

### Summary Details

Assets under Mgmt.	£6.5bn
Inception Date	01 Aug 2004
Benchmark	MSCI World Net Return Index
Number of Stocks	181

### Risk Characteristics

Beta (10 Yrs)	0.99
Information Ratio (10 Yrs)	-0.36
Volatility	11.53

Portfolio Statistics	Strategy	Index
Dividend Yield	3.2%	1.7%
Dividend Payout	47.8%	34.7%
Dividend Growth	10.3%	6.7%
Total Payout Yield	3.9%	1.3%
Price to Earnings (trailing)	11.1x	16.8x
Price to Book	2.5x	3.2x
Weighted Avg Mkt Cap.	\$164.1bn	\$354.1bn
ESG Score	7.3	6.2
Wtd Avg Carbon Intensity	82.3	129.8

Source: KBI Global Investors as of 30/09/21. The risk characteristics are calculated independently by KBI Global Investors using monthly gross returns of the composite over a 10 year period relative to the Index as at the 30/09/21. 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 Developed AUM. 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) quarterly. 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	5Yrs	10Yrs
Fund (Gross)	1.2	17.7	26.6	7.3	9.5	12.9
MSCI World Net Return Index	2.4	14.6	23.5	11.9	12.9	14.3
MSCI World Value Net Return Index	1.6	15.3	26.2	5.5	7.8	11.2

Source: KBI Global Investors, Datastream, MSCI as of 30/09/21  
KBI calculate both composite returns and benchmark returns. Returns are gross of fees in GBP. 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 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 material risks associated with the composite include market risk and stock-specific event risk. Share prices can decline and there is a risk that the composite may under-perform its benchmark. 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)	0.2	0.0	0.2
3-5 (mid-small)	0.8	0.3	0.5
5-10 (mid)	8.7	3.4	5.3
10-25 (mid-large)	26.4	13.2	13.2
>25 (large)	63.9	83.0	-19.1

Source: KBI Global Investors as of 30/09/21. 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	34yrs
<b>Portfolio Management Team</b>		
Gareth Maher	Head of Portfolio Management	34yrs
David Hogarty	Head of Strategy Development	30yrs
Ian Madden	Senior Portfolio Manager	21yrs
James Collery	Senior Portfolio Manager	21yrs
John Looby	Senior Portfolio Manager	31yrs
Massimiliano Tondi	Senior Portfolio Manager	18yrs
Jeanne Chow Collins	ESG & Engagement Analyst	21yrs
<b>Trading</b>		
Ultan O'Kane	Trader	16yrs

## Contact Details

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## Portfolio Positioning

### Sector Breakdown

Sector	%	Sector	%
Information Technology	23.5	Consumer Staples	4.9
Financials	16.1	Materials	4.6
Health Care	11.5	Energy	4.0
Industrials	10.8	Real Estate	3.0
Consumer Discretionary	9.9	Utilities	2.0
Communications	9.7		

### Geographical Breakdown

Region	%
North America	70.7
Europe	19.0
Japan	7.0
Pacific Basin ex Japan	3.3

### Top 10 Holdings

Stock	Country	%
Microsoft Corporation	US	4.8
Texas Instruments Inc	US	2.3
Cisco Systems Inc	US	2.2
Automatic Data Processing Inc	US	2.1
Omnicom Group Inc	US	2.0
Interpublic Group of Companies Inc	US	2.0
NetApp Inc	US	2.0
Tractor Supply Co	US	2.0
Cigna Corp	US	1.9
Best Buy Company Inc	US	1.9

Source of all data: KBI Global Investors. Data as of 30/09/21

## Overview

The quarter saw an effective reversal of the reopening, reflation and rotation trend that had prevailed in equity markets since vaccines were first rolled out last November. This was driven by disruption to economic activity, as the Delta variant of Covid-19 spread and the pandemic resurged in many areas.

With cyclical recovery stalled, growth outperformed value over the quarter. Heightened inflation worries near the end of the quarter gave a boost to more rate-sensitive and value-oriented stocks in September. Should inflation or upward pressure on yields persist, that would bode well for momentum to return to the rotation trade and stocks with strong dividend growth and value characteristics should benefit.

Thanks to a decade of quantitative easing (QE), stocks whose performance is negatively correlated to yields are now trading at substantial premiums, while those with performance that is positively correlated are trading on substantial discounts. Investors would do well to avoid stocks on high valuation multiples.

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