

50/50 Equity Strategy

(50% Eurozone/50% Global ex Eurozone Equity)

SUMMARY DETAILS

Inception Date	1 st August 2007
Benchmark	50 % MSCI Eurozone 50 % MSCI Global ex-Eurozone
Assets Managed	€24.5m
No. of Stocks	328

Source: KBI Global Investors as of 31/12/2019. The AUM listed above is Global Equity 50/50 AUM.

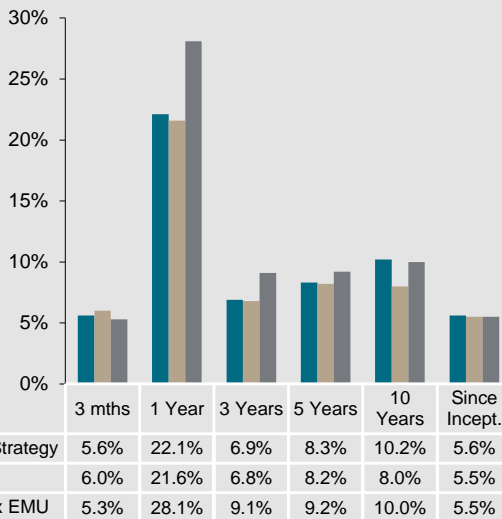
INVESTMENT STRATEGY

Objective: Consistency. Downside protection. Lower risk.

Style: Relative value. High quality. Multi cap. Diversified.

Products: Global, EAFE, Emerging Markets, ACWI, Eurozone, North America, Smallcaps

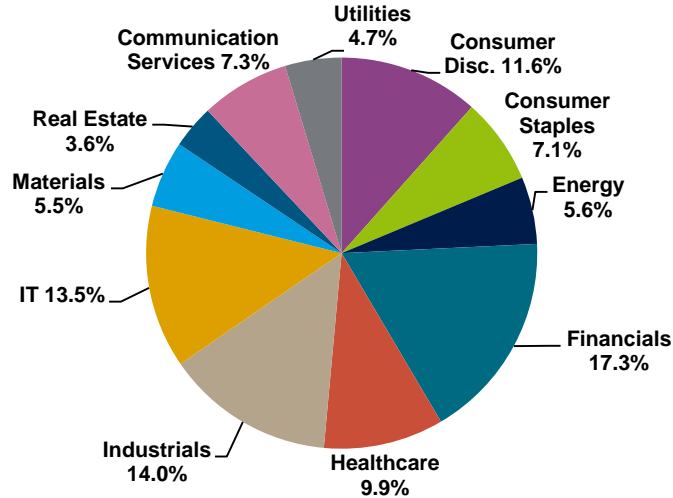
PERFORMANCE



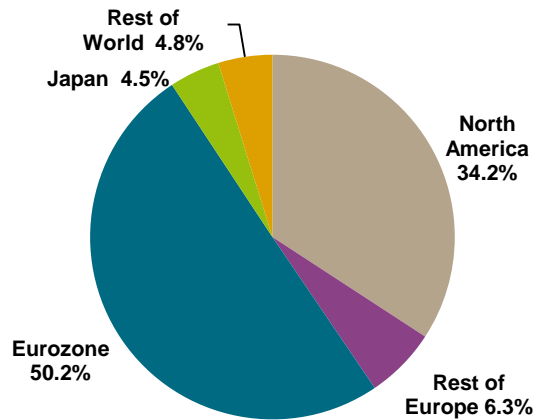
Source: KBIGI/Datastream/Bloomberg/MSCI, as at 31/12/2019. Returns are gross of fees, in euro. Returns are live from the KBI 50/50 Equity Strategy. MSCI benchmark returns assume the reinvestment of dividends after the deduction of withholding taxes. See Disclaimers for further information.

STRATEGY CHARACTERISTICS

Sector Breakdown



Geographical Breakdown



Top 10 Holdings

Stock	Country	% of Fund
SIEMENS	GERMANY	2.7
BNP PARIBAS	FRANCE	2.2
UNILEVER	NETHERLANDS	2.0
ASSICURAZIONI GENERALI	ITALY	1.9
KERING	FRANCE	1.8
AXA	FRANCE	1.8
ENEL	ITALY	1.8
REPSOL YPF	SPAIN	1.8
ACS ACTIV.CONSTR.Y SERV.	SPAIN	1.7
KLEPIERRE REIT	FRANCE	1.7

Source of all Data: KBI Global Investors. Data as of 31/12/2019

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

Q4 OVERVIEW

The exceptional rally in global stock markets continued in Q4. The rise of 5.4% leaves the gain for 2019 at 30.0%. The more benign news emanating from the US/China trade talks, and the continuing conviction that this period of extraordinarily low interest rates is set to continue, provided a powerful tailwind for global stocks. More recently, the recessionary fears which dominated for much of the Summer have continued to dissipate. The balance of macro and corporate data has turned more positive and the fear that policy may be impotent in the face of overwhelmingly negative structural forces has lessened. The decisive outcome to the UK general election on 12th December – paving the way for an orderly Brexit at the end of January – was also well received.

Looking forward, while it is natural that such a long positive cycle should raise questions about longevity, we do not believe that any cycle should necessarily ‘die of old age’. On the contrary, we believe that the likely mix this year and beyond of moderate, but positive, economic growth combined with continuing policy support, remains a propitious environment for stocks. What we believe is likely to be different is that the driver of stock returns will come more from the traditional sources of dividend yield/growth and earnings, and less from much (or any) further expansion in the historically elevated market multiple.

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