

Summary Details		
Assets under Mgmt.	C\$9.5bn	
Inception Date	01 Aug 2004	
Benchmark	MSCI World Net Return Index	
Number of Stocks	186	
Risk Characteristics		
Beta (10 Yrs)	0.95	
Information Ratio (10 Yrs)	0.01	
Volatility	9.44	
Portfolio Statistics	Strategy	Index
Dividend Yield	3.6%	2.3%
Dividend Payout	61.1%	49.6%
Dividend Growth	12.4%	8.3%
Total Payout Yield	5.8%	2.4%
Price to Earnings (trailing)	15.2x	20.0x
Price to Book	3.6x	4.9x
Weighted Avg Mkt Cap.	\$91.6bn	\$177.1bn
ESG Score	6.9	6.0

Source: KBI Global Investors as of 12/31/19. The risk characteristics are calculated using monthly gross returns over a 10 year period relative to the Index as at the 12/31/19. Portfolio Statistics are of a representative account and are calculated relative to the Index. The AUM listed above is Global Equity Global Developed 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 (C\$)

	3Mths	YTD	1Yr	3Yrs	5Yrs	10Yrs
Fund (Gross)	6.1	15.0	15.0	8.1	9.5	11.9
MSCI World Net Return Index	6.3	21.2	21.2	11.3	11.2	11.8
MSCI Value Net Return Index	5.1	15.6	15.6	7.1	8.8	10.1

Source: KBI Global Investors, Datastream, MSCI as of 12/31/19

Returns are gross of fees in CAD. 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 Global Developed Equity composite (formerly known as the Global Developed Equity Dividend Plus composite) is a well diversified, all cap, strategy that invests across all 24 industry sub classifications and the four major geographic global regions (North America, Europe, Japan and Pacific Basin ex Japan) of the global developed equity market. This strategy is constructed on a segmented basis by industry and region (as defined by the MSCI World Index) and 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 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 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. See disclaimer 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 Developed Portfolio Characteristics

Mkt. Cap \$bn	Strategy	MSCI World Index	+/- %
<3 (small)	0.6	0.6	0.0
3-5 (mid-small)	2.6	2.0	0.6
5-10 (mid)	13.9	7.0	6.9
10-25 (mid-large)	29.1	17.4	11.7
>25 (large)	53.7	73.0	-19.3

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

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Portfolio Positioning

Sector Breakdown

Sector	%	Sector	%
Information Technology	18.1	Consumer Staples	6.6
Financials	16.0	Materials	5.2
Health Care	13.8	Energy	4.8
Industrials	11.8	Real Estate	3.8
Consumer Discretionary	9.0	Utilities	2.8
Communications	8.1		

Geographical Breakdown

Region	%
North America	65.8
Europe	21.5
Japan	8.6
Pacific Basin ex Japan	4.1

Top 10 Holdings

Stock	Country	%
Microsoft Corporation	US	2.8
Best Buy Company Inc	US	2.2
AbbVie Inc	US	2.1
Valero Energy Corporation	US	2.1
Canadian Imperial Bank of Commerce	Canada	2.1
Broadcom Inc	US	2.1
IBM	US	2.0
Hewlett-Packard Enterprise Co	US	1.9
Cummins Inc	US	1.9
Omnicom Group Inc	US	1.9

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

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

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