Q2 2020

50/50 Equity Strategy

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

SUMMARY DETAILS

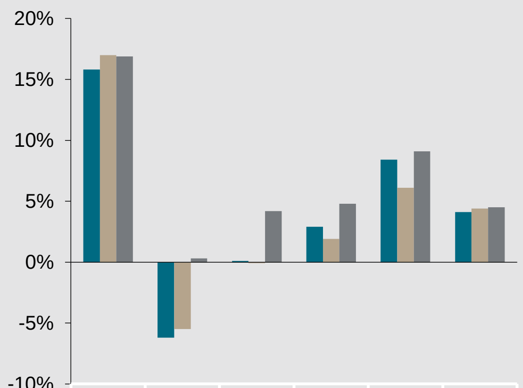
Inception Date	1st August 2007
Benchmark	50 % MSCI Eurozone 50 % MSCI Global ex-Eurozone
Assets Managed	€21.5m
No. of Stocks	344

Source: KBI Global Investors as of 30/06/2020. 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

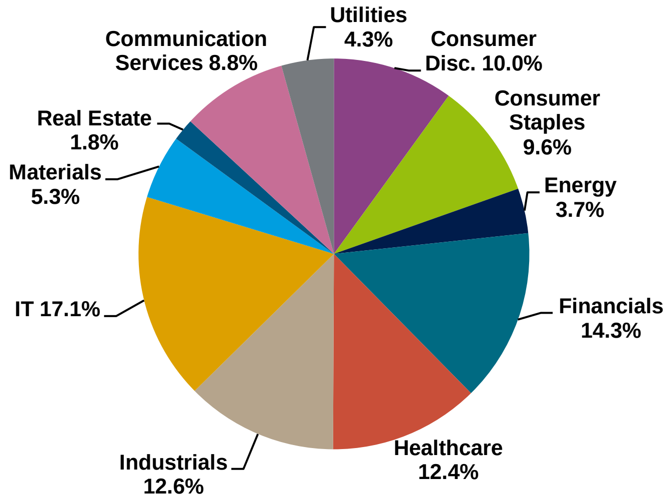


	3 mths	1 Year	3 Years	5 Years	10 Years	Since Incept.
KBIGI 50/50 Strategy	15.8%	-6.2%	0.1%	2.9%	8.4%	4.1%
MSCI EMU	17.0%	-5.5%	-0.1%	1.9%	6.1%	4.4%
MSCI World ex EMU	16.9%	0.3%	4.2%	4.8%	9.1%	4.5%

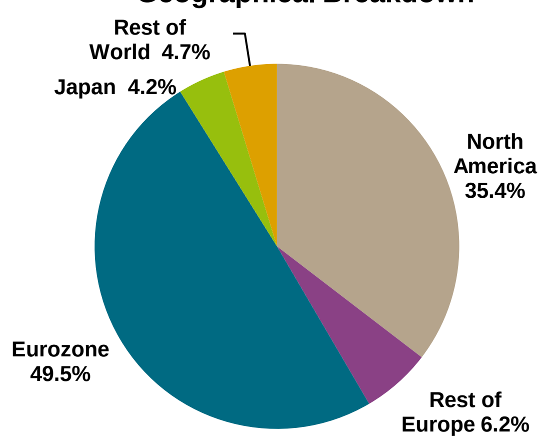
Source: KBIGI/Datastream/Bloomberg/MSCI, as at 30/06/2020. Returns are gross of fees, in euro. Returns are live from the KBI 50/50 Equity Strategy. MSCI benchmark returns assume the reinvestment of dividends after the deduction of withholding taxes. See Disclaimers for further information.

STRATEGY CHARACTERISTICS

Sector Breakdown



Geographical Breakdown



Top 10 Holdings

Stock	Country	% of Fund
MICROSOFT	USA	2.8
SIEMENS	GERMANY	2.6
UNILEVER	NETHERLANDS	2.0
ATOS	FRANCE	1.8
RED ELECTRICA	SPAIN	1.8
UPM-KYMMENE	FINLAND	1.7
DEUTSCHE POST	GERMANY	1.6
ASSICURAZIONI GENERALI	ITALY	1.6
KERING	FRANCE	1.6
BNP PARIBAS	FRANCE	1.5

Source of all Data: KBI Global Investors. Data as of 30/06/2020

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

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Q2 OVERVIEW

Global stock markets rebounded sharply in Q2. The MSCI Developed World Index gained 16.6% as the extraordinary uncertainty of the COVID-19 pandemic eased. The aggressive policy responses and the first steps towards the lifting of lockdowns, combined to ease the extreme level of investor fear.

Stock markets often surprise, but the rebound of recent months has shocked many. Given the scale of economic and earnings contraction ahead, it seems unsustainable. But in the wake of the Lehman collapse in September 2008, the global economy and banking system also faced meltdown. Many feared a re-run of the great depression. This view failed to reckon with the powerful tools available to policymakers. Crucially, the policy responses to the pandemic have seen these tools deployed with renewed and expanded aggression.

For example, negative official interest rates are the new normal in Europe and bond investors at every maturity out to 30 years are all but paying for the privilege of loaning money to many Eurozone governments. More generally, negative real long-term interest rates are now embedded globally.

Notwithstanding how economies behave in the months ahead, in the years ahead, the likelihood that many stocks will generate positive cash flows is high. In contrast to their bond brethren, long-term stock investors will likely be well compensated for risking their capital.

Historically low discount rates matter. While predicting the direction of the stock market is notoriously challenging, the return of investor optimism may prove more durable than many currently fear.