



### Summary Details

Assets under Mgmt.	\$1.2bn
Inception Date	01 Jul 2015
Benchmark	MSCI World Small Cap Net Return Index
Number of Stocks	280

### Risk Characteristics

Beta (5 Yrs)	0.95
Information Ratio (5 Yrs)	-1.03
Volatility	18.28

Portfolio Statistics	Strategy	Index
Dividend Yield	2.7%	1.6%
Dividend Payout	43.5%	25.8%
Dividend Growth	9.8%	3.0%
Total Payout Yield	2.6%	-4.4%
Price to Earnings (trailing)	18.7x	61.2x
Price to Book	3.4x	4.4x
Weighted Avg Mkt Cap.	\$3.6bn	\$4.0bn
ESG Score	5.8	5.0
Wtd Avg Carbon Intensity	91.2	135.5

Source: KBI Global Investors as of 12/31/20. The risk characteristics are calculated independently by KBI Global Investors using monthly gross returns of a representative account managed to the same strategy over a 5 year period relative to the Index as at the 12/31/20. Portfolio and Benchmark Statistics are from a representative account managed to the same strategy and the benchmark respectively. KBI Global Investors independently estimate these statistics for both the portfolio and the benchmark. The AUM listed above is Global Equity Global Small Cap AUM. This is the combined AUM of KBI Global Investors Ltd and KBI Global Investors (North America) Ltd. Weighted Avg. Mkt. Cap figures are in US Dollars. KBI calculate the Weighted Average Carbon Intensity figure for the portfolio (representative account managed to the same strategy) bi-annually June and December. Index carbon intensity data is sourced from MSCI ESG Research. KBI calculate the ESG scores for the portfolio (representative account managed to the same strategy) quarterly. Index ESG ratings are sourced from MSCI ESG Research.

### 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	Since Incep
Strategy (Gross)	20.6	-0.2	-0.2	2.9	6.1
Strategy (Net)	20.4	-0.9	-0.9	2.2	5.4
Benchmark	23.9	16.0	16.0	8.0	9.4

Source: KBI Global Investors, Datastream, MSCI as of 12/31/20  
 KBI calculate both NAV returns and benchmark returns. Returns are gross of fees in USD. 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 Small Cap Equity composite is a well diversified 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 small cap equity market. This strategy is constructed on a segmented basis by industry and region (as defined by the MSCI World Small Cap 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 Small Cap index, inclusive of net income. The benchmark is designed to measure the small cap 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 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 Global Small Cap Portfolio Characteristics

Mkt. Cap \$bn	Strategy	MSCI World Small Cap Index	+/- %
<3 (small)	50.8	43.1	7.7
3-5 (mid-small)	24.0	27.0	-3.0
5-10 (mid)	21.3	25.8	-4.5
10-25 (mid-large)	3.9	4.2	-0.3

Source: KBI Global Investors as of 12/31/20. Market Cap figures are based on a representative account relative to the Index. Market 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 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

## Portfolio Positioning

### Sector Breakdown

Sector	%	Sector	%
Industrials	18.2	Materials	7.1
Information Technology	15.4	Consumer Staples	4.1
Consumer Discretionary	14.2	Communications	3.0
Financials	12.4	Energy	2.6
Health Care	11.3	Utilities	1.9
Real Estate	9.8		

### Geographical Breakdown

Region	%
North America	60.4
Europe	22.3
Japan	11.7
Pacific Basin ex Japan	5.6

### Top 10 Holdings

Stock	Country	%
Bruker Corporation	US	2.0
Janus Henderson Group PLC	US	1.9
Bio-Techne Corp	US	1.9
Power Integrations Inc	US	1.8
Oshkosh Corp	US	1.6
Texas Pacific Land Trust	US	1.6
Maximus Inc	US	1.6
Valvoline Inc	US	1.4
TTEC Holdings	US	1.3
Reliance Steel & Aluminum Co	US	1.3

Source of all data: KBI Global Investors. The above information represents the top 10 largest positions in the strategy as of 12/31/20 based on the aggregate USD value. Each quarter KBI Global Investors uses this same objective, non-performance based criteria to select the ten largest holdings. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for the strategy, and the reader should not assume that investments in the securities identified and discussed were or will be profitable. All information is provided for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned.

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## Overview

Absolute returns for the quarter were stunning as global equity markets continued the ferociously bullish behaviour that started back in March. The highest risk pockets of the market were most in demand and sentiment moved from unbridled optimism to outright euphoria. The dislocation between share prices and underlying fundamentals has continued to widen. In the US, the Fed is still pumping some \$120 billion in newly created dollars into financial markets each month and real interest rates remain negative. With a seemingly unlimited supply of free money, investors believe that valuations simply don't matter and that investment risk is essentially being underwritten by gov't policy. As a result, investors moved further and further out the risk curve, with the riskiest opportunities being most favoured.

While there were some mixed signals the quarter did bring about an improvement in value metrics, albeit concentrated in oversold, deep value names many of which are not profitable. This is familiar territory in that we saw similar trends in market rebound immediately after previous significant market downturns over the past 50 years. Intuitively, it is not sustainable that unprofitable companies outperform profitable ones, nor has it proved historically and as this recovery evolves, we would expect to see leadership coming through from higher quality more profitable names across a broader range of industry groups.

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The firm definition has been re-defined on two occasions over recent years; on 30 September 2010 to reflect the firm's sale to RHJI by our previous parent firm KBC Asset Management NV, and on 1 October 2016 to reflect the firm's sale to Amundi Asset Management. No change in investment process arose as a result of these sales. To receive a copy of the compliant presentation and/or a list of composite descriptions, please contact sales@kbigi.com. Gross results shown do not show the deduction of Adviser's fees. A client's actual return will be reduced by the advisory fees and any other expenses which may be incurred in the management of an investment advisory account. See Part 2 of Adviser's Form ADV for a complete description of the investment advisory fees customarily charged by Adviser. 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