

Summary Details

Assets under Mgmt.	£88.8m
Inception Date	01 Aug 2011
Benchmark	MSCI ACWI Net Return Index
Number of Stocks	296

Risk Characteristics

Beta (5 Yrs)	0.95
Information Ratio (5 Yrs)	-0.72
Volatility	10.13

Portfolio Statistics

	Strategy	Index
Dividend Yield	3.6%	2.4%
Dividend Payout	59.4%	48.3%
Dividend Growth	12.9%	8.8%
Total Payout Yield	5.6%	2.3%
Price to Earnings (trailing)	14.5x	19.3x
Price to Book	3.5x	4.7x
Weighted Avg Mkt Cap.	\$85.6bn	\$163.7bn
ESG Score	6.7	5.9

Source: KBI Global Investors as of 31/12/19. The risk characteristics are calculated using monthly gross returns over a 5 year period relative to the Index as at the 31/12/19. Portfolio Statistics are of a representative account and are calculated relative to the Index. The AUM listed above is Global Equity All World Equity AUM. Weighted Avg. Mkt. Cap figures are in US Dollars.

Strategy Overview

Objective	Consistency. Downside protection. Lower risk.
Style	Relative value. High quality. Multi cap. Diversified.
Products	Global, EAFE, Emerging Markets, North America, ACWI, Eurozone.

Investment Philosophy

We are "total return" investors.

Our conviction is that companies with the financial strength and discipline to maintain and grow their dividend commitments outperform.

Uniquely, we find such companies across all capitalisations, and in every sector and every region, even ones where dividends are low and not typically used as a method of analysis. By "looking where others don't look" we consistently find and exploit mispriced stocks.

The main reasons for outperformance are:

- Quality of information
- Better governance
- Plentiful positive earnings surprises
- Capital efficiency and financial discipline
- Lower volatility
- Better valuations

Annualised Performance (£)

	3Mths	YTD	1Yr	2Yrs	5Yrs	Since Incep
Fund (Gross)	1.0	15.3	15.3	3.9	9.7	10.8
Benchmark	1.3	21.7	21.7	8.2	12.0	11.4

Source: KBI Global Investors, Datastream, MSCI as of 31/12/19
Returns are gross of fees in GBP. Our firm claims GIPS compliance and is annually verified by an independent verification firm to be so. The verification report from our verifier and our GIPS composite presentation are available upon request. The performance record disclosed here is that of the firm's composite for this strategy. The AC World Equity composite is a well-diversified, all cap, strategy that invests across all 24 industry sub-classifications within the developed and emerging equity markets. No active currency management is undertaken. The strategy invests purely in those companies that pay above average dividends relative to their industry peer group and is managed by a dedicated, specialist team of investment professionals in Dublin, Ireland. The benchmark is the MSCI AC World Index, inclusive of net income. The Net index provides a better comparator for potential investors and representation of the investment strategy of the composite. The benchmark is designed to measure the equity market performance of developed and emerging market countries. The benchmark is market-cap weighted. Sources of foreign exchange rates may be different between the composite and the benchmark; but not materially so. MSCI benchmark returns assume the reinvestment of dividends after the deduction of withholding taxes. See disclaimers for further information.

Investment Process

We summarise our process into three steps

Step 1

- Create regional group segments from MSCI Index.
- Eliminate stocks below segment average yield.
- Lower yield stocks, countries, industries will qualify.

Step 2

- Eliminate stocks and segments that fail sustainability, quality and growth criteria.
- Rank remaining stocks.

Step 3

- Create portfolio preferred financial criteria and highest ranked stocks.

Current ACWI Portfolio Characteristics

Mkt. Cap \$bn	Strategy	MSCI ACWI Index	+/- %
<3 (small)	3.9	2.4	1.5
3-5 (mid-small)	4.0	3.2	0.8
5-10 (mid)	14.1	8.0	6.1
10-25 (mid-large)	27.1	17.8	9.3
>25 (large)	50.9	68.5	-17.6

Source: KBI Global Investors as of 31/12/19. Market Cap figures are based on a representative account relative to the Index. Market Cap figures are in US Dollars.

Investment Team

Key People	Title	Investment Experience
CIO		
Noel O'Halloran	Chief Investment Officer	32yrs
Portfolio Management Team		
Gareth Maher	Head of Portfolio Management	32yrs
David Hogarty	Head of Strategy Development	28yrs
Ian Madden	Senior Portfolio Manager	19yrs
James Collery	Senior Portfolio Manager	19yrs
John Looby	Senior Portfolio Manager	29yrs
Massimiliano Tondi	Senior Portfolio Manager	16yrs
Jeanne Chow Collins	ESG & Engagement Analyst	19yrs
Trading		
Ultan O'Kane	Trader	14yrs

Contact Details

Address: KBI Global Investors Ltd.
 3rd Floor, 2 Harbourmaster Place
 IFSC
 Dublin 1
 Ireland
 Phone: +353 1 438 4400 Email: info@kbigi.com
 Web: www.kbiglobalinvestors.com

Portfolio Positioning

Sector Breakdown

Sector	%	Sector	%
Information Technology	17.8	Consumer Staples	6.5
Financials	17.3	Materials	5.4
Health Care	12.6	Energy	5.2
Industrials	11.1	Real Estate	3.8
Consumer Discretionary	9.4	Utilities	2.7
Communications	8.2		

Geographical Breakdown

Region	%
North America	57.8
Europe	18.9
Emerging Markets	12.0
Japan	7.6
Pacific Basin ex Japan	3.7

Top 10 Holdings

Stock	Country	%
Microsoft Corporation	US	2.4
Best Buy Company Inc	US	2.0
AbbVie Inc	US	1.9
Valero Energy Corporation	US	1.9
Broadcom Inc	US	1.8
Canadian Imperial Bank of Commerce	Canada	1.8
IBM	US	1.8
Hewlett-Packard Enterprise Co	US	1.7
Omnicom Group Inc	US	1.7
Cummins Inc	US	1.7

Source of all data: KBI Global Investors. Data as of 31/12/19

Overview

Following muted returns in the third quarter, global markets once again rose sharply in Quarter 4. The main catalyst driving market sentiment in Q4 was the massive re-expansion of liquidity in the monetary system, most notably in the US.

2019 proved to be a record-breaking year for global stock markets, as they posted their best year for returns since the aftermath of the GFC. While of course welcoming such large returns its only prudent to recognise that this performance went hand in hand with declining profits and deteriorating economic sentiment (falling PMI's and economic growth downgrades).

All the return came from multiple expansion and the decade ended with the MSCI World Index trading at 17x forward EPS, close to its highest forward valuation outside of the tech bubble.

In light of such aggressive absolute returns it is not a surprise to us that our relative performance was a challenge given the conservative and defensive nature of our dividend orientation. The magnitude of the variance in style over the year was the dominant contributor to our relative under performance over the twelve months to end December 2019.

From an investment style perspective Growth again outperformed Value by more than 10%. Growth is now 2.3 standard deviations above its long-term average at 23.1 times forward earnings. Within Growth, Technology led the charge, with FAANGS producing almost double the return of their respective indices.

Disclaimer

KBI Global Investors Ltd is regulated by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority in the UK. Details about the extent of our regulation by the Financial Conduct Authority are available from us on request. KBI Global Investors claims compliance with the Global Investment Performance Standards (GIPS®). Gross results shown do not show the deduction of investment management fees. A client's actual return will be reduced by the management fees and any other expenses which may be incurred in the management of an investment account. For example, a £1,000,000 investment with an assumed annual return of 5% with a management fee of 0.85% would accumulate £8,925 in fees during the first year, £48,444 in fees over five years and £107,690 in fees over ten years. Under MiFID II this is deemed marketing material and should not be regarded as investment research. The firm is defined as the institutional business of KBI Global Investors Ltd., and its subsidiary, KBI Global Investors (North America). The term 'institutional business' shall have the meaning of all pensions, charity and corporate asset management strategies of the firm as they pertain to client funds. Unitholders are specifically excluded from composite assignment given that their underlying unit holdings are already assigned to composites and such strategies are therefore accounted for in composite values and returns. The firm definition has been re-defined on two occasions over recent years; on 30 September 2010 to reflect the firm's sale to RHJL by our previous parent firm KBC Asset Management NV, and on 1 October 2016 to reflect the firm's sale to Amundi Asset Management. No change in investment process arose as a result of these sales. To receive a copy of the compliant presentation and/or a list of composite descriptions, please contact sales@kbigi.com. **IMPORTANT RISK DISCLOSURE STATEMENT:** This material is provided for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to purchase any security, product or service including any group trust or fund managed by KBI Global Investors Ltd, or any of its affiliates (collectively, "KBI Global Investors"). The information contained herein does not set forth all of the risks associated with this strategy, and is qualified in its entirety by, and subject to, the information contained in other applicable disclosure documents relating to such a strategy. KBI Global Investors Ltd's investment products, like all investments, involve the risk of loss and may not be suitable for all investors, especially those who are unable to sustain a loss of their investment. The views expressed in this document are expressions of opinion only and should not be construed as investment advice. Past performance may not be a reliable guide to future performance and the value of investments may fall as well as rise. Investments denominated in foreign currencies are subject to changes in exchange rates that may have an adverse effect on the value, price or income of the product. Income generated from an investment may fluctuate in accordance with market conditions and taxation arrangements. Performance for periods of more than 1 year is annualized. All MSCI data is provided "as is". In no event shall MSCI, its affiliates, or any MSCI data provider have any liability of any kind in connection with the MSCI data. No further distribution or dissemination of the MSCI data is permitted without MSCI's prior express written consent. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The products mentioned in this Document may not be eligible for sale in some states or countries, nor suitable for all types of investors. In some tables and charts, due to rounding, the sum of the individual components may not appear to be equal to the stated total(s)