

## Summary Details

Assets under Mgmt.	€5.6bn
Inception Date	01 Aug 2004
Benchmark	MSCI World Net Return Index
Number of Stocks	194

## Risk Characteristics

Beta (10 Yrs)	0.99
Information Ratio (10 Yrs)	-0.39
Volatility	12.26

## Portfolio Statistics

	Strategy	Index
Dividend Yield	3.6%	2.0%
Dividend Payout	56.0%	45.0%
Dividend Growth	9.2%	6.3%
Total Payout Yield	4.0%	0.4%
Price to Earnings (trailing)	19.1x	25.1x
Price to Book	4.0x	6.3x
Weighted Avg Mkt Cap.	\$164.9bn	\$277.2bn
ESG Score	7.2	6.3

Source: KBI Global Investors as of 30/09/20. The risk characteristics are calculated using monthly gross returns over a 10 year period relative to the Index as at the 30/09/20. 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

<b>Objective</b>	Consistency. Downside protection. Lower risk.
<b>Style</b>	Relative value. High quality. Multi cap. Diversified.
<b>Products</b>	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	3Yrs	5Yrs	10Yrs
Fund (Gross)	0.0	-12.1	-7.6	1.9	5.9	9.7
MSCI World Net Return Index	3.4	-2.6	2.6	8.0	9.4	11.1
MSCI World Value Net Return Index	-0.5	-18.2	-14.8	-0.7	4.0	7.6

Source: KBI Global Investors, Datastream, MSCI as of 30/09/20

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 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. 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 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> </ul>
Step 3
<ul style="list-style-type: none"> <li>• Create portfolio preferred financial criteria and highest ranked stocks.</li> </ul>

## Current Developed Portfolio Characteristics

Mkt. Cap \$bn	Strategy	MSCI World Index	+/- %
<3 (small)	1.3	0.7	0.6
3-5 (mid-small)	1.5	1.9	-0.4
5-10 (mid)	11.1	6.5	4.6
10-25 (mid-large)	23.4	16.1	7.3
>25 (large)	62.7	74.9	-12.2

Source: KBI Global Investors as of 30/09/20. 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	33yrs
<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	17yrs
Jeanne Chow Collins	ESG & Engagement Analyst	20yrs
<b>Trading</b>		
Ultan O'Kane	Trader	15yrs

## Contact Details

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## Portfolio Positioning

### Sector Breakdown

Sector	%	Sector	%
Information Technology	24.1	Consumer Staples	7.6
Financials	13.4	Materials	3.7
Health Care	13.4	Real Estate	3.1
Industrials	10.6	Utilities	2.8
Consumer Discretionary	9.7	Energy	2.3
Communications	9.3		

### Geographical Breakdown

Region	%
North America	69.4
Europe	19.3
Japan	7.8
Pacific Basin ex Japan	3.5

### Top 10 Holdings

Stock	Country	%
Microsoft Corporation	US	5.3
Home Depot Inc	US	2.7
Texas Instruments Inc	US	2.3
Best Buy Company Inc	US	2.1
Cummins Inc	US	2.1
Gilead Sciences Inc	US	2.0
AbbVie Inc	US	2.0
Canadian Imperial Bank of Commerce	Canada	1.9
AmerisourceBergen Corporation	US	1.8
HP INC	US	1.8

Source of all data: KBI Global Investors. Data as of 30/09/20

## Overview

Global stock markets continued to rally in Q3. Led by the technology-related behemoths in the US, the MSCI Developed World Index ended the quarter 3.4% higher. The dramatic story of market recovery since the lows of March masks the more significant story of the dominant driver - the extraordinary rally of a handful of technology stocks. Remarkably, these five stocks - Apple, Microsoft, Amazon, Facebook, and Alphabet/Google - now account for almost a quarter of the market value of the S&P 500.

Crucially, the assumed wave of dividend cuts did not occur. Since the end of February, 79% of companies in the MSCI World index have either maintained or grown their dividend payment to shareholders. 348 companies, equating to 22% of names in the index, have grown their dividend, signalling that there is a solid belief in a sustained recovery.

We have outlined in other communications, the disconnect between price appreciation and fundamentals – which has become more obvious as the year progresses. As prices continue to rebound and EPS and the EPS outlook continues to deteriorate, traditional valuation metrics are stretching higher. We maintained our exposure to value but did so without having to sacrifice owning high quality companies. As stated during last quarter's comment, one of the areas we were focussing on was to analyse balance sheets in terms of having significant cash reserves and low debt obligations. This continued into Q3 as we maintained our emphasis on higher quality metrics across the portfolio. We continue to have a strong tilt towards, higher ROE, higher ROIC, high free-cashflow generation, high ESG and lower net debt to equity.

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