

### Summary Details

Assets under Mgmt.	€16.4m
Inception Date	30 Nov 2004
Benchmark	MSCI EMU (EUR) Net Return Index
Number of Stocks	54

### Risk Characteristics

Beta (10 Yrs)	1.08
Information Ratio (10 Yrs)	0.06
Volatility	16.84

Portfolio Statistics	Strategy	Index
Dividend Yield	3.7%	2.6%
Dividend Payout	49.0%	50.9%
Dividend Growth	4.8%	4.1%
Total Payout Yield	4.5%	1.6%
Price to Earnings (trailing)	12.2x	17.2x
Price to Book	2.5x	3.4x
Weighted Avg Mkt Cap.	\$30.4bn	\$47.6bn
ESG Score	7.7	7.4

Source: KBI Global Investors as of 30/06/20. The risk characteristics are calculated using monthly gross returns over a 10 year period relative to the Index as at the 30/06/20. Portfolio Statistics are of a representative account and are calculated relative to the Index. The AUM listed above is Eurozone Ethical strategy AUM. Weighted Avg. Mkt. Cap figures are in US Dollars.

### Strategy Overview

<b>Objective</b>	Consistency. Downside protection. Lower risk. ESG
<b>Style</b>	Relative value. High quality. Multi cap. Diversified.
<b>Products Screening</b>	Global, Emerging Markets, Eurozone Fossil Fuel Reserves, CCC rated companies, Tobacco & others.

### 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	3Yrs	5Yrs	Since Incep
<b>Fund (Gross)</b>	17.0	-17.6	-11.5	-4.2	1.1	4.9
<b>Benchmark</b>	17.0	-12.4	-5.5	-0.1	1.9	4.4

Source: KBI Global Investors, Datastream, MSCI as of 30/06/20  
Returns are gross of fees in euro. 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 strategy is a well diversified, all cap, strategy that invests across all 24 industry sub classifications of the Eurozone equity markets as defined within the MSCI EMU benchmark. The strategy invests purely in those companies that pay an above average dividend yield relative to their industry peer group and is managed by a dedicated, specialist team of investment professionals in Dublin, Ireland. The strategy uses an ESG screen within its portfolio construction process. We established Integris as our corporate brand for our screened offerings in 2019. The benchmark is the MSCI EMU 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. 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
<ul style="list-style-type: none"> <li>• Create regional industry group segments from MSCI Index.</li> <li>• Eliminate stocks below segment average yield.</li> <li>• Lower yield stocks, countries, industries will qualify.</li> </ul>
Step 2
<ul style="list-style-type: none"> <li>• Eliminate stocks and segments that fail sustainability, quality and growth criteria.</li> <li>• Rank remaining stocks.</li> <li>• Eliminate stocks with lowest ESG scores.</li> </ul>
Step 3
<ul style="list-style-type: none"> <li>• Create portfolio targeting preferred financial criteria and highest ranked stocks.</li> </ul>

### Current Eurozone Ethical Portfolio Characteristics

Mkt. Cap \$bn	Strategy	MSCI EMU Index	+/- %
<3 (small)	6.6	1.7	4.9
3-5 (mid-small)	3.3	3.6	-0.3
5-10 (mid)	33.0	13.7	19.3
10-25 (mid-large)	17.9	23.0	-5.1
>25 (large)	39.3	58.1	-18.8

Source: KBI Global Investors as of 30/06/20. 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
<b>CIO</b>		
Noel O'Halloran	Chief Investment Officer	32yrs
<b>Portfolio Management Team</b>		
Gareth Maher	Head of Portfolio Management	33yrs
David Hogarty	Head of Strategy Development	29yrs
Ian Madden	Senior Portfolio Manager	20yrs
James Collery	Senior Portfolio Manager	20yrs
John Looby	Senior Portfolio Manager	30yrs
Massimiliano Tondi	Senior Portfolio Manager	16yrs
Jeanne Chow Collins	ESG & Engagement Analyst	20yrs
<b>Trading</b>		
Ultan O'Kane	Trader	14yrs

## Contact Details

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## Portfolio Positioning

### Sector Breakdown

Sector	%	Sector	%
Financials	18.7	Materials	10.0
Industrials	17.8	Utilities	9.2
Consumer Staples	10.8	Communications	6.3
Consumer Discretionary	10.7	Health Care	4.7
Information Technology	10.0	Real Estate	1.8

### Geographical Breakdown

Region	%
Europe	100.0

### Top 10 Holdings

Stock	Country	%
Siemens AG	Germany	5.1
Iberdrola SA	Spain	4.3
Unilever NV	Netherlands	4.3
Deutsche Post AG	Germany	4.0
BNP Paribas SA	France	3.6
KERING	France	3.3
Red Electrica Corp SA	Spain	3.3
UPM-Kymmene Oyj	Finland	3.3
Recordati Industria Chimica e FarmacSpA	Italy	3.2
Assicurazioni Generali SpA	Italy	3.1

Source of all data: KBI Global Investors. Data as of 30/06/20

## Overview

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.

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