BankInvest Global Equity Income

February 2026 – Performance review

February 2026 saw mixed performance, as the absolute return was positive by 4.34%, while the relative return was negative by 176bp. Year-to-date, the absolute return is 4.10%, which is 613bp lower than the benchmark.

Benchmark has had one of its best starts to the year in the past 20 years, both in absolute terms and relative to MSCI World (DKK). Our portfolio return has been held back by 1) having more exposure to the so called "AI losers", which has contributed with -240bp to the relative return YTD, when adjusting for "AI losers" in benchmark; 2) having no exposure to the Energy sector, which has significantly outperformed and been the best sector YTD. Energy contributed -112bp to the relative return YTD.

The strong sector rotations have created significant valuation dispersion, with some subsectors offering unattractive risk/reward while others have become increasingly compelling. As a result, we have made more changes to portfolio holdings over a short period than we typically would, and we have also rebalanced existing positions more actively than normal.

At sector level, the highest positive contributions in the month came from Communication Services (+35bp), Consumer Staples (+27bp) and Materials (+10bp), while Industrials (-103bp), Financials (-59bp) and Health Care (-57bp) showed the largest negative sector contributions.

Absolute Performance, February 2026

Company	Sector	+ Return	Company	Sector	- Return
Ahold Delhaize	Consumer Staples	25,5%	Thermo Fisher	Health Care	-8,9%
Deutsche Telekom	Communication Services	21,0%	Willis Towers Watson	Financials	-10,9%
Nestle	Consumer Staples	15,5%	Wolters Kluwer	Industrials	-14,2%
Schneider Electric	Industrials	14,1%	Amdocs	Information Technology	-14,3%
Verizon	Communication Services	13,6%	S&P Global	Financials	-15,6%
Average, Top-5		**18,0%**	**Average, Bottom-5**		**-12,8%**

Relative Performance, February 2026

Company	Sector	+ Contribution	Company	Sector	- Contribution
IBM (BM)	Information Technology	0,41%	DSV	Industrials	-0,30%
Deutsche Telekom	Communication Services	0,28%	Microsoft Corp.	Information Technology	-0,31%
Accenture (BM)	Information Technology	0,23%	Willis Towers Watson	Financials	-0,36%
Ahold Delhaize	Consumer Staples	0,20%	Amdocs	Information Technology	-0,41%
Schneider Electric	Industrials	0,19%	S&P Global	Financials	-0,49%
Sum, Top-5		**1,31%**	**Sum, Bottom-5**		**-1,86%**

BM = Benchmark stock

In February, IBM (IBM US) briefly traded at a higher P/E than Microsoft (MSFT US), something we haven't seen since 2013. That changed quickly when IBM dropped 13%, marking the worst single-day decline since 2000. Anthropic announced that its Claude Code AI tool can automate the modernization of COBOL, a dated programming language mainly run on IBM computers. Thus, IBM de-rated from 25x P/E to 19x in a month, which most likely is an overreaction similar to what we've seen in other names. According to analysts, COBOL modernization is not new, and IBM is already deploying its own AI-enabled modernization capabilities. IBM is a large benchmark stock and the poor return contributed positively to the relative return in February.

In the rotation out of software, some money flowed into Telecommunications including Deutsche Telekom (DTE GY). End of February, DTE reported solid results and guidance, while reiterating 2027 targets. The key focus was Germany, where competition and subdued government/large corporate spending had suppressed growth. DTE reported decent Germany numbers and now expects growth to re-accelerate, which should reassure investors on the resilience of the ex-US business. Regarding their >50% stake in T-Mobile (TMUS US), DTE thinks TMUS is too cheap and has no interest in selling into the TMUS buyback. End of February, news suggest that Telefonica is in talks to acquire 1&1 in

Germany, prompting a 3% increase in DTE's share price. More consolidation in the Germany telecom market may ease competition.

Accenture (ACN US) was another benchmark name pressured by AI disruption concerns. We previously owned the peer Capgemini (CAP FP) but sold it because we questioned whether potentially fewer consultant hours could be offset by cost savings. In practice, the cost savings would likely come from fewer offshore workers (sitting in India) where the salary is already lower.

Ahold Delhaize (AD NA) increased +20% in February, outperforming the market and its closets peers. Some of the outperformance was due to rotation into Consumer Staples, but strong earnings also helped. Signs of US turnaround coming through with good volume and margin trends. The US market is competitive, but AD is currently outperforming and winning some market share with Food Lion. This is however also reflected in the share price today with AD trading at ~15x P/E (vs 12x historical median), which leaves less room for error. We therefore reduced our position in AD.

Schneider Electric (SU FP) had a strong month. Q4 results beat expectations with organic revenue growth of 10.7% (consensus: 7.5%), driven by triple-digit growth in Data Center & Networks, which now constitutes ~30% of revenue. Demand for data centers accelerated in Q4 and SU sees no slow-down (data center visibility is 18-24 months). Record high backlog and guidance leaves room for upside, so not much to dislike currently.

S&P Global (SPGI US) had a poor month, although not much different from its Financial Service peers. Besides AI-related concerns, SPGI delivered disappointing earnings, somewhat held down by its conglomerate portfolio, as its (previous) ambition to diversify outside the attractive Ratings busi-ness is currently hurting them. Management emphasized that ~95% of revenues come from proprie-tary data, and we also believe that the fear of SPGI being an AI loser is overstated. Large language models (LLMs) are hungry for quality data, and SPGI has plenty. So far, we've seen that SPGI and peers collaborate with Anthropic using a Model Context Protocol (MCP), where paying customers of SPGI can utilize SPGI data through Anthropic/Claude. In today's share price, there's still upside de-spite applying zero value to the Market Intelligence (MI) division (MI is currently 22% of group EBIT). SPGI may divest assets to become more pure play on Ratings again.

Amdocs (DOX US) is featured in brokers "AI loser" basket. Despite the labeling, DOX posted resilient Q4 results with solid backlog growth and signed a new multi-year agreement with T-Mobile (TMUS US). Most Telecom Service Providers are still investigating the potential use cases for AI, which should give opportunities to vendors such as Amdocs. At ~9x P/E there is no growth priced into the share price.

Willis Towers Watson (WTW US) was caught in a broader sector sell-off driven by AI disruption fears following the launch of ChatGPT's insurance comparison tool. Multiple analysts defended the insur-ance brokers arguing they provide expertise and advice that is difficult to be disintermediated by AI. While AI may automate workflows for small commercial cases, complex risks and claims support keep the large market relationship model intact. We see the sell-off as an overreaction, and the mar-ket seems to agree, as the WTW stock increased 11% from the bottom in February. We used the vola-tility to rotate within the space, selling WTW and buying the closely related peer Aon (AON US). See more below under portfolio activity.

Microsoft (MSFT US) underperformed in February, as the stock faced broker downgrades, concerns about its OpenAI partnership, and broader AI-driven market rotation that indiscriminately hit software and white-collar job-exposed sectors. MSFT now trades at 20-21x P/E, same valuation as the low in the 2022 bear market. MSFT is off to the worst YTD start since the financial crisis.

DSV (DSV DC) quickly went from "AI beneficiary" to "AI loser". The concerns are related to a view that 1) freight forwarders could be disintermediated by AI tools connecting the customer (cargo owner) directly with the carrier and 2) that AI adoption in freight might reduce inefficiencies in the global freight landscape, creating far more capacity, reducing the need for the middleman, whose job it is to solve for inefficiencies and pushing down rates. The news came just days after DSV rallied 8% intraday, despite weak Q4 results, on the hint that AI could deliver "billions" in cost savings. We believe DSV is relatively insulated thanks to value-added services (owned network infrastructure, specialized

cargo, customs clearance, insurance, project logistics, global reach etc.). Management frames AI as a productivity lever that can help DSV disrupt rather than be disrupted.

Buying, selling, and other matters

In February we did a pair trade between two closely related insurance brokers. We sold Willis Towers Watson (WTW US) and bought the competitor Aon PLC (AON US). The whole insurance broker sector has derated due to AI concerns, which we believe are overblown. The sell-off left Aon trading at a Z-score of -2,9 vs. its own P/E history, offering a better risk/reward versus WTW. Further, AON is less exposed to consulting versus WTW and currently have 1/3 of the data center market. AON is basically the middleman that helps data center projects manage risk. When someone builds a data center, they need insurance, safety/risk plans, and reinsurance. AON helps set all that up, so they earn fees as more data centers are built and operated. AON mentioned that near-term data center demand could generate over USD 10b in new premium volume just in 2026.

Another pair trade flagged by our pair trading monitor was buying LVMH (MC FP) and selling Michelin (ML FP). Besides both being French and Consumer Disc., the two companies don't have much in common. Michelin has significantly outperformed YTD (+21%), while LVMH has lagged (-16%) in DKK. Historically when the relative P/E between the two reach significantly values (>2 Z-scores), subsequent mean reversion has delivered attractive returns. So far, we've seen some encouraging data points (card data) supporting the Luxury sector, with both China and US improving.

We also added OTIS (OTIS US) to the portfolio, funded primarily by reducing our position in TFI International (TFII CN). OTIS is a quality compounder built on its service franchise. Recurring revenue from a ~2.5m unit maintenance base drives >90% of group profit. AI is a tailwind, not a threat, because elevators are physical, regulated, mission critical assets that still require certified technicians and OEM parts. OEMs previously ran technician teams too lean, hurting response times and pushing customers to independent service providers (IPS). Now OTIS is regaining market share by connecting elevators to its smart platform for early problem detection and faster fixes, capabilities IPS cannot fully match without software and access to OTIS data

We did a pair trade between two closely related home improvement stocks by selling Lowe's (LOW US) and buying Home Depot (HD US), as HD was trading at a -2.6 P/E Z score relative to LOW. HD looks closer to an inflection after a broad-based 4Q beat despite a stable demand backdrop and a tough hurricane comparison, suggesting its investments are working. The setup also helps, as the housing stock is aging and lower mortgage rates should ease the lock-in effect and support housing turnover and renovation activity.

We sold Heineken (HEIA NA) after good performance YTD (12.7% in DKK). Heineken's beer volumes may face structural headwind in Emerging Markets (EM) going forward. EM is central to the equity story as developed-market volumes remain weak, and EM accounts for ~60% of group EBIT. The key catalyst is semaglutide going off patent from 2026 in markets such as India, China and Brazil, where high prices have been the main barrier to adoption. India is the most immediate trigger: patents expire in late March 2026 and Reuters reports local manufacturers are preparing launches at roughly 50-60% discounts, implying a step-change in affordability. If lower prices drive higher GLP-1 penetration, it matters because evidence suggests semaglutide reduces alcohol cravings and consumption, potentially lowering beer volumes over time in Heineken's most important growth markets.

Valuation of the asset class

According to MSCI, dividend stocks are cheaper (P/E fwd) than the broader world index (MSCI World). Dividend stocks naturally also provide a higher dividend yield, but also lower risk as measured by beta. Data is for January 2026, as data for February 2026 is yet to be released.

	Dividend Yield (%)	P/E	P/E Fwd	Beta
MSCI World HDY	3.1%	17.8x	15.9x	0.86
MSCI World	1.6%	24.3x	20.0x	1.00

Note: Valuation differences may stem from different sector composition of the HDY Index vs. the MSCI World Index.
Source: MSCI.

Kindly,

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