, continued to urbanise and invest in infrastructure.

We were confident in our analysis and had a huge margin of safety provided by the valuation of its securities at historic lows(4). The market, unprompted, had rallied just as Heidelberg was raising prices by double digits in many of its markets, demonstrating that pricing power not only existed but was stronger than anyone had expected.

Despite the challenging economic climate, profits and cash flow continued to grow, and the management team, after countless meetings with BESTINVER, was doing the right thing: continuing its commitment to sustainability by investing in assets that would improve its long-term competitiveness; paying dividends; and, for the first time in its history, taking advantage of market short-sightedness to buy back its own shares at unprecedented discounts.

The investors had paid, but they had made a mistake. The reality was indisputable, and the merits began to be recognised by the market. As a result, just 18 months after hitting its low point in September 2022 at around €40, its share price more than doubled, exceeding €100. Heidelberg continued to enjoy a prominent position in our fund, despite the fact that we had reduced its weight in the portfolio for reasons of diversification and balance, which are essential cornerstones of our management philosophy.

And so 2025 arrived, with announcements of massive infrastructure investments in Germany, a renewed push for defence spending in Europe, and Trump's attempts to end the war in Ukraine.

We live in a peculiar world, where the proliferation of passive investment vehicles (ETFs) has segmented the market into themes that can be ‘bet on’ with apparent ease. Heidelberg shares have been included in several of these thematic baskets, such as “Winners of the end of the war in Ukraine” or “Beneficiaries of the German infrastructure plan” created ad hoc by investment banks and fund supermarkets. This has enabled many (so-called) investors to jump on a passive bandwagon, driven more by narratives than by rigorous business analysis and respect for valuation.

Since our last purchase below €90 in August 2024, after its shares fell 15% in just a few sessions(5), Heidelberg shares have more than doubled again. Its current valuation is much more demanding, the narrative could hardly be more favourable, and its shareholder base shows a growing presence of financial “tourists” riding on passive investment vehicles.

We continue to see value in the cement sector, we are shareholders in Holcim, and recognise the quality of Heidelberg's assets and the strength of its management team. But at BESTINVER, price is king(6). Consequently, in recent quarters we have been gradually unwinding our position, the last sales were executed this summer, choosing to recycle our capital into ideas with more attractive valuations and where market consensus argues against marked pessimism.

Our investment in Heidelberg is an example of how, in the markets, success often consists of being right in the end. It means ignoring the noise, resisting panic, and maintaining conviction based on business fundamentals and valuation. Over the past five years, we have more than tripled our investment. An excellent result, achieved through confidence in the analysis of an exceptional investment team and the support of experienced participants who share our vision and temperament.

A story that reminds us of who we are: owners of valued businesses, not financial tourists on the hunt for narratives. Entrepreneurs (vaguely) who know their business and risk their savings with the best tools possible: optimism, prudence, and a good dose of patience.

Thank you again for placing your trust in us. Yours sincerely,

The Investment Team.

MAIN MOVEMENTS

Additions

AMRIZE

Disposals

HEIDELBERG MATERIALS
RYANAIR
ASM INTERNACIONAL

Increases

NORDEA
PANDORA
BARCLAYS
HARLEY DAVIDSON
BP

Reductions

METSO
LUNDIN MINING
ASHTEAD

NOTES

(1) One of the most significant measures in the Big Beautiful Bill for businesses is the reintroduction of accelerated depreciation of investments. This provision allows companies to immediately deduct a larger portion of the cost of their productive assets, such as machinery, technology, or infrastructure, in the fiscal year in which they are acquired, rather than spreading that deduction over several years. This incentive improves cash flow, reduces the tax burden in the short term and stimulates business investment, especially in capital-intensive sectors. By facilitating rapid cost recovery, companies can renew equipment, expand operations, or adopt new technologies with greater agility. Overall, this measure enhances the appeal of investing in the US, although its impact will ultimately depend on the macroeconomic environment and business confidence.
For their part, the tax exemptions on tips and overtime included in the 'Big Beautiful Bill' have a direct impact on workers, especially in sectors such as hospitality, retail, and personal services. As they are exempt from federal tax, these payments increase employees' net disposable income, which can translate into an immediate improvement in their purchasing power. For anyone who relies heavily on tips, such as waiters, delivery drivers, or customer service staff, this measure provides significant tax relief. In the case of overtime, the incentive could encourage greater willingness to work longer hours, knowing that the additional effort will be less penalised fiscally.

(2) The US Congress has a constitutional obligation to periodically approve budget and funding laws for federal agencies. If legislators (representatives and senators) fail to reach an agreement before the deadline (usually September 30th of each fiscal year), there is no legal authorisation for the government to spend money on many federal programmes and agencies. In this scenario, the government enters a "shutdown", whereby non-essential services are suspended and thousands of federal employees are temporarily sent home without pay (although they usually receive back pay once the issue is resolved).

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From the following year onwards, the appropriations would reflect a much less inflated production, that of the period 2016-18, and in subsequent years the allocations would continue to be reduced significantly. It was to be expected that we would see the long-awaited rationalisation of supply and the resulting improvement in prices (the main driver of revenue growth and the central point of our thesis). In fact, the evidence was there for anyone willing to analyse it: in 2019, we had seen significant price increases in prices (10%) without any rebound in volumes, anticipating this new reality that was first obscured by Covid, then by the debate surrounding ESG, and finally made evident by the crisis in Ukraine, despite the fact that the market asked first and was wrong later.

(4) In mid-2022, Heidelberg's share price was so low (an all-time low) that the free cash flow that we projected the business would generate over the next five years represented almost 80% of its market value (a calculation we have not deviated from at all, with the unknown factor being the figure it will generate in 2026). To give you an idea, imagine that you buy a flat as an investment and the rent over the next five years will pay you 80% of the amount you have spent. That is how cheap Heidelberg was on the stock market in 2022, but this did not prevent us from sweating bullets that year because of a story that put it in the wrong ETF ("Losers of the Ukraine War").

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In sectors where capital employed is key to value creation, such as chemicals, cement and manufacturing, this metric offers a particularly important perspective. At current prices, Heidelberg is trading at almost 1.4 times its capital employed, compared to 0.6 times in 2020 and 0.4 times at the worst moments of 2022 (a multiple of less than 1 indicates that the market value of the company is lower than the value of the resources it uses to operate its business).

Bestvalue

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MANAGEMENT TEAM

Tomás Pintó
Head of International Equities

Ricardo Seixas
Head of Iberian Equities

ANNUAL RETURNS TABLE

	2025	2024	2023	2022	2021	2020
Bestvalue	11.13%	13.03%	24.69%	-15.74%	14.61%	-4.29%

ANNUALISED RETURNS TABLE

	3 years	5 years	10 years	Launch
Bestvalue [1]	20.02%	12.84%	7.13%	7.45%

Figures at 09/30/2025
Past performance is no guarantee of future performance.

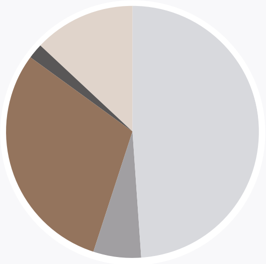
(1) Launch date: 12/02/2010

TOP POSITIONS

	% OF PORTFOLIO
PHILIPS ELECTRONICS NV	3.07%
ARCELORMITTAL	2.89%
META PLATFORMS INC-CLASS A	2.67%
NORDEA BANK ABP EUR	2.37%
HEINEKEN NV	2.35%

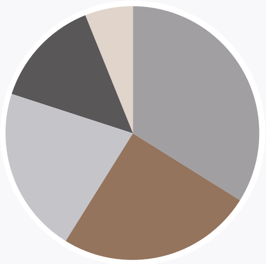
DISTRIBUTION OF THE PORTFOLIO

Geographical distribution



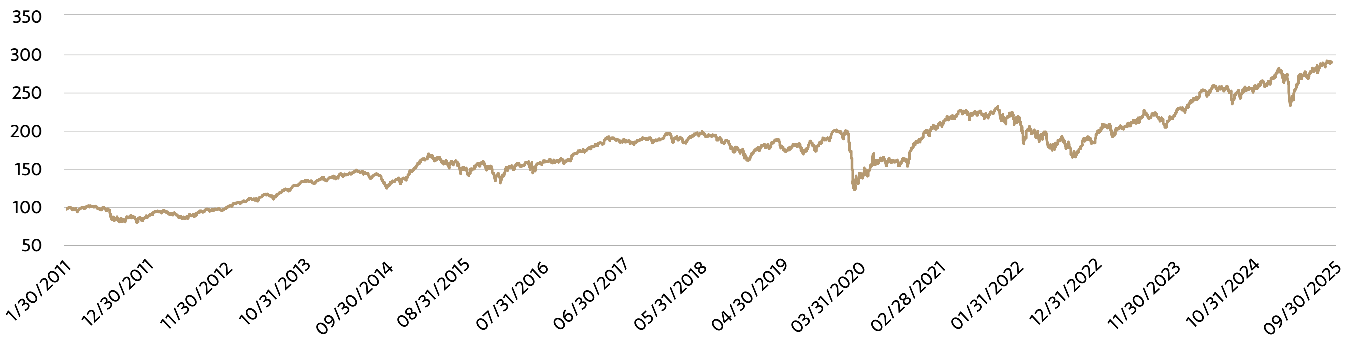
Europe	**49%**	Rest of the world	**2%**
Liquidity	**6%**	Iberia	**13%**
USA	**30%**		

Sectoral distribution



Industrial	**34%**	Financial	**14%**
Consumer	**25%**	Liquidity	**6%**
Communication & Technology	**21%**		

NET ASSET VALUE TRENDS (€)



Data at close of day: 09/30/2025. Source: BESTINVER. Periods longer than 1 year in annualised rate. Launch date: 12/02/2010.

RISKS ASSOCIATED WITH THE INVESTMENT

Bestvalue is an equity investment fund and as such mainly involves the following risks: market risk, currency risk, country risk, concentration risk and inflation risk.
Detailed information on the risks associated with the investments can be found at the end of this document.
Past performance is no guarantee of future performance.
The fund's full prospectus, regular reports and KIID can be found on the following websites www.bestinver.es and www.cnmv.es

MANAGEMENT ASSESSMENT

Dear Investor,

Bestvalue ended the quarter with a 5.6% increase, accumulating a return of 11.1% during the first nine months of the year.

We celebrate the arrival of autumn having enjoyed a reasonably quiet summer period. After a volatile but profitable first half of the year, the portfolio has consolidated its gains and continued to generate good returns on our savings.

In this newsletter, we will attempt to summarise the most significant events that have taken place during the quarter and explain the main changes we have made to the portfolio. We will also review the history of an investment we made five years ago and have just sold, after it provided us with a fantastic return. Of course, it wasn't without blood, sweat and the occasional tear.

The aim is to take advantage of the break that summer has given us to draw some valuable lessons with a constructive eye on the future.

Optimists and pessimists can continue to trust and distrust the environment

After a turbulent spring, the market breathed a sigh of relief upon learning of the trade agreements signed by the US with most of its trading partners (with the exception of China, with whom negotiations are ongoing) and seeing that the recession and rise in inflation anticipated by many pessimists had not materialised.

The US Congress has passed the Big Beautiful Bill, the legislative cornerstone of Donald Trump's second term, which includes the permanent renewal of the 2017 tax cuts and the introduction of significant tax breaks for businesses and workers(1). At the same time, the Federal Reserve has cut interest rates by a quarter of a point and signalled that it will ease its monetary policy if the labour market continues to weaken.

In Europe, leading indicators point to an improvement in economic growth. The continent's fiscal policy will be highly expansionary in the coming years (the investments announced in infrastructure and defence are of exceptional magnitude), and consumer and business sentiment has reflected this. Inflation is at levels that the European Central Bank (ECB) considers appropriate, and both analysts and the institution itself do not anticipate any significant changes in interest rates given the current phase of the cycle.

As can be seen, optimists have compelling reasons to remain confident about the future. While pessimists also have enough ammunition to demolish any constructive scenario.

In terms of tariffs, there are still many loose ends to be tied up. Both at the macro level, with China as the main unknown, as well as at the micro level, with new tariffs each week affecting sectors in countries that, in theory, have signed agreements with the US. The drama of the conflicts in Gaza and Ukraine continues with no sign of a stable resolution, and everything points to the conclusion that, if a resolution is found, it will not be an immediate or straightforward one. And as for politics, in the USA.

We are in the midst of a “shutdown”[2], which —if history is any guide— is sure to generate its fair share of alarming headlines.

Europe, for its part, is always full of surprises —as we saw a few weeks ago in France— and no one should be surprised if, in the coming months, ambitious investment plans in Europe end up suffering significant delays. The continent has a structural complexity that hinders the swift implementation of any initiative: approvals must pass through the parliaments of each country, where electoral calculations carry more weight than technical consensus; and the institutional dynamics of Brussels itself, marked by slow and cumbersome processes, further complicate decision-making.

In our view, the environment remains complex but ripe with opportunities. Can both ideas coexist? Of course. They are not mutually exclusive, but complementary: in the world of investment, uncertainty and opportunity always go hand in hand.

No serious entrepreneur has ever generated wealth out of fear

At BESTINVER, we are not particularly pessimistic about the macroeconomic outlook. Nor are we pessimistic about the market. And when it comes to our portfolio, we can be described as staunch optimists.

We understand that in the world of investment, pessimism has a certain magnetic appeal. It sells headlines, attracts attention, and disguises itself as prudence. But investing in shares is, in essence, becoming a business owner. That is, becoming an entrepreneur (vaguely, but an entrepreneur none the less).

No serious entrepreneur has ever generated wealth out of fear. He has done so based on conviction, in-depth knowledge of his business, and a healthy dose of optimism. It is not a matter of ignoring the risks, but of understanding that long-term success is not achieved through fear, but through well-founded confidence.

At BESTINVER, we strive to earn that trust through our investment process. A method built on three essential cornerstones —fundamental analysis, discipline with valuations, and prudence— under an umbrella of patience.

At the Berkshire Hathaway shareholders' meeting in 1998, Warren Buffett uttered a seemingly simple phrase, but one of profound relevance to those of us who invest our long-term savings in the stock market: "We try to think about two things: things that are important and things that are knowable".

Although at first glance this comment may seem innocuous, it contains an essential idea for successfully navigating the world of investment. Obviously, nothing is perfectly predictable in the financial markets, but there are factors on which we can achieve a sufficient level of confidence, as opposed to many others whose behaviour is, if not random, very close to it. It is essential to distinguish between the two groups, the second being much larger than the first.

For example, we do not know how high the tariffs that the US will ultimately impose on China will be. Nor do we know whether the Federal Reserve will cut rates in the coming quarters. Similarly, we would be delighted if the investments announced in Europe were to be implemented in a straightforward manner and one that, furthermore, did not entail additional tax pressure on the private sector. But, in all honesty, we have no certainty that our wishes will come true.

However, we do have reasonably high confidence that, in the coming years, regardless of the outcome of the events we have just described, these economies will grow. Our companies will capitalise on this growth in the form of corporate profits, and our shares will eventually provide us with the excellent long-term returns that good businesses have always offered when purchased at good prices.

You may call us optimists (we are), but it is an optimism that knows that long-term wealth is not built on anxiety, but on conviction, the indispensable foundation of any investment.

It's the same play, but it's not the same sport

Many of the discrepancies we see every day in the world of investment have nothing to do with how we interpret macroeconomic data, geopolitical events or company results.

The disagreements arise because we are all discussing the same play, but from a different sport.

This is something that not everyone fully understands. We are all in a stadium with 40,000 cheering and shouting spectators, wearing boots and shorts. But the reality is that some of us are playing rugby, while others are playing football. From the outside, they may seem like similar sports; from the inside, they are completely different.

The sport one chooses to practise in the financial markets depends fundamentally on two factors: what we want to achieve and how we believe is the best way to do so. These two elements are what truly determine how we analyse any macro data (or business results) and the stance we take towards it.

In the case of BESTINVER, our investment work is primarily based on “micro” analysis, i.e. the detailed study of individual companies, the quality of their businesses and their long-term valuation. The analysis of macro factors, economic and political, plays an important but subordinate role: it helps us contextualise the operating environment in which companies are operating and assess the risks and opportunities that this environment presents for their businesses. In other words, our job is not so much to predict the next macroeconomic turbulence, but rather to select the businesses and management teams that are best equipped to adapt to it.

At BESTINVER, we also firmly believe that time is the ultimate arbiter of business value. In the short term, multiple volatile factors, such as competitive challenges, changes in management teams, or restructuring, can temporarily depress a company's profitability, leading investors to extrapolate these difficulties indefinitely, significantly distorting the share price from its underlying value. It is precisely these short-term pressures that generate the greatest opportunities for those capable of analysing the normalisation of conditions and the full manifestation of the true profitability of a business.

All this is of little concern to many (so-called) investors who spend most of their time predicting what will happen to the economy or stock prices over the next 90 days. We are in the same “stadium”, yes, but we are playing a very different “sport”.

We must never forget that one of the most peculiar features of the investment world is that it brings together people who are immersed in completely different activities, although it is often mistakenly assumed that we all do the same thing. Much of the noise and tension generated by the financial markets stems from these cacophonous interactions.

Understanding this dynamic is key for any investor. If we do not fully understand this, we run the risk of being influenced by every opinion we hear. When someone expresses a view about the market, we should ask ourselves: how does this person earn their money and how long do they intend to do so? If their objectives and methods are very different from ours, it is best to keep our distance.

This does not mean that we should not question our own beliefs, but there is a big difference between calmly reflecting on our approach and allowing ourselves to be swept along by the daily noise of those who, fundamentally, do not do the same thing as us.

Having shared principles and goals does not mean surrounding yourself only with those who think alike. It is possible to disagree strongly while starting from a common basis, and that is a fundamentally healthy exercise. But we must be wary of the opinions of those who, while they may be in the same stadium as us, are playing a completely different sport.

Movements in the International portfolio

Throughout the quarter, investors have shown a clear preference for interpreting the environment with a positive bias.

However, this optimism has not been distributed evenly. The market has mainly rewarded those sectors that have been offering good returns for several quarters, while the laggards on the stock market continue to attract no interest whatsoever.

In the US, this dynamic has translated into sharp rises for everything related to artificial intelligence (AI), while in Europe, advances have continued to be dominated by banks and sectors that are expected to benefit from investments in armaments and infrastructure in the coming years.

By contrast, many companies on both sides of the Atlantic in sectors that are not in vogue (pharmaceuticals, chemicals, consumer goods, the automotive industry, etc.) have not only failed to see their share prices rise, but they have seem them continue to fall. A reality that reinforces the idea that investor positioning continues to be guided by inertia and prevailing narratives, rather than by valuation and the long term.

In this context, throughout the quarter we have increased our positions in Pandora, Harley Davidson, BP and the oil company BP. Purchases we have financed by reducing the weight in our portfolio of certain shares that have performed fantastically well. These include Metso, Lundin Mining and Ashtead; names that until recently had been consigned to oblivion by the market.

This quarter, we also sold our entire position in Ryanair and became shareholders in a new company: Amrize.

Ryanair has been one of our most profitable positions in recent quarters. Its leadership in the European short-haul market, its cost advantage and the strength of its balance sheet have been key to generating outstanding returns. However, we decided to sell our shares. The reason? We believe it is difficult to improve upon the environment it is enjoying.

The company is at an optimal point in the cycle: optimism about accelerating European growth, favourable comparisons with the previous year, and falling oil prices. But above all, its level of investment (aircraft purchases) is at an all-time low. In other words, its cash flow is at its highest level.

The market has already recognised much of the hidden value that Ryanair shares held a year ago. Its current multiples discount a very favourable demand environment, a very limited supply of aircraft (due to delays in Boeing's production) and a benign macroeconomic environment. In our opinion, this is a scenario that is difficult to improve upon.

Ryanair remains an extraordinary company, but we believe it is better to recycle our capital into ideas where we have greater conviction, as is the case with Amrize.

Amrize is a building materials company that offers cement, aggregates, and solutions for roofing and insulation. Its business needs no introduction: it is the undisputed leader in cement in the US and Canada, with a dominant position in local markets and a production capacity double that of the country's second-largest operator. One of the most important aspects for us, however, is who runs it. We are talking about the current CEO of Holcim (Jan Jenisch), one of the best managers in a sector we know well, with a proven track record in creating value through organic growth and well-executed acquisitions.

Amrize was spun off from Holcim in the summer and listed in both Switzerland and the US in a transaction that has created a rare opportunity: to buy a leading, well-managed company with room for operational improvement and a clear roadmap for growth, at a price that does not reflect either its quality or its potential.

Finally, we would like to conclude this newsletter by commenting on the case of a company that is no longer in our portfolio. This is a company we began buying into during the worst moments of Covid, and in which we have more than tripled our capital. A story of blood, sweat and the occasional tear, but one which, as often happens when rigorous analysis and a great deal of patience are combined, has ended up being a source of great joy for the fund.

Heidelberg Materials: When success means being right in the end

In the markets, narratives matter. A lot. The stories that are built around a company have a direct impact on its valuations. Sometimes they reflect reality. Other times, they distort it. And it is precisely in those moments of dissonance between narrative and fundamentals (between price and value) that the best opportunities arise for BESTINVER.

The investment thesis for Heidelberg Materials was developed at a time when the cement sector was a clear example of this dissonance. Forgotten by the market after a decade of digesting excesses and bubbles, first with the financial crisis, then the sovereign debt crisis, the sector showed signs of structural improvement at the end of the previous decade that went largely unnoticed by investors.

Installed capacity in Europe had not grown for years, and the sector had consolidated with the merger of Holcim and Lafarge (2015) and Heidelberg's acquisition of Italcementi (2016). Furthermore, emissions regulations, the core of our thesis(3), were beginning to change. The result? A renewed power to set prices in the industry that had gone completely unnoticed by the market.

At BESTINVER, we like to buy sectors at the bottom of the cycle. With the arrival of Covid, we had the opportunity to invest in a structurally neglected sector that was then also cyclically depressed due to the pandemic. This is how we became shareholders in this German cement company.

The company was trading at historically low multiples, with double-digit free cash flow returns and an aggregates division that, on its own, justified much of its valuation. Furthermore, unlike in the previous decade, Heidelberg had a healthy balance sheet, balanced geographical exposure (the US and Europe) and a clear decarbonisation strategy that positioned it as one of the winners in the new cycle.

The vaccines arrived and the market began to discount the cyclical recovery of the economy. We were feeling happy (we had accumulated gains of 70%), but then another blow struck: the change in perception regarding ESG investing.

The market, in its eagerness to label and then praise or stigmatise, classified Heidelberg as a "loser" in a world where fashion was driving investment towards less CO_2-intensive companies. However, at BESTINVER we have always believed that companies in the most polluting sectors had the potential to become an important part of the solution.

As it was not considered "sustainable" by the market, it was excluded by many funds, contributing to the German company accumulating losses of 30-40% in the second half of 2021. An unfair penalty that we explain in this blog post, as it ignored the company's real efforts to reduce its emissions, invest in carbon capture and lead the transition to a cleaner industry.

Despite the setbacks and narratives, we remained calm. Our thesis had not changed, and the valuation remained highly attractive. We were confident that the story would eventually align with reality, as it always has throughout history. But before that happened, the invasion of Ukraine in early 2022 sent gas prices soaring to record highs. Many investors fled, not only because of fears of a recession in Europe, but also because of doubts the industry would be able to pass on the increased costs in the price of its products.

We were facing the most important test to prove the validity of our thesis about the sector. These were difficult times, with their shares falling another 40%, but we defended our investment in our quarterly newsletters, in numerous meetings with our shareholders, and even publicly at an event organised by a national newspaper. We were confident in market concentration and regulatory changes that were overlooked by the consensus, without forgetting the structural need for concrete in a world that, despite everything, continued to urbanise and invest in infrastructure.

We were confident in our analysis and had a huge margin of safety provided by the valuation of its securities at historic lows[4]. The market, unprompted, had rallied just as Heidelberg was raising prices by double digits in many of its markets, demonstrating that pricing power not only existed but was stronger than anyone had expected.

Despite the challenging economic climate, profits and cash flow continued to grow, and the management team, after countless meetings with BESTINVER, was doing the right thing: continuing its commitment to sustainability by investing in assets that would improve its long-term competitiveness; paying dividends; and, for the first time in its history, taking advantage of market short-sightedness to buy back its own shares at unprecedented discounts.

The investors had paid, but they had made a mistake. The reality was indisputable, and the merits began to be recognised by the market. As a result, just 18 months after hitting its low point in September 2022 at around €40, its share price more than doubled, exceeding €100. Heidelberg continued to enjoy a prominent position in our fund, despite the fact that we had reduced its weight in the portfolio for reasons of diversification and balance, which are essential cornerstones of our management philosophy.

And so 2025 arrived, with announcements of massive infrastructure investments in Germany, a renewed push for defence spending in Europe, and Trump's attempts to end the war in Ukraine.

We live in a peculiar world, where the proliferation of passive investment vehicles (ETFs) has segmented the market into themes that can be 'bet on' with apparent ease. Heidelberg shares have been included in several of these thematic baskets, such as "Winners of the end of the war in Ukraine" or "Beneficiaries of the German infrastructure plan" created ad hoc by investment banks and fund supermarkets. This has enabled many (so-called) investors to jump on a passive bandwagon, driven more by narratives than by rigorous business analysis and respect for valuation.

Since our last purchase below €90 in August 2024, after its shares fell 15% in just a few sessions[5], Heidelberg shares have more than doubled again. Its current valuation is much more demanding, the narrative could hardly be more favourable, and its shareholder base shows a growing presence of financial "tourists" riding on passive investment vehicles.

We continue to see value in the cement sector, we are shareholders in Holcim, and recognise the quality of Heidelberg's assets and the strength of its management team. But at BESTINVER, price is king(6). Consequently, in recent quarters we have been gradually unwinding our position, the last sales were executed this summer, choosing to recycle our capital into ideas with more attractive valuations and where market consensus discounts considerable pessimism.

Our investment in Heidelberg is an example of how, in the markets, success often consists of being right in the end. It means ignoring the noise, resisting panic, and maintaining conviction based on business fundamentals and valuation. Over the past five years, we have more than tripled our investment. An excellent result, achieved through confidence in the analysis of an exceptional investment team and the support of experienced participants who share our vision and temperament.

A story that reminds us of who we are: owners of valued businesses, not financial tourists on the hunt for narratives. Entrepreneurs (vaguely) who know their business and risk their savings with the best tools possible: optimism, prudence, and a good dose of patience.

Changes in the portfolio

This quarter, we have added Neinor Homes to the portfolio. To put this into context, listed developers such as Aedas, Metrovacesa and Neinor have performed well thanks to structural factors including limited supply, growing demand and a benign price environment. Despite having closely followed Neinor and recognising its latent value, the low liquidity of its shares has always been an impediment to adding it to the portfolio. However, the takeover bid launched on Aedas, including a capital increase, has given us the liquidity window we were waiting for.

Our interpretation of this takeover bid is clearly positive. The resulting valuation of the new company estimates the NAV per share to be approximately €21. This implies a potential revaluation of 40% compared to the average purchase price. Alternatively, we value Neinor's ability to distribute an annual dividend of 17% between 2026 and 2030, the period corresponding to Aedas' decapitalisation phase, while maintaining an estimated terminal value of €15 per share at the end of the period.

Despite the strong performance of small and medium-sized Iberian companies, their valuations remain at very attractive levels. With regard to the portfolio, we continue to see more value in the companies in the portfolio than in the rest of our investment universe. Consequently, we are allowing them to evolve without significantly changing the composition of the fund. Over the last few years, we have learned to wait patiently for our theses to mature. Now we must be equally patient in order to extract their full potential.

Thank you again for placing your trust in us. Yours sincerely,

The Investment Team.

MAIN MOVEMENTS

Additions

NEINOR
AMRIZE

Disposals

ENDESA
HEIDELBERG MATERIALS
RYANAIR
ASM INTERNACIONAL

Increases

INDITEX
JERONIMO MARTINS
NORDEA
PANDORA
BARCLAYS
HARLEY DAVIDSON
BP

Reductions

METSO
LUNDIN MINING
ASHTEAD

NOTES

[1] One of the most significant measures in the Big Beautiful Bill for businesses is the reintroduction of accelerated depreciation of investments. This provision allows companies to immediately deduct a larger portion of the cost of their productive assets, such as machinery, technology, or infrastructure, in the fiscal year in which they are acquired, rather than spreading that deduction over several years. This incentive improves cash flow, reduces the tax burden in the short term and stimulates business investment, especially in capital-intensive sectors. By facilitating rapid cost recovery, companies can renew equipment, expand operations, or adopt new technologies with greater agility. Overall, this measure enhances the appeal of investing in the US, although its impact will ultimately depend on the macroeconomic environment and business confidence.
For their part, the tax exemptions on tips and overtime included in the 'Big Beautiful Bill' have a direct impact on workers, especially in sectors such as hospitality, retail, and personal services. As they are exempt from federal tax, these payments increase employees' net disposable income, which can translate into an immediate improvement in their purchasing power. For anyone who relies heavily on tips, such as waiters, delivery drivers, or customer service staff, this measure provides significant tax relief. In the case of overtime, the incentive could encourage greater willingness to work longer hours, knowing that the additional effort will be less penalised fiscally.

[2] The US Congress has a constitutional obligation to periodically approve budget and funding laws for federal agencies. If legislators (representatives and senators) fail to reach an agreement before the deadline (usually September 30th of each fiscal year), there is no legal authorisation for the government to spend money on many federal programmes and agencies. In this scenario, the government enters a "shutdown", whereby non-essential services are suspended and thousands of federal employees are temporarily sent home without pay (although they usually receive back pay once the issue is resolved).

[3] A significant part of our investment thesis in 2020 rested on the fact that cement markets in Europe were depressed and far below pre-crisis levels. In many cases, plant utilisation capacity was around 60%. Pricing, on the other hand, was showing signs of improvement. This point was of vital importance to our thesis. The EU's CO2 permit scheme was partly responsible for this low utilisation rate. The credits allocated to cement producers, based on average volumes prior to the crisis (the boom years), had encouraged overproduction, as these could be sold and converted into "cash". A situation that was about to change. From the following year onwards, the appropriations would reflect a much less inflated production, that of the period 2016-18, and in subsequent years the allocations would continue to be reduced significantly. It was to be expected that we would see the long-awaited rationalisation of supply and the resulting improvement in prices (the main driver of revenue growth and the central point of our thesis). In fact, the vidence was there for anyone willing to analyse it: in 2019, we had seen significant price increases in prices (10%) without any rebound in volumes, anticipating this new reality that was first obscured by Covid, then by the debate surrounding ESG, and finally made evident by the crisis in Ukraine, despite the fact that the market asked first and was wrong later.

[4] In mid-2022, Heidelberg's share price was so low (an all-time low) that the free cash flow that we projected the business would generate over the next five years represented almost 80% of its market value (a calculation we have not deviated from at all, with the unknown factor being the figure it will generate in 2026). To give you an idea, imagine that you buy a flat as an investment and the rent over the next five years will pay you 80% of the amount you have spent. That is how cheap Heidelberg was on the stock market in 2022, but this did not prevent us from sweating bullets that year because of a story that put it in the wrong ETF ("Losers of the Ukraine War").

[5] You have no idea what happened in the financial markets during the summer of 2024, do you? The problem is that, at that moment, it seemed like the most important thing in the world. Now, however, we do not even remember it. Our obsession with dealing with the present is a terrible burden on our future returns. To give you an idea of the market madness we experienced that summer, on Monday August 5th, the Japanese stock market recorded its worst fall since 1987 after the central bank announced a 25 basis point rise in interest rates. A historic fall of 12%, to which must be added the 6% drop on Friday following worse-than-expected US employment figures (112,000 jobs were created, compared to the 179,000 widely-believed estimate). That morning, with European stocks and US futures falling another 5%, the VIX volatility index, also known as the "fear index", shot up to its third-highest value ever, just a few points below the levels reached during the worst moments of the 2008 financial crisis and the onset of the COVID-19 pandemic in 2020. A veritable insanity in which the recent prevails over the relevant and the urgent overshadows the important.

[6] At current prices, Heidelberg is trading at a free cash flow (FCF) multiple that is double the level it was at in 2020, when we made our first investment in the company, and triple that of the worst moments of 2022. Something similar occurs in other valuation metrics that focus more on the book value of assets. For example, a useful way to value capital-intensive industrial companies is through the ratio between Enterprise Value (EV) and Capital Employed (CE). This metric (EV/CE) compares the total value that the market assigns to a company, including debt and equity, with the operating resources that the company has invested to generate profits. Unlike other multiples that focus more on operating results, EV/CE allows you to assess how much the market is paying for each unit of operating capital invested in the business. In sectors where capital employed is key to value creation, such as chemicals, cement and manufacturing, this metric offers a particularly important perspective. At current prices, Heidelberg is trading at almost 1.4 times its capital employed, compared to 0.6 times in 2020 and 0.4 times at the worst moments of 2022 (a multiple of less than 1 indicates that the market value of the company is lower than the value of the resources it uses to operate its business).

Bestinver Bolsa

It is an investment fund aimed at investors with a long-term time horizon (more than five years). The fund invests up to 100% in Iberian equities (Spain and Portugal). The fund's objective is to obtain long-term returns by selecting attractive, well-managed businesses with high growth potential. The fund's management follows the three cornerstones on which our investment philosophy is based: our own fundamental analysis, appropriate risk management and a shared time horizon between investors and managers.

MANAGEMENT TEAM

Ricardo Seixas
Head of Iberian Equities

Javier Ortiz de Artiñano
Iberian Equities Analyst

León Izuzquiza
Iberian Equities Analyst

Gabriel Megías
Iberian Equities Analyst

ANNUAL RETURNS TABLE

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Bestinver Bolsa	40.43%	9.03%	25.62%	-6.43%	16.97%	-14.01%

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Bestinver Bolsa (1)	28.09%	20.01%	8.88%	7.90%	7.06%	10.43%

Figures at 09/30/2025
no guarantee of future performance.

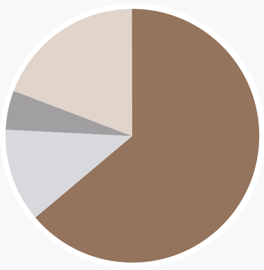
(1) Launch date: 12/01/1997

TOP POSITIONS

	% OF PORTFOLIO
ZEGONA COMMUNICATIONS PLC	11.67%
GRIFOLS SA	8.87%
INDRA SISTEMAS S.A.	7.3%
BANCO SANTANDER SA	7.71%
CAIXABANK	4.67%

DISTRIBUTION OF THE PORTFOLIO

Geographical distribution



Spain	**64%**	Liquidity	**5%**
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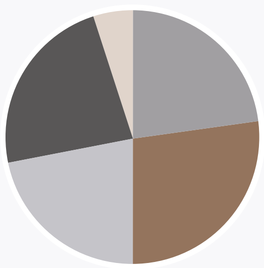

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MANAGEMENT ASSESSMENT

Dear Investor,

The third quarter of the year ended with a very solid performance for the stock markets on the Iberian Peninsula. The agreement reached between the US and Europe, which established definitive tariffs of 15%, significantly boosted the markets. Although this measure is unfavourable in the short term, especially for export sectors, it helps to reduce uncertainty in the face of more adverse scenarios. Meanwhile, growth estimates for Spain continue to be revised upwards despite the fact that, across the rest of the continent, and as was to be expected after the dynamic start to the year, activity has slowed somewhat. Despite this weakness, leading indicators continue to show improvements and support the prospects for a recovery in Europe by 2026. After three years of stagnation, this will be very positive for the Iberian market, providing additional support for economic activity and corporate profits in the coming years. We believe that the environment will strengthen significantly as latent risks are assimilated and attention shifts to the European fiscal boost expected in 2026 and the delayed effect of rate cuts on consumption and investment.

This quarter, we have added Neinor Homes to the portfolio. To put this into context, listed developers such as Aedas, Metrovacesa and Neinor have performed well thanks to structural factors including limited supply, growing demand and a benign price environment. These companies have directed their capital allocation towards dividend payments rather than reinvestment, which has resulted in positive stock market performance, with returns of 14%, 30% and 30% respectively, compared to 28% recorded by the Ibex over the last twelve months.

Despite having closely followed Neinor and recognising its latent value, the low liquidity of its shares has always been an impediment to adding it to the portfolio. But the takeover bid launched on Aedas gave us the liquidity window we were waiting for. With this acquisition, Neinor will double in size by acquiring Aedas at 30% above net asset value (NAV) and suffering dilution of less than 25%. This is a consequence of the capital increase without subscription rights with which it has financed the purchase and which we are taking advantage of to acquire a stake in its capital. Furthermore, we believe that the expansion will significantly improve the liquidity of its shares.

Our interpretation of this takeover bid is clearly positive. On the seller's side, the transaction has enabled Castlelake, Aedas' majority shareholder with a 79% stake in the company, to exit the capital, an intention it had announced some time ago. From the buyer's point of view, the acquisition is made at a good price, captures a significant discount and has a structure that limits risk by not requiring additional resources from its parent company. This operation is projected to generate 1.8 times the cash invested without relying on synergies or additional increases in sales prices.

The resulting valuation of the new company estimates the NAV per share to be approximately €21. This implies a potential revaluation of 40% compared to the average purchase price. Alternatively, we value Neinor's ability to distribute an annual dividend of 17% between 2026 and 2030, the period corresponding to Aedas' decapitalisation phase, while maintaining an estimated terminal value of €15 per share at the end of the period. This valuation is based on a platform that sells around 3,000 homes annually and generates a net profit of €130 million, giving a PER of 10 times.

Despite the strong performance of small and medium-sized Iberian companies, their valuations remain at very attractive levels. With regard to the portfolio, we continue to see more value in the companies in the portfolio than in the rest of our investment universe. Consequently, we are allowing them to evolve without significantly changing the composition of the fund. Over the last few years, we have learned to wait patiently for our theses to mature. Now we must be equally patient in order to extract their full potential.

Thank you again for placing your trust in us. Yours sincerely,

The Investment Team.

Date: 09/30/2025. Source: BESTINVER

MAIN MOVEMENTS

Additions

NEINOR

Disposals

ENDESA

Increases

JERONIMO MARTINS

Reductions

—

Bestinver Grandes Compañías

It is an investment fund aimed at investors with a long-term time horizon (more than five years). The fund invests up to 100% in global companies. The fund's objective is to achieve long-term performance by seeking out extraordinary companies at reasonable valuations, based on the investment team's fundamental analysis. We understand extraordinary businesses to be those that combine strong corporate governance with business models with lasting competitive advantages. The fund is managed according to the three pillars of our investment philosophy: proprietary fundamental analysis, appropriate risk management and a shared time horizon between investors and managers.

MANAGEMENT TEAM

Tomás Pintó
Head of International Equities

Jorge Fuentes
International Equities Manager

ANNUAL RETURNS TABLE

	2025	2024	2023	2022	2021	2020
Bestinver Grandes Compañías	-1.09%	9.65%	24.57%	-22.55%	19.52%	12.66%

ANNUALISED RETURNS TABLE

	3 years	5 years	10 years	Launch
Bestinver Grandes Compañías (1)	11.73%	6.66%	7.36%	8.38%

Figures at 09/30/2025
Past performance is no guarantee of future performance.

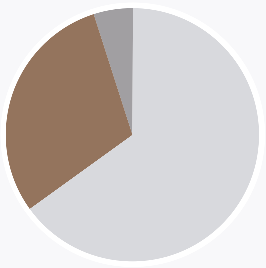
(1) Launch date: 12/16/2011

TOP POSITIONS

	% OF PORTFOLIO
INDUSTRIA DE DISENO TEXTIL	3.80%
BEIERSDORF AG	3.36%
PHILIPS ELECTRONICS NV	3.29%
CRODA INTERNATIONAL PLC	3.21%
AIRBUS SE	3.07%

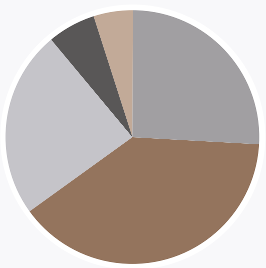
DISTRIBUTION OF THE PORTFOLIO

Geographical distribution



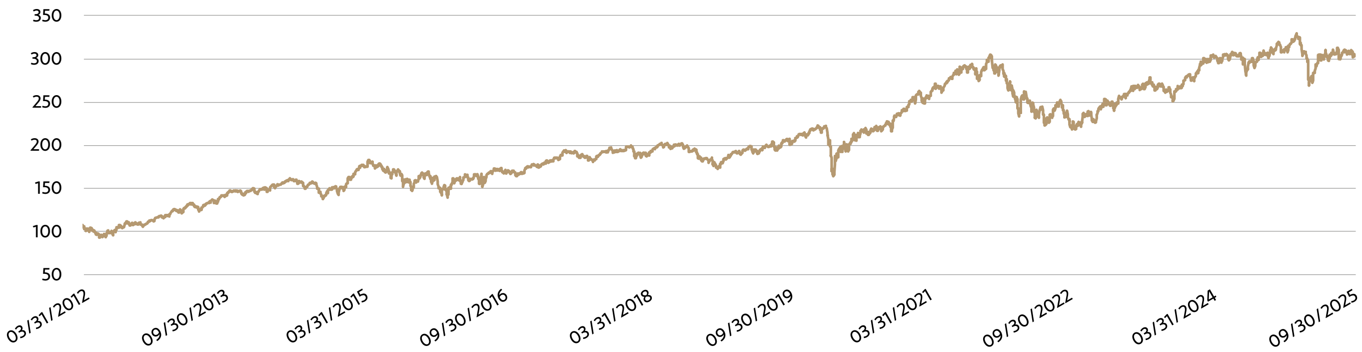
- Europe **65%**
- Liquidity **5%**
- USA **30%**

Sectoral distribution



- Industrial **26%**
- Financial **6%**
- Consumr **39%**
- Liquidity **5%**
- Communication & Technology **24%**

NET ASSET VALUE TRENDS (€)



Data at close of day: 06/30/2025. Source: BESTINVER. Periods longer than 1 year in annualised rate. Launch date: 12/16/2011.

RISKS ASSOCIATED WITH THE INVESTMENT

Bestinver Grandes Compañías is an equity investment fund and as such mainly involves the following risks: market risk, currency risk, country risk, concentration risk and inflation risk.
Detailed information on the risks associated with the investments can be found at the end of this document.
Past performance is no guarantee of future performance.
The fund's full prospectus, regular reports and KIID can be found on the following websites: www.bestinver.es and www.cnmv.es

MANAGEMENT ASSESSMENT

Dear Investor,

Bestinver Grandes Compañías ended the quarter with a gain of 0.9%, accumulating a return of -1.1% for the first nine months of the year.

After a turbulent spring, the market breathed a sigh of relief after confirming that the recession and inflationary spike that many had anticipated had not materialised. Relief over the trade agreements signed by the US (with the exception of China, with whom negotiations are still ongoing), the expansionary fiscal policies announced on both sides of the Atlantic and the Fed's rate cuts have allowed investors to take a more optimistic view of the future.

The problem is that this optimism remains highly selective: while some sectors have continued to shine on the stock market; in the US, everything related to Artificial Intelligence (AI), and in Europe, banks and potential beneficiaries of investments in defence and infrastructure; many *Grandes Compañías* (quality companies, but undervalued) have not only been excluded from the rally, but their share prices have resumed their downward trend. A reality that reinforces the idea that investor positioning continues to be guided by inertia and prevailing narratives, rather than fundamentals and valuation.

We cannot anticipate when we will capitalise on the hidden value held in the portfolio. What we can say for certain is that at Bestinver Grandes Compañías we will not compromise on the quality of the companies we invest in, nor will we be lenient with the valuations we pay when doing so.

Our strategy is based on rationality and has proven its effectiveness over the years. We seek the best possible balance between our aspiration, which is to obtain the best return on our savings, and our obsession, which is to do everything possible to avoid losing them. It is a sensible and prudent approach; two attributes which, in our opinion, are good travelling companions for the times.

In this strangest of worlds, we have been left out of the game, for the time being

We are operating in a truly unique market. An environment where two opposing narratives coexist, reaching extreme positions, as if they were opposite poles of the same emotional compass.

On the one hand, massive investments in AI announced by large technology companies and governments have propelled the US market to historic highs. The optimism in this area is palpable. One need only observe the behaviour of many shares linked to this type of business (or business promises) whose graphs have a curve that is difficult to absorb.

On the other hand, we have gold, the ultimate safe-haven asset, which has accumulated breathtaking gains and seems to anticipate a truly bleak economic and financial environment.

If the believers in AI are correct, we are entering an era of increasing productivity, secular growth, and unprecedented deflationary pressure. On the other hand, if gold devotees are right, the future will be marked by massive money printing, financial repression and rampant inflation.

We are not going to judge whether the advocates of the technological narrative have been banished from the realm of sanity, while the evangelists of safe-haven assets have been elevated to the heavens of wisdom. It is a dispute with pseudo-religious overtones that we are not going to arbitrate. But what we do know is that both sides cannot be right at the same time.

Those of us who do not participate in these kinds of crusades, but rather try to generate returns in a balanced way with a less extremist view of the world, have been left out of the game for the time being.

"The price is what you pay. Value is what you get"

When we witness extraordinary movements in asset prices, it is a sign that group psychology has taken control.

When the shares of a company or sector have performed exceptionally well, all sorts of stories emerge to rationalise it. Stories, as convincing as they are seductive, reinforce the belief that this behaviour not only makes sense, but will continue in the future. Narratives that are not interpreted as the cause of these episodes, but as proof of their validity.

One of the most perplexing paradoxes in the world of investing occurs when, in our attempt to improve future returns, we make decisions based on a metric that tends to reduce them.

When an asset has delivered abnormally high returns, it has most likely become more expensive, generating returns that no longer belong to us: profits collected in the present that have been brought forward from the future.

To believe that exceptional returns in the past anticipate exceptional returns in the future is to forget the anchor that every investment must have: valuation.

The problem with valuation is that its usefulness lies not in predicting the immediate behaviour of a share, but in determining the starting point from which future returns are built.

In environments dominated by narratives and momentum, overvalued stocks may continue to rise and undervalued stocks may continue to fall, without this changing their long-term intrinsic value one iota. The valuation does not guarantee profitability in the present, but it does establish the necessary conditions for this to materialise successfully in the future.

No one captured the essence of what we want to explain better than Warren Buffett when he said: "The price is what you pay. Value is what you get". A maxim that emphasises that price is a transactional figure dictated by market sentiment, while value represents the true return that the asset will provide in the future.

Poor returns should pique our curiosity, not increase our mistrust

The problem is that we all dream of future returns, but we let the noise of the present end up dictating our decisions. This obsession with the immediate constitutes a hidden trap for the long-term investor.

When we experience markets in real time, the urgent overshadows the important; the recent takes precedence over the significant. When we seek short-term results, we react rather than reflect.

Without due attention to the present, the future becomes a well-intentioned but poorly executed illusion. Trying to be a long-term investor while obsessing over short-term returns is like starting a diet and filling the cupboard with biscuits: we may achieve our goal, but we are making it unnecessarily difficult for ourselves.

The fact is that, although we may find it difficult to admit, the past performance of an asset has an overwhelming influence on our present decisions. We can try to conceal its effect, but we are inevitably drawn to what has worked well recently.

Exactly the opposite happens with poor returns. Many investors act as if poor returns in the past increase the likelihood of them recurring in the future, when in fact the opposite is more likely to happen.

Beyond our structural short-termism, outcome bias is probably the most damaging erroneous behaviour for those of us who are investors. When we observe poor profitability in a listed company, we tend to attribute an intrinsic negative quality to its business. This inverse logic leads us to distrust more whatever has not worked, without asking ourselves whether it makes sense to do so.

The attraction of stocks that have offered good returns reflects our preference for feeling good in the present, even if that means giving up future profits. We are investing in something that “works”, the stories behind it are compelling, and everyone seems to agree. We do not incur any emotional costs.

The alternative, investing in something that is not currently in vogue, usually involves discomfort now, but probably greater benefits in the future. The key is to recognise that almost all sensible investment strategies involve some kind of behavioural pain.

This does not mean that we have to actively seek out the most underperforming assets. It means we must be aware of the bias generated by recent returns and the consequences. Unusually high past returns should make us doubtful, not feel more confident. In the same way that today's poor returns should arouse our curiosity, not increase our mistrust.

Dominant narratives and value distortion

The problem is that when it comes to performance, investors, of all kinds, do not care too much about where it comes from, but rather whether it is positive or not so much.

Outcome bias, our tendency to judge the quality of a decision or process by its outcome, has been extensively documented in behavioural research. However, knowledge of this phenomenon seems to have little effect in reducing its influence.

People tend to evaluate their decisions based on the outcome rather than on the quality of the process that led to the decision. In the world of investing, this bias translates into overvaluing decisions that are making us money, even if they were the result of chance or poorly managed risk, and punishing those that are losing us money, even if they were made prudently and after many hours of analysis.

For several months now, our philosophy of investing in high-quality, undervalued companies has not been rewarded by the market. We see excellent companies with demanding prices continuing to rise; and others, without the quality we demand for our portfolio, continuing to offer very positive returns. This environment may raise doubts about the merits of investing in *Grandes Compañías*, but it is precisely at times like these that we should reaffirm our convictions.

This is not easy in this era of instant information and rampant short-termism, in which financial markets have evolved towards a dynamic increasingly marked by thematisation. The analysis of investment fundamentals (business qualities and valuation) seems to have been simplified around dominant narratives that group companies into thematic 'baskets'. This trend, promoted by investment banks and asset management hypermarkets, has created a polarisation that forces investors to take sides, as if investing had become a game of factions.

Even though this classification is intended to facilitate market analysis, its implications are profound. Companies are no longer evaluated on their individual merits but are judged by the popularity of the sector to which they belong.

At the height of a narrative, capital flows indiscriminately into all the companies in that basket, inflating valuations and disconnecting them from their fundamentals. When the narrative loses momentum, the flow reverses with equal intensity, dragging all the companies down together, without distinguishing between those with solid balance sheets and good management and those without.

This phenomenon has temporarily distorted the essence of fundamental investing. Instead of analysing businesses, labels are analysed. Instead of valuing companies, narratives are valued.

Given this environment, we continue to believe that Bestinver Grandes Compañías is well positioned in an unpredictable and changing world, characterised by greater geopolitical risks and potentially higher volatility than in the previous decade.

In a market where benchmark indices continue to trade at valuations that we consider high, and are concentrated in highly correlated areas, we believe that the best possible strategy remains to have a well-diversified portfolio, composed of companies of unquestionable quality trading at a significant discount to their fundamental value.

Although quality is always important, the price paid for it is decisive

Investing in value is, by definition, a conscious approach to price. Its essence lies in identifying opportunities where listed companies can be acquired at significant discounts to the estimated value of their businesses.

From this perspective, we believe that there are currently some very attractive opportunities in the global markets. But to appreciate them, it is necessary to question an increasingly widespread idea: that the quality of a company can be so exceptional that conventional notions of valuation cease to be relevant.

This belief implies that quality is an intrinsic and unchanging property of the business. In our opinion, such a view is unrealistic. A company's quality is not static. It evolves over time, influenced by internal and external factors: the competitive environment, regulatory changes, executive decisions, geopolitical risks and, of course, operating results. Some businesses improve; others decline. One need only recall cases such as Nokia, Intel, or indeed Apple itself, now a symbol of corporate success, which was on the brink of insolvency in the 1990s.

Investors who internalise this reality, the uncertainty inherent in any business, develop a discipline that leads them to demand prices that reflect that uncertainty. Because, although quality is always important, the price paid for it is crucial.

There is no direct relationship between quality and valuation. A business has real economic strengths and weaknesses, but what is reflected in its price is the public perception of those characteristics. A perception that is volatile and often less stable than the underlying quality of the business.

The same company can be a safe and attractive investment at one price, but extremely risky at another. If this message is clearly understood, it will not be read as a criticism of any particular company,

but rather as an affirmation that the price paid for an investment is deeply linked to the return we expect and the risk we assume in making that investment.

Changes in the portfolio

We have a well-diversified portfolio by sector and geography. The objective is to provide better-than-market returns over a full economic cycle, irrespective of whether a small group of companies or a particular geographical area does very well (or very badly) within a certain period.

If we look at sector performance on both sides of the Atlantic, we see a phenomenon that warrants cautious interpretation: unusually narrow markets. In the US, returns are concentrated in a small group of technology companies and financial giants. No doubt formidable businesses, but whose valuations leave little margin for prudent investors. In Europe, the difficulty is different. What is lacking here is quality, as banks, mining companies and companies linked to infrastructure or defence dominate the scene.

Our fund has not had much exposure to the winners so far in 2025. At present, we live in a world that has become somewhat more complex for investors in high-quality, low-cost companies.

In recent quarters, the performance of a large number of companies in sectors that have traditionally offered stability and recurring growth has not been positive. They have been affected by a market climate that favours rotation towards more cyclical or higher-growth sectors. The valuations of many of these companies are at the lowest levels seen in the last 10-15 years. This is the case with names such as Novo Nordisk, Philips and Beiersdorf, where we have continued to increase our weighting in the portfolio, as we have also done with Inditex.

Throughout the quarter, we have continued to divest in the technology sector, following the strong gains accumulated thanks to the momentum of investments in Artificial Intelligence. We are talking about such names as Lam Research, Amazon, Meta, and Alphabet. Similarly, we have sold shares in European companies that nobody wanted a year ago, such as Airbus and Reckitt, following their strong relative returns in recent quarters.

This is also the case with Ryanair, which has been one of our most profitable positions in recent quarters. Its leadership in the European short-haul market, its cost advantage and the strength of its balance sheet have been key to generating outstanding returns. However, we decided to sell our shares. The reason? We believe it is difficult to improve upon the environment it is enjoying.

The company is at an optimal point in the cycle: optimism about accelerating European growth, favourable comparisons with the previous year, and falling oil prices. But above all, its level of investment (aircraft purchases) is at an all-time low. In other words, its cash flow is at its highest level.

The market has already recognised much of the hidden value that Ryanair shares held a year ago. Its current multiples discount a very favourable demand environment, a very limited supply of aircraft (due to delays in Boeing's production) and a benign macroeconomic environment. In our opinion, this is a scenario that is difficult to improve upon.

Ryanair remains an extraordinary company, but we believe it is better to recycle our capital into ideas where we have greater conviction, as is the case with Amrize.

Amrize is a building materials company that offers cement, aggregates, and solutions for roofing and insulation. Its business needs no introduction: it is the undisputed leader in cement in the US and Canada, with a dominant position in local markets and a production capacity double that of the country's second-largest operator. One of the most important aspects for us, however, is who runs it. We are talking about the current CEO of Holcim (Jan Jenisch), one of the best managers in a sector we know well, with a proven track record in creating value through organic growth and well-executed acquisitions.

Amrize was spun off from Holcim in the summer and listed in both Switzerland and the United States in a transaction that has created a rare opportunity: to buy a leading, well-managed company with room for operational improvement and a clear roadmap for growth, at a price that does not reflect either its quality or its potential.

Finally, we would like to conclude this newsletter by discussing a company in which we have been investing over recent quarters and which has become one of the fund's top holdings.

Croda: Operational recovery and hidden value in a transformed portfolio

Croda, once a symbol of quality and visibility, now finds itself in the doldrums in a market that turns temporary weakness into structural condemnation.

The British chemicals business has been through a difficult period. After several years of pressure on margins, deteriorating returns and a stock market decline of more than 75% from its highs, the company now presents an investment opportunity that combines operational recovery, financial discipline and hidden value in a business of unquestionable quality.

The market has penalised Croda as if its problems were structural. However, our analysis finds that the deterioration in their returns is explained by factors that, in our opinion, can be corrected: 1) products for which demand has been cyclically, rather than structurally, weak, affecting production volumes; 2) a disproportionate increase in operating costs, particularly in salaries and corporate structure; 3) an intense investment cycle in the Pharmaceuticals division, whose returns have not yet materialised.

In recent years, Croda has experienced significant fluctuations in demand across its three main divisions: cosmetics, pharmaceuticals and agriculture. After a sharp rebound following the emergence of COVID, volumes fell sharply until mid-2024. Since then, they have been recovering strongly, although they are still 8-10% below their most normalised level.

The company operates eleven shared plants that handle over 70% of its volumes. This model involves high operational leverage. The utilisation rates of these plants has risen from a very low 55% a couple of years ago to 75% in the first half of 2025, approaching the appropriate profitability threshold. This operational leverage of the business is key to understanding the expected improvement in its margins (250 basis points at the operational level), which the consensus still underestimates.

In our view, Croda has an oversized overhead cost structure. The company has understood this and has just announced a £100 million cost-saving plan that is already underway and should contribute another 250 basis points of higher margins over the next three years.

As for the pharma division, it has received over £175 million in capex since 2021, including grants from the US and UK governments. While the ramp-up has been slower than expected, the high-purity lipids and excipients segments are showing growth of over 10% per annum. We believe there are another 250 basis points of operational improvement in this division. However, achieving this increase is not in Croda's hands, but rather depends on a return to stability in R&D investment in the pharmaceutical industry, which is largely dependent on the regulatory ups and downs of the current US administration.

The higher revenues and lower costs we project should translate into a very significant improvement in profits over the next 3-5 years. The market discounts very low operating margins in perpetuity (~20% vs. 24-25% normalised, in line with its history), based on a lower level of sales than we believe the business can achieve in the coming years.

Croda is trading at historically depressed multiples as the market does not seem to recognise the cyclical, rather than structural, nature of recent problems. Our investment in the British chemicals company is not a thesis based on disruption, but rather on recovery. The company has completed the transformation of its business, invested in quality assets and now, in our view, is poised to reap the rewards.

Croda brings together all the ingredients that have historically been key to generating good results in the future: high business profitability, a first-rate management team and, of course, an attractive valuation.

We have been able to become the owners of a large company because it operates in a sector that is not currently in vogue. Its stock market performance has been very poor in recent years, leading the market, obsessed with immediate gratification, to consign it to oblivion. Croda became an awkward investment with no narrative. And this is precisely why it has the potential to be an excellent long-term investment.

Thank you again for placing your trust in us. Yours sincerely,

The Investment Team.

Date: 09/30/2025. Source: BESTINVER

MAIN MOVEMENTS

Additions

AMRIZE
PHILIPS

Disposals

RYANAIR
FERGUSON

Increases

BEIRSDORF
CRODA
INDITEX
NOVO NORDISK

Reductions

AMAZON
ALPHABET
ASHTEAD
META PLATFORMS
RECKITT
AIRBUS

Bestinver Latam

The equity fund that invests primarily in Latin America.
Bestinver Latam FI as a Subordinated CIU invests at least 85% of its assets in BESTINVER LATIN AMERICA, CLASS Z – EUR, a sub-fund of BESTINVER SICAV, IIC Principal.
The Fund's Main CIU invests at least 75% of its total exposure in Latin American equities, primarily in Brazil, Mexico, Chile, Colombia and Peru. The strategy focuses mainly on consumer-related areas and the growth of the middle class in these countries. The aim is to achieve long-term profitability, applying a value investment philosophy.
Both the Main CIU and the Subordinated CIU promote environmental and social features, being listed as Art. 8 Regulation (EU) 2019/2088 SFDR.

MANAGEMENT TEAM

Ignacio Arnau
Bestinver Latam Manager

Pablo Ortea
Bestinver Latam Analyst

ANNUAL RETURNS TABLE

	2025	2024	2023	2022	2021	2020
Bestinver Latam FI [1]	25.85%	-22.56%	22.26%	-12.71%	-16.77%	-6.91%
Clase R Bestinver SICAV - Latin América [2]	25.49%	-23.02%	21.45%	-13.03%	-16.75%	-6.02%

ANNUALISED RETURNS TABLE

	3 years	5 years	Launch
Bestinver Latam FI [1]	1.06%	0.48%	-1.43%
Clase R Bestinver SICAV - Latin América [2]	0.81%	0.12%	2.11%

Figures at 09/30/2025
Past performance is no guarantee of future performance.

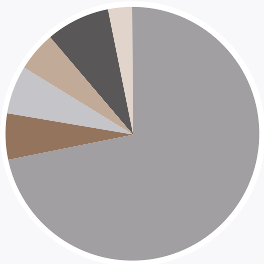
(1) Launch date: 01/18/2019
(2) Launch date: 07/05/2017

TOP POSITIONS

	% OF PORTFOLIO
VIVARA PARTICIPACOES SA	5.25%
INTER & CO INC CL A	4.95%
LOCALIZA RENT A CAR	4.80%
LOCAWEB SERVICOS DE INTERNET	4.75%
XP INC - CLASS A	4.43%

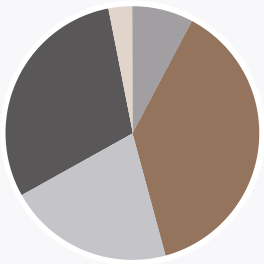
DISTRIBUTION OF THE PORTFOLIO

Geographical distribution



Brazil	**72%**	Peru	**5%**
Mexico	**6%**	Latam	**8%**
Chile	**6%**	Liquidity	**3%**

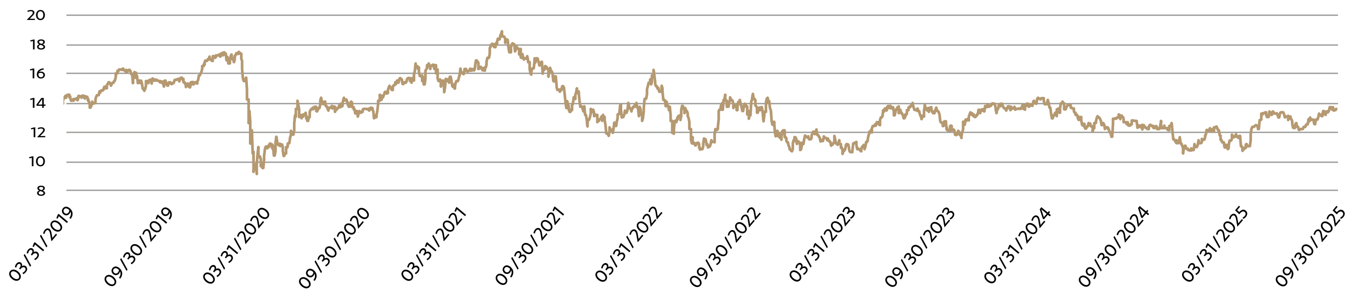
Sectoral distribution



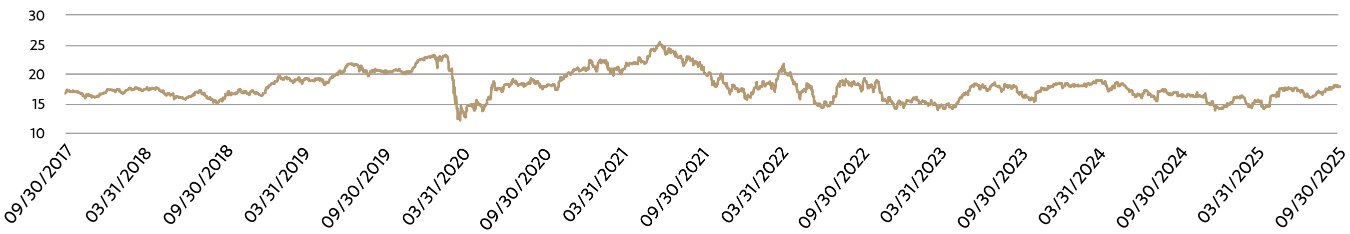
Industrial	**8%**	Financial	**30%**
Consumer	**38%**	Liquidity	**3%**
Comunication & Technology	**21%**		

NET ASSET VALUE TRENDS (€)

BESTINVER LATAM FI



BESTINVER LATIN AMERICA SICAV



Data at close of day: 09/30/2025. Source: BESTINVER. Launch date Bestinver Latam FI 01/18/2019. Launch date Bestinver Latin America SICAV class R 07/05/2017.
Bestinver Latin America belongs to Bestinver SICAV (registered in Luxembourg), is not registered with the CNMV and is therefore not marketed in Spain.

RISKS ASSOCIATED WITH THE INVESTMENT

Bestinver Latam is an equity investment fund and as such mainly involves the following risks: market risk, currency risk, country risk, concentration risk, inflation risk, derivative risk and sustainability risk.
Detailed information on the risks associated with the investments can be found at the end of this document.
Past performance is no guarantee of future performance.
The fund's full prospectus, regular reports and KIID can be found on the following websites: www.bestinver.es and www.cnmv.es

Dear Investor,

During the third quarter, the Latin American market has maintained the strong performance it had shown in the first half of the year. The regional index has risen by 12% in euros, led by Peru and Mexico with gains of 26.5% and 13%, respectively. Although interest rate cuts in the United States have had a positive effect on all international markets, emerging markets continue to stand out clearly in terms of performance, with China rising 19.8% and India falling 7%. In this context, Bestinver Latam's portfolio rose 3.3% in value during the quarter, accumulating a 25.1% increase so far this year.

Global risk redistribution maintains its dominant position

As we explained in our previous newsletter, the Latin American market in general, and our portfolio in particular, are benefiting from a clear change in the global economic trend. After a difficult decade for the region, the stars continue to align in our favour. These 'stars' or factors are: macroeconomics, both locally and globally; microeconomics; the attraction of capital flows; current investment levels; and the start of the political cycle. Each one separately could have a positive and significant impact on the region's profitability. However, all of them acting together and simultaneously represents a clear sign of the enormous potential of the Latin American market.

Of all these factors, the most dominant so far remains the global macro, followed by the redistribution of global flows. The determination of Donald Trump's new administration to reshape the world's trade and geopolitical order has led to a shift in trends that we cannot ignore. The US no longer monopolises the inflow of international investors, who are seeking new destinations for their capital. As a result of this diversification, in addition to the 13% devaluation of the dollar against the euro throughout this year, we have seen strong performance in European, emerging and, of course, Latin American equities. We believe this trend will continue, as the dollar's diminished prominence is now compounded by interest rate cuts by the Federal Reserve.

However, as we have already pointed out, there are several positive dynamics at work in the region. In countries such as Brazil and Mexico, for example, we find the highest real rates in the world. Furthermore, the Brazilian stock market is the cheapest market, with extraordinarily attractive multiples on absolute earnings and on those adjusted for growth. All of this has led to a slowdown in the rate of outflow of local capital. In relation to international flows, we are already seeing inflows, but at levels that are too low and still far from historical averages. Finally, on the political front, we continue to move inexorably towards the start of an electoral process that could bring about major structural changes in the countries in which we invest. We believe that, from diverse points of view, the region continues to hold great value.

For all the above reasons, we are approaching the last quarter of the year with optimism. The combination of a favourable global context and very positive local idiosyncrasies are a good breeding ground for our companies' share prices to continue rising. Although still far from a complete 'all-star' line-up, we are convinced of the enormous potential of Latin American markets and, in particular, of our portfolio.

Our focus on standardisation

Bestinver Latam invests in the growth of the middle classes in the region, in improving people's quality of life, in the digitalisation and automation of the economies, as well as in the evolution of the consumer ecosystem and the democratisation of credit and other basic services, such as health and education, which contribute to the financial and social inclusion of the lowest strata of the social pyramid.

As long-term investors, our objective is to build a portfolio capable of growing over the cycle and producing above-market returns in absolute and relative terms. The fund mostly invests in medium-sized companies with solid sector growth rates. These companies must have high quality business models, good products, profitability, leadership, sustainability and management teams capable of applying high standards of governance.

This approach leads us to invest in sectors such as technology (fintech, software, edtech) or consumer (platforms, retail, healthcare) that lengthen the portfolio's duration and sustainability, adding a strong structural growth component to our long-term proposal for the region. In other words, Bestinver Latam does not follow an opportunistic or tactical approach, but rather strategic and sustainable.

Main portfolio movements

Since the beginning of the year, we have observed a significant decline in market volatility in the region, which has continued this quarter. In this new volatility regime, we seek to take advantage of potential spikes in dispersion, but without major movements. Thus, in the last three months, the only notable movements are the strengthening of the position in VTEX and

the reduction in MELI. In addition, we have adjusted weights in other positions in the portfolio to maximise potential without altering its structural composition.

Bestinver Latam ended the quarter with a liquidity level of 3%. It comprises 36 companies representing the best investment opportunities in the region. Geographically, Brazil accounts for 71% of the portfolio, Latam, our pan-Latin American group of companies, accounts for 8%, followed by Chile and Mexico, both with 6%, and Peru with 5%. In sectoral terms, Consumer, Finance and Technology continue to be the sectors with the greatest weight, accounting for 38%, 30% and 21%, respectively.

TOTVS

Totvs is the largest software company in Brazil. Its activity focuses on ERP (Enterprise Resource Planning) solutions for small and medium-sized enterprises. It also offers business management software, including marketing automation and CRM, through RD Station, acquired in 2021, and financial services through TechFin, integrated in 2019 following the purchase of Supplier and developed through a joint venture with Itaú, one of the region's sturdiest banks.

Our investment in Totvs dates back to 2019, making it one of the longest-standing positions in Bestinver Latam's portfolio. We came across it through Linx, another Brazilian company specialising in ERP for retail, of which we were shareholders. Linx was a key player in Brazil's attractive software sector. Its strategy was based on consolidating an overly fragmented market. However, it was acquired in 2020 by Stone, a Brazilian payments company, for R$ 6.7 billion paid with its own shares.

As soon as the deal was closed, the share-based payment made us shareholders in Stone. Consequently, we had to reassess our investment from the perspective of the purchasing company. Although the market celebrated the acquisition as transformational, we discovered serious strategic and operational frictions. Linx's software was designed for medium and large retailers, with much more complex processes than Stone's typical customer. Adapting such a sophisticated product to the most basic needs of Stone's customers seemed too costly to us. Therefore, we decided to sell the securities that the acquiring company had given us in exchange for our original investment and to reinvest the capital in Totvs.

Totvs was a competitor that had fallen on hard times in a sector we knew well. But it had one distinguishing factor that had a name and surname. It had a brilliant CEO whom we trusted completely: Dennis Herszkowicz, the former CFO of Linx. In 2018, Herszkowicz replaced the founder of Totvs as the company's chief executive. In his own words, his aim was to transform Latin America's largest ERP company by “awakening a sleeping giant”.

To achieve this, it was necessary to focus its strategy on three fundamental areas. Firstly, revitalising the growth of the ERP business. Secondly, securing recurring revenue by migrating from an on-premise model to an SaaS model. Lastly, to use M&A to diversify revenue streams in adjacent software and financial services segments. From the outset, it seemed like a major challenge to us. However, thanks to our knowledge of Totvs' irreplaceable assets and Dennis' track record, we decided to accompany him in this new phase.

Six years later, the results are clear: sales from its core business have more than doubled after growing at compound annual rates of 18%; its margins have increased from 20% to 25%, driving annual profit growth of 20%; and, finally, 90% of its revenue comes from an SaaS model. With regard to its M&A strategy, the addition of RD Station and TechFin ensures sustainable growth and revenue diversification. RD is growing at rates above 20%, with gross margins above 75% thanks to its native cloud model. For its part, TechFin combines Totvs' wealth of data with Itaú's risk capabilities. As a result, its credit book has doubled the level it had when the division was created.

However, for us, the most significant transaction has been the purchase of Linx for approximately R$ 3.3 billion in 2025. Not only did it pay less than half of what Stone paid for it, but it acquired it in a much stronger position. Totvs has the scale, distribution network and know-how necessary to integrate the product into retail verticals in which it is already a leader. In our opinion, the transaction makes perfect strategic sense, delivering tangible synergies in terms of product and go-to-market.

On the other hand, enormous synergies can be built on the capillarity that has made Totvs the ERP leader in Brazil. Especially in the distribution of TechFin's financial products, marketing solutions such as RD Station, or other verticals that can be incorporated through M&A, such as Linx. Dennis Herszkowicz has designed a strategy for organic and inorganic growth based on the company's capillarity, an irreplicable competitive advantage.

Totvs is a structural asset for Bestinver Latam's portfolio for three reasons. Firstly, high revenue visibility, thanks to the high degree of recurrence and high switching costs, with the churn concentrated among customers who grow and migrate to SAP. Secondly, because of the protection against inflation it achieves through contracts with its customers that are naturally adjusted to price dynamics. Thirdly, its product is difficult to replace and, protected by high substitution costs, this ensures stable cash flows. Furthermore, its valuation remains very attractive. Our estimates indicate that the core ERP business alone justifies the current value of the company. Therefore, we see potential for appreciation in two areas: in the implementation of RD Station and, above all, in the development of TechFin, whose value is multiplied by leveraging the distribution and data that Totvs already controls.

In short, it is a unique company in the region: a leader, restructured, and with growth prospects that are difficult to replicate. Following the acquisition of Linx, our position in Totvs allows us to close a circle that we opened years ago with Dennis Herszkowicz. His experience at that company gave him the vision and discipline to consolidate a highly fragmented market. Later, at the helm of Totvs, he waited for the right moment to acquire an asset he knew well, at the right price and with the ideal platform to maximise its value. The executive has demonstrated his ability to transform the undisputed leader in business software in Brazil and Latin America. Fulfilling the promise he made when he was appointed CEO of Totvs, his leadership and vision have succeeded in "awakening a sleeping giant".

A region full of opportunities

Bestinver Latam's aim is to generate positive long-term returns that are higher in absolute and relative terms than the region average. To this end, it invests in companies with solid sector growth rates and with profitable and sustainable business models, good products and strong balance sheets, led by excellent capital allocators, focused on generating shareholder value and applying high governance standards. Our strategy takes advantage of the volatility that affects Latin American markets from time to time to buy these businesses at attractive prices, well below their true value.

This company profile adds a structural growth component that differentiates us from other alternatives and makes us a fund designed for long-term investment in Latin America. In our opinion, Bestinver Latam is not an opportunistic or tactical proposition but a strategic and sustainable option for any global savings or investment portfolio seeking to invest in a region full of opportunities. On our estimates, the portfolio offers high potential which will continue to grow in line with Latin America's unstoppable process of economic and social development.

We bid you farewell, thanking you once again for your trust. Yours sincerely,

The Investment Team.

Date: 09/30/2025. Source: BESTINVER

MAIN MOVEMENTS

Additions

—

Disposals

—

Increases

VTEX

Reductions

MELI

Bestinver Megatendencias

Bestinver Megatendencias is an investment fund aimed at investors with a long-term time horizon (more than five years). The fund invests up to 100% in global equities. The fund's aim is to achieve long-term returns by applying Socially Responsible Investment (SRI) criteria in addition to financial criteria. Bestinver Megatendencias will invest in three trends:

- **T1** - Improved quality of life.
- **T2** - Digitalisation and automation.
- **T3** - Decarbonisation of the economy.

Within these trends, the strategy prioritises business models that we consider sustainable and socially responsible and therefore its investment universe is more restricted than that of BESTINVER's other funds. The fund is managed according to the three pillars of our investment philosophy: proprietary fundamental analysis, appropriate risk management and a shared time horizon between investors and managers.

Bestinver Megatendencias promotes environmental and social features and is classified as Article 8 Regulation (EU) 2019/2088 SFDR.

MANAGEMENT TEAM

Jaime Ramos, CFA
Bestinver Megatendencias
Manager

Raquel Martínez, CFA
Bestinver Megatendencias
Analyst

ANNUAL RETURNS TABLE

	2025	2024	2023	2022	2021	2020
Bestinver Megatendencias	-0.49%	9.29%	16.02%	-23.10%	13.55%	11.53%

ANNUALISED RETURNS TABLE

	3 years	5 years	Launch
Bestinver Megatendencias [(1)]	8.39%	5.12%	3.22%

Figures at 09/30/2025

Past performance is no guarantee of future performance.

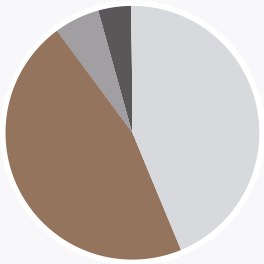
(1) Launch date: 06/16/2017

TOP POSITIONS

	% OF PORTFOLIO
NVIDIA CORP	5.37%
MICROSOFT	3.98%
SSE PLC	3.75%
QUALCOMM INC	3.10%
RENTOKIL INITIAL PLC	2.78%

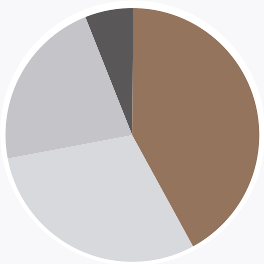
DISTRIBUTION OF THE PORTFOLIO

Geographical distribution



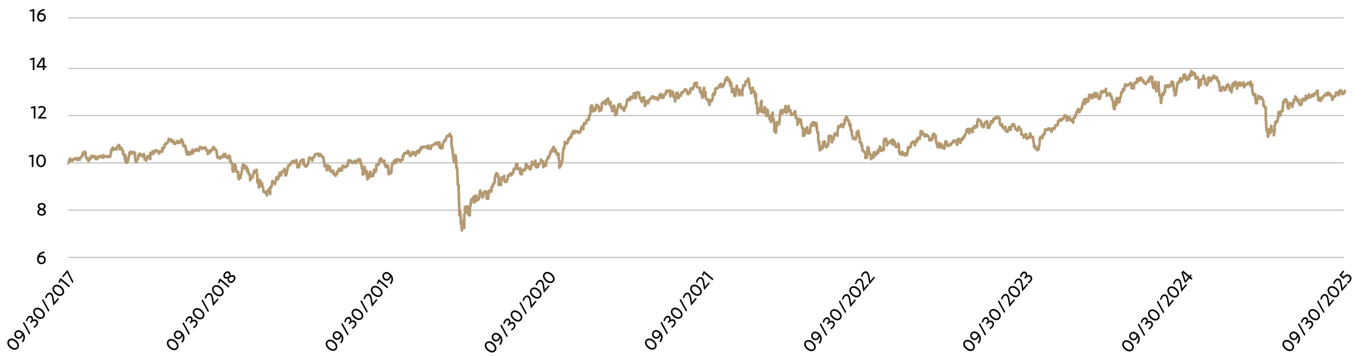
Europe	**44%**	Liquidity	**6%**
USA	**46%**	Rest of the world	**4%**

Distribution by megatrend



Q1	**42%**	Q3	**22%**
Q2	**30%**	Liquidity	**6%**

NET ASSET VALUE TRENDS (€)



Data at close of day: 09/30/2025. Source: BESTINVER. Launch date: 06/16/2017. Periods longer than 1 year in annualised rate.

RISKS ASSOCIATED WITH THE INVESTMENT

Bestinver Megatendencias is an equity investment fund and as such mainly involves the following risks: market risk, currency risk, country risk, concentration risk, inflation risk and sustainability risk.
Detailed information on the risks associated with the investments can be found at the end of this document.
Past performance is no guarantee of future performance.
The fund's full prospectus, regular reports and KIID can be found on the following websites: www.bestinver.es and www.cnmv.es

MANAGEMENT ASSESSMENT

Dear Investor,

Bestinver Megatendencias posted a return of 3.03% in the third quarter, accumulating a result of -0.49% in the first nine months of 2025. These results do not reflect the good operating performance of our businesses or the value of our portfolio. Consequently, at current levels, the fund represents an excellent investment opportunity to participate in the development of three megatrends with strong secular growth.

Beyond short-term issues, the medium- and long-term fundamentals at the macro level are favourable for the development of the megatrends in which we invest. We expect economic activity to remain stable and supported by private debt, which remains at very low levels. At the same time, no inflationary pressures capable of unexpectedly altering monetary policy are foreseen by us. And we believe that US tax reform and the European investment plan should serve as additional tailwinds for the economy and markets. On the downside, the framework for a trade agreement between the United States and China has yet to be established. Meanwhile, in Europe, the political agenda will continue to be marked by instability in France and Germany. Therefore, we will take advantage of any possible episodes of volatility to continue accumulating positions in our companies.

On the other hand, last September we broadcast a webinar in which we presented our investment strategy and the opportunity that Bestinver Megatrends offers for medium- and long-term investors.

In this quarterly newsletter, we want to highlight the importance of sustainable investing in equities and the reasons why we believe now is a very attractive time to invest in our megatrends.

Investment with a sustainable approach

Investing with a sustainable approach does not mean adding a superficial label to the fund. It means identifying better-managed companies with a long-term vision and greater capacity to generate value, and identifying financial and non-financial risks that could compromise a company's value in a timely manner.

There are clear examples that show that investing from a sustainability perspective offers a real competitive advantage. Schneider Electric, for example, has integrated environmental, social and governance criteria into its strategy, strengthening its resilience and improving its operating margin by more than 500 basis points over the last decade. At the other end of the spectrum, cases such as Volkswagen's “Dieselgate” prove how a lack of internal controls and ESG metrics can destroy value.

Empirical evidence reinforces this view: a study by Accenture (2023) concluded that companies with excellent ESG performance achieve 2.6 times higher total shareholder returns and 4.7 times higher operating margins than those with average performance.

In short, sustainability is not only an ethical commitment, but also a genuine competitive advantage for companies and, therefore, an additional source of long-term profitability.

Why we find investing in megatrends particularly attractive right now

In recent years, we have gone from a boom in sustainable funds to widespread scepticism, fuelled largely by cases of greenwashing. Many products were presented as sustainable without complying with the principles they claimed to uphold, which has led to mistrust and capital flight. At BESTINVER, we have been consistent: since this fund was created, sustainability has been a real part of our investment process, integrated into every decision.

We believe that now is a particularly attractive time to invest in the three megatrends that form the basis of our fund because, although their structural potential remains intact, the market has generated temporary imbalances that offer opportunities:

- **Improving quality of life.** The healthcare sector has been under pressure due to COVID, geopolitical tensions and regulatory uncertainty in the US A. However, innovation in the sector has accelerated in recent years. For example, companies such as Novo Nordisk and Eli Lilly are transforming the treatment of chronic diseases with new GLP-1 drugs; in medical equipment, artificial intelligence has increased the accuracy and scalability of diagnoses. Even in animal health, leaders such as Zoetis have created new markets from scratch thanks to their investment in R&D. We can see that the market has its doubts, but the fundamentals have never been stronger.

- **Digitalisation and automation.** Artificial Intelligence is no longer a promise, it is now a reality. In the digital world, models such as ChatGPT have reached hundreds of millions of users in record time and are used extensively to increase business productivity.

  In the physical world, AI is driving disruptive advances in sectors such as autonomous mobility, consumption and health, from robotaxis to assisted medical diagnostics. The transformative potential of AI is enormous, but the market has yet to fully recognise it.

- **Decarbonisation of the economy.** Recent political developments have put short-term pressure on renewable energy valuations. However, the reality is undeniable: the electrification of the economy and the rise of AI are driving up energy demand. To meet climate targets, this energy must come from clean sources, which requires massive investment in renewables, storage and electricity grids. The market has temporarily punished the sector, but the foundations for structural growth are stronger than ever.

In summary, megatrends, such as improvements in quality of life, digitalisation, and decarbonisation, are advancing rapidly and unabated, even though the market may be slow to recognise their value in the short term. For patient investors, these mismatches between price and value represent unique opportunities to capture the potential of long-term megatrends.

Unstoppable trends

At Bestinver Megatrends, we invest in companies that are well positioned to benefit from the development of the three megatrends explained above. These constitute three vectors for economic and social progress that are unstoppable and deeply rooted and integrated in our societies. Through our research, we seek out companies capable of offering distinctive solutions to the major challenges facing the planet, such as climate change, population ageing and the transition to a digitalised economy.

At BESTINVER, our investment team uses fundamental analysis to identify companies that have the products, technologies, resources and advantages necessary to become the winners in each megatrend. Finally, we conduct a detailed assessment of each business to determine the price level at which we should purchase them in order to respect their margin of safety and increase the potential return for the portfolio with each new addition.

Beyond the unpredictable context of a given quarter, the companies exposed to the megatrends in which we invest have the potential to outgrow and outperform the market in the long term. These benefit from a strong structural tailwind that will continue to offer good investment opportunities for our fund.

Thank you again for placing your trust in us. Yours sincerely,

The Investment Team.

Date: 09/30/2025. Source: BESTINVER

MAIN MOVEMENTS

Additions

SERVICE TITAN
ERSTE BANK

Disposals

KBC GROUP
MOWI

Increases

KINGSPAN

Reductions

INDUSTRIE DE NORA

Bestinver Norteamérica

Bestinver Norteamérica's strategy adapts BESTINVER's investment philosophy to the specific features of the North American universe. It builds a portfolio of high-conviction companies with strong return potential. The fund's portfolio combines positions in well-established companies with others that are in the process of developing their own leadership positions. The fund relies on the analytical skills of BESTINVER's investment team to select the most attractive North American companies, taking into account their quality, valuation and risk.

MANAGEMENT TEAM

Jaime Ramos, CFA

Bestinver Norteamérica Manager

ANNUAL RETURNS TABLE

	2025	2024	2023
Bestinver Norteamerica, F.I	**-4.38%**	**22.84%**	**2.05%**

NNUALISED RETURNS TABLE

	Lanzamiento
Bestinver Norteamerica, F.I [1]	**11.95%**

Figures at 09/30/2025

Past performance is no guarantee of future performance.

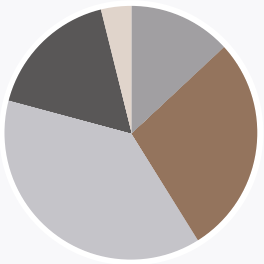
[1] Launch date: 10/10/2022

TOP POSITIONS

	% OF PORTFOLIO
NVIDIA CORP	8.85%
MICROSOFT	6.59%
AMAZON.COM INC	4.48%
APPLE INC	3.85%
BROADCOM INC	3.18%

DISTRIBUTION OF THE PORTFOLIO

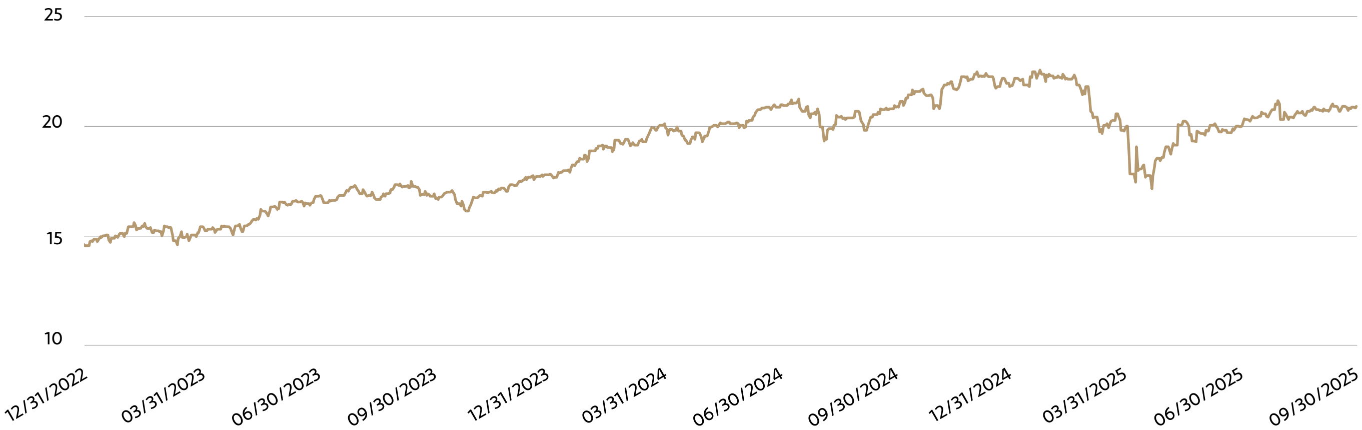
Sectoral distribution



- Industrial **13%**
- Financial **17%**
- Consumer **28%**
- Liquidity **4%**
- Communication & Technology **38%**

NET ASSET VALUE TRENDS (€)

Fluctuations in net asset value (€)



Data at day-end 09/30/2025. Source: BESTINVER. Launch date Bestinver Norteamérica FI 10/10/2022. Periods longer than 1 year in annualised rate.

RISKS ASSOCIATED WITH THE INVESTMENT

Bestinver Norteamérica is an equity investment fund and as such mainly involves the following risks: market risk, currency risk, country risk, concentration risk and inflation risk.
Detailed information on the risks associated with the investments can be found at the end of this document.
Past performance is no guarantee of future performance.
The fund's full prospectus, regular reports and KIID can be found on the following websites: www.bestinver.es and www.cnmv.es

MANAGEMENT ASSESSMENT

Dear Investor,

Bestinver Norteamérica's return during the third quarter of 2025 was 4.6%, with an accumulated total of -4.4% since the beginning of the year. The fund's performance continues to be affected by the devaluation of the dollar, which has reduced returns by 13.6% so far this year. Excluding this negative currency effect, the portfolio would have achieved a return of 8.6% in local currency, confirming the sound performance of the fund's strategy.

With regard to the current situation, although there is still a perception of negative noise coming from the US, reality is putting things in their place. On the tariff policy front, the market's worst fears have been dissipating with each new agreement signed with its trading partners, although there are some exceptions, the most notable being China. While there is still some concern that tariffs will slow down the economy and generate more inflation, the reality is that the US economy grew by 3.8% in the second quarter, driven by stronger-than-expected consumption. In addition, leading indicators such as the Atlanta FED GDPNow point to another 3.8% in the third quarter, compared to the widely expected 1-1.5%. At the moment, there does not appear to be any sign of the expected upturn in inflation either. If price stability is confirmed, or if inflation is lower than expected, this could be an additional positive factor.

As for the stock markets, the market is still concerned that corporate earnings will suffer. The reality, however, is that the profits of the S&P 500 companies increased by an average of 11%, almost double that expected. In our opinion, there is no doubt that tariffs are not positive. But there are other factors that are more than compensating for this, such as the large investments in Artificial Intelligence. Furthermore, we must not ignore the role of monetary policy after the Fed cut rates in response to a cooling labour market. Sales that, when carried out at times of historic highs for equities, have traditionally led to additional gains. Finally, we would like to highlight that negotiations to raise the spending ceiling have recently begun. This issue always causes a lot of chatter in the media. But, however higher it may end up, remember that in the last 20 years the spending ceiling has been adjusted 21 times. However, this has not necessarily been a negative period for US equities.

Beyond the current situation, the big question for our investors is whether Donald Trump's administration is jeopardising the region's structural advantages. In our opinion, the answer is clear: no. Leaving political arguments aside and trying to be impartial, we must analyse the three main vectors on which the Trump administration is focusing its economic policies. Starting with the long-term effects of its tariff policy, we believe that its main motivation is to collect taxes and ensure national security. Therefore, we cannot rule out the possibility that its long-term effect will not be positive at an economic level. Secondly, we have the tax reform approved last July. This confirms the tax cuts introduced in 2017, but more importantly, it means a 100% tax relief on investments made in the US A. This represents a clear incentive for investment and, therefore, for growth over the next two to three years. In the longer term, its effect will depend on whether the additional growth offsets the higher fiscal expenditure. Finally, there is a clear commitment to relocate production back to the US and relaunch the American industrial sector. The White House has presented figures close to 9 trillion dollars. We are not so naive as to take these figures at face value, but it is not unreasonable to expect a third of them to materialise over the next five years. This could boost economic growth by more than 1%. Therefore, despite the noise and unorthodox methods, the Trump administration's economic policy points to a re-acceleration of the US economy in the coming years.

GE HealthCare

This quarter, we would like to discuss GE HealthCare, a recent addition to the portfolio within the healthcare sector. Traditionally, this industry has generated good returns in the medium and long term. However, in recent years, factors such as COVID, regulation in the US and China's economic weakness have had a negative impact on its performance. In such a complex environment, we find good investment opportunities in the sector for two reasons. Firstly, investor pessimism and lack of interest have led to excessively depressed valuations. Secondly, many companies have recently stepped up their investment in innovation, and the fruits of this are beginning to show. GE HealthCare is one of them.

GE HealthCare is one of the pioneers in the healthcare sector in the US A. Its beginnings in the diagnostic imaging sector date back to 1920, when General Electric acquired one of the first manufacturers of X-ray machines in the United States, the Victor Electric Company. Since then, GE HealthCare had been part of the General Electric conglomerate until 2023, when it was separated from its parent company through a spin-off. For decades, the company maintained a leading position in an oligopolistic market, which it dominated alongside Siemens Healthineers and Philips, accounting for two-thirds of the global diagnostic imaging market. GE HealthCare is a global leader in ultrasound and ranks second in diagnostic imaging.

Its spin-off from GE is a significant milestone in the company's history. In addition to starting out as an independent company, it marked a radical change in its strategy. Under the umbrella of GE, the parent company viewed its subsidiary as a source of steady capital. This led it to extract significant cash flows without making the investments the business required. This lack of investment, which had become chronic over the years, delayed its innovation cycle to such an extent that it ended up threatening its leading position. GE executives learned too late that, in this sector, having the largest installed base of equipment is not enough to hold back rivals with more modern and improved technologies. Inevitably, its growth in sales and operating margins fell below those of its main competitors. However, its business model has undergone a complete transformation following the separation. Since 2023, its R&D level has increased by more than 200 basis points, matching the investments of Siemens Healthineers, its biggest competitor. An effort that will enable the company to grow above its historical average and expand its operating margins. GE HealthCare is once again at the technological forefront of the sector.

The new R&D strategy has strengthened GE HealthCare's position ahead of the next cycle of replacement of diagnostic imaging equipment with new and improved machines. The next generation of products has greater added value and incorporates Artificial Intelligence technologies, enabling faster and more accurate diagnoses. The adoption of these systems opens up a particularly significant opportunity in the US, where the installed base is older. In addition, the launch of a photon-counting computed tomography (PCCT) system is imminent. This is state-of-the-art technology that improves diagnostic accuracy and reduces radiation and scanning time. It could threaten the de facto monopoly of Siemens Healthineers in this segment. Finally, GE HealthCare has become a leader in radiopharmaceuticals, with a prominent position in cardiology and major advances in the diagnosis of neurodegenerative diseases such as Alzheimer's. This is a segment with extremely high margins in which the company has a great opportunity for growth. The commitment to innovation is once again the main driver of the company's growth.

We believe that the enormous added value of the new generation of products will translate into increased market share, sales prices, and operating margins. An opportunity that the market is failing to recognise for three reasons. Firstly, because of the stigma attached to the company after years of poor management within GE. Secondly, due to the current lack of interest shown by the market towards the healthcare sector. Thirdly, due to China's weight in the business, accounting for 13% of its sales, and the risk of an escalation in the trade war. With regard to the latter, the company is relocating parts of its supply chain to different geographical areas. A long and complex process that will ultimately reduce the operational risk of the business.

At current prices, its valuation does not reflect either the company's current strength or its long-term growth potential. Therefore, to take advantage of the opportunity it offers, this quarter we have added GE HealthCare to the Bestinver Norteamérica portfolio.

A region with significant advantages

North America has great political, geographic and legal advantages that have hugely favoured the development of its economy, markets and businesses over the past two centuries. As the world’s leading power, it controls the world’s only reserve currency, the main capital market and the major flows of international trade. Its cultural heritage -rooted in the values of individualism, innovation and entrepreneurship- has created a meritocratic economic, legal and educational system that facilitates the generation and accumulation of wealth. It also has a huge local market, large reserves of natural resources and a positive demographic trend, making it one of the most attractive regions for investment. These factors have made North America the ideal region for the development of leading companies in the most critical, strategic and dynamic sectors of the world economy. Bestinver Norteamérica seeks to benefit from these advantages by investing in the companies that are best positioned to profit from them and which, thanks to their valuation, offer above-average long-term returns.

In conclusion, the extraordinary competitive advantages that have accompanied this region for centuries and have made the USA the world's leading power remain intact. This strong performance will continue to benefit our companies, but we cannot rule out the possibility of occasional episodes of market volatility. As always, these episodes will give us the opportunity to continue to invest in the region's leading companies at attractive valuations.

Thank you again for placing your trust in us.

Yours sincerely,

The Investment Team.

Date: 09/30/2025. Source: BESTINVER

MAIN MOVEMENTS

Additions

KEY BANC
GE HEALTHCARE

Disposals

FORTIVE
CO-STAR

Increases

THERMO FISHER
REGENERON

Reductions

ORACLE
BANK OF AMERICA

Bestinver Tordesillas F.I.L.

It is a hedge fund aimed at investors with a long-term time horizon (more than five years). It is an Iberian equity fund (Spain and Portugal). The objective of the fund is to provide absolute return, with flexibility to take net short positions. Bestinver Tordesillas FIL is an investment fund that seeks to preserve its investors' capital while maintaining a low level of volatility. The fund is managed according to the three pillars of our investment philosophy: proprietary fundamental analysis, appropriate risk management and a time horizon shared among investors..

MANAGEMENT TEAM

Ricardo Seixas
Head of Iberian Equities

Javier Ortiz de Artiñano, CFA
Iberian Equities Analyst

León Izuzquiza
Iberian Equities Analyst

Gabriel Megías, CFA
Iberia Equities Analyst

ANNUAL RETURNS TABLE

	2025	2024	2023	2022	2021	2020
Bestinver Tordesillas	18.62%	1.26%	4.82%	-8.68%	5.88%	4.30%

ANNUALISED RETURNS TABLE

	3 years	5 years	10 years	15 years	Launch
Bestinver Tordesillas (1)	8.03%	5.47%	3.20%	3.82%	3.25%

Figures at 09/30/2025
Past performance is no guarantee of future performance.

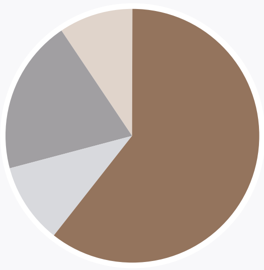
(1) Launch date: 03/09/2007

TOP POSITIONS

	% OF PORTFOLIO
ZEGONA COMMUNICATIONS PLC	12.1%
SANTANDER	8.8%
INDRA SISTEMAS S.A.	8.08%
GRIFOLS SA	7.03%
CAIXABANK	4.86%

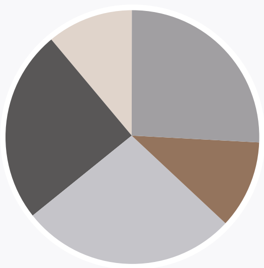
DISTRIBUTION OF THE PORTFOLIO

Geographical distribution



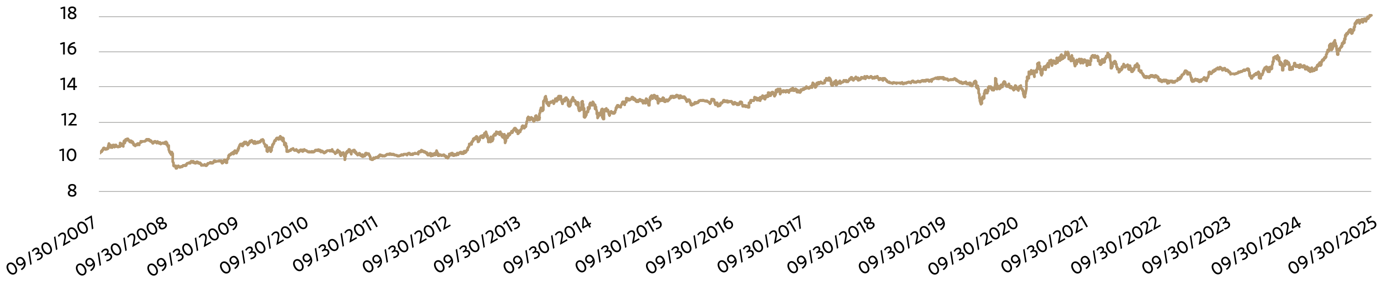
Spain	**61%**	Europe	**20%**
Portugal	**10%**	Liquidity	**9%**

Sectoral distribution



Industrial	**22%**	Financial	**21%**
Consumer	**25%**	Liquidity	**9%**
Communication & Technology	**23%**		

NET ASSET VALUE TRENDS (€)



Data at close of day: 09/30/2025. Source: BESTINVER. Periods longer than 1 year in annualised rate. Launch date: 03/09/2007.
Bestinver Tordesillas, FIL is a hedge fund and, as such, is a product of greater complexity and risk. Daily liquidity. Minimum investment EUR 100,000.

RISKS ASSOCIATED WITH THE INVESTMENT

Bestinver Tordesillas is a hedge fund and as such mainly involves the following risks: market risk, currency risk, country risk, concentration risk, inflation risk and derivatives risk. Minimum investment EUR 100,000.
Detailed information on the risks associated with the investments can be found at the end of this document.
Past performance is no guarantee of future performance.
The fund's full prospectus, regular reports and KIID can be found on the following websites: www.bestinver.es and www.cnmv.es

MANAGEMENT ASSESSMENT

Dear Investor,

The third quarter of the year ended with a very solid performance for the stock markets on the Iberian Peninsula. The agreement reached between the United States and Europe, which established definitive tariffs of 15%, significantly boosted the markets. Although this measure is unfavourable in the short term, especially for export sectors, it helps to reduce uncertainty in the face of more adverse scenarios. Meanwhile, growth estimates for Spain continue to be revised upwards despite the fact that, across the rest of the continent, and as was to be expected after the dynamic start to the year, activity has slowed somewhat. Despite this weakness, leading indicators continue to show improvements and support the prospects for a recovery in Europe by 2026. After three years of stagnation, this will be very positive for the Iberian market, providing additional support for economic activity and corporate profits in the coming years. We believe that the environment will strengthen significantly as latent risks are assimilated and attention shifts to the European fiscal boost expected in 2026 and the delayed effect of rate cuts on consumption and investment.

Despite the strong performance of small and medium-sized Iberian companies, their valuations remain at very attractive levels. With regard to the portfolio, we continue to see more value in the companies in the portfolio than in the rest of our investment universe. Consequently, we are allowing profits to run without making any major changes to its composition. Over the last few years, we have learned to wait patiently for our theses to mature. Now we must be equally patient in order to extract their full potential.

We bid you farewell once again and thank you for your trust. Yours sincerely,

The Investment Team.

Date: 09/30/2025. Source: BESTINVER

MAIN MOVEMENTS

Additions

NEINOR

Disposals

ENDESA

Increases

JERONIMO MARTINS

Reductions

—

Risks associated with the investments

Market risk

The risk arising from an investment in any kind of asset. Assets will be traded on their respective markets and their quoted price will be influenced by a number of variables, such as economic developments and the political climate. Some assets, such as equities, are more volatile and therefore involve a higher level of risk. Fixed income assets tend to be less volatile, although this will depend on the issuer. Their price is closely linked to interest rates. Increases in interest rates negatively impact the price of these assets.

Currency risk

When investing in foreign currency, i.e. in a currency other than the local currency, the performance of the investment will be influenced by exchange rate fluctuations.

Concentration risk

Sectoral, geographical, asset or any other type of concentration implies the assumption of greater risks because negative results in one of the assets will have a greater impact on the overall results of the portfolio, as it will have greater relative importance than in the case of a more diversified portfolio.

Counterparty risk

Counterparties' failure to meet their contractual obligations may result in potential losses on the investment.

Country risk

Investment risk in emerging countries stems from the possibility of having to face the consequences of unstable governments, economies that are highly concentrated in certain activities and, in general, greater political, social and economic uncertainty.

Interest rate risk

Exposure to changes in market interest rates can have an impact on investments, such as difference between the interest rate review periods or maturity dates of investment transactions relative to borrowings.

Inflation risk

Fluctuations in inflation may impact the profitability and value of an investment.

Credit risk

Refers to the failure by an issuer of fixed-income assets to meet its obligations with respect to the payment of interest, principal, or both.

Valuation risk

Investments in unlisted securities are valued using discounted cash-flow valuation models discounted at a market rate based on the type of asset involved, comparables and the associated potential risks and opportunities. These methods are based on estimates or comparables which introduce a subjective element and could potentially limit liquidity.

Liquidity risk

Liquidity risk is defined as the difficulty of transforming your investment into cash. Venture capital investments are not traded on secondary securities markets but under agreement between parties. For this reason, it can be difficult to sell such holdings and convert them into cash in a short period of time. This lack of liquidity may result in the penalisation of the price obtained to unwind a position or even the impossibility of unwinding the position at a given time.

This risk also affects portfolio investments as it may be difficult to sell the asset at the end of the investment period at a suitable price as these are not listed assets and they are not traded on an organised market.

Derivative risk

Investment in derivatives (futures, options, swaps, etc.) is subject to market, leverage, counterparty, correlation, and liquidity risk. Leverage risk means that exposure to the underlying asset is much greater than the amount invested and therefore the impact on the outcome may be disproportionate to the investment made. Correlation risk measures the potential for loss resulting from adverse changes in the correlation between the derivative and the underlying (of any type). All risks combined may cause the loss to be greater than the capital invested in the derivative.

Sustainability risk

Investments with higher sustainability risk may cause a reduction in price of the underlying assets and, therefore, adversely affect the fund’s net asset value.

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