

KBIGI Emerging Markets Equity Strategy

Summary Details

| | |
|--------------------|--|
| Assets under Mgmt. | €637.4m |
| Inception Date | 01 Aug 2010 |
| Benchmark | MSCI Emerging Markets Net Return Index |
| Number of Stocks | 99 |

Risk Characteristics

| | |
|----------------------------|-------|
| Beta (10 Yrs) | 0.92 |
| Information Ratio (10 Yrs) | -0.13 |
| Volatility | 12.93 |

| Portfolio Statistics | Strategy | Index |
|------------------------------|----------|-----------|
| Dividend Yield | 4.8% | 3.1% |
| Dividend Payout | 41.9% | 33.3% |
| Dividend Growth | 21.5% | 15.5% |
| Total Payout Yield | 4.3% | 2.3% |
| Price to Earnings (trailing) | 7.3x | 11.4x |
| Price to Book | 1.2x | 1.7x |
| Weighted Avg Mkt Cap. | \$56.9bn | \$100.5bn |
| ESG Score | 5.9 | 5.3 |
| Wtd Avg Carbon Intensity | 111.8 | 322.8 |

Source: KBI Global Investors as of 30/06/22. 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 30/06/22. 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 Emerging Markets AUM excluding AUA from Q1 2022. 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 | Since Incep |
|--------------|-------|-------|-------|------|------|-------------|
| Fund (Gross) | -6.6 | -10.3 | -12.3 | 3.4 | 3.1 | 4.3 |
| Benchmark | -5.8 | -10.4 | -15.2 | 3.5 | 4.0 | 4.4 |

Source: KBI Global Investors, Datastream, MSCI Emerging Markets Index as of 30/06/22

KBI calculate both composite returns and benchmark returns. Returns are gross of fees in EUR. 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 Emerging Markets Equity composite is a well-diversified, all cap, strategy that invests across all 24 industry sub classifications of the global emerging markets as defined within the MSCI Emerging Markets benchmark. 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 Emerging Markets Index, inclusive of net income. The net index provides a better comparator for potential investors given the tax treatment on dividend income. The benchmark is designed to measure the equity market performance of emerging market countries. The benchmark is market-cap weighted. Sources of foreign exchange rates may differ 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"> • Create regional group segments from MSCI Index. • Eliminate stocks below segment average yield. • Lower yield stocks, countries, industries will qualify. |
| Step 2 |
| <ul style="list-style-type: none"> • Eliminate stocks and segments that fail sustainability, quality and growth criteria. • Rank remaining stocks. |
| Step 3 |
| <ul style="list-style-type: none"> • Create portfolio preferred financial criteria and highest ranked stocks. |

Current Emerging Markets Portfolio Characteristics

| Mkt. Cap \$bn | Strategy | MSCI EM Index | +/- % |
|-------------------|----------|---------------|-------|
| <3 (small) | 9.1 | 3.8 | 5.3 |
| 3-5 (mid-small) | 17.2 | 7.4 | 9.8 |
| 5-10 (mid) | 20.7 | 15.6 | 5.1 |
| 10-25 (mid-large) | 21.4 | 21.6 | -0.2 |
| >25 (large) | 31.6 | 51.6 | -20.0 |

Source: KBI Global Investors as of 30/06/22. Market Cap figures are based on a representative account relative to the Index. Market Cap figures are in US Dollars.

Strategy Overview

| | |
|------------------|--|
| Objective | Consistency. Downside protection. Lower risk. |
| Style | Relative value. High quality. Multi cap. Diversified. |
| Products | Global, EAFE, Emerging Markets, North America, ACWI, Eurozone. |

Investment Team

| Key People | Title | Investment Experience |
|----------------------------------|------------------------------|-----------------------|
| CIO | | |
| Noel O'Halloran | Chief Investment Officer | 34yrs |
| Portfolio Management Team | | |
| Gareth Maher | Head of Portfolio Management | 35yrs |
| David Hogarty | Head of Strategy Development | 31yrs |
| Ian Madden | Senior Portfolio Manager | 22yrs |
| James Collery | Senior Portfolio Manager | 22yrs |
| John Looby | Senior Portfolio Manager | 32yrs |
| Massimiliano Tondi | Senior Portfolio Manager | 18yrs |
| Jeanne Chow Collins | ESG & Engagement Analyst | 22yrs |
| Trading | | |
| Ultan O'Kane | Trader | 16yrs |

Contact Details

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Portfolio Positioning

Sector Breakdown

| Sector | % | Sector | % |
|------------------------|------|------------------|-----|
| Financials | 22.9 | Energy | 5.0 |
| Information Technology | 20.8 | Consumer Staples | 4.8 |
| Consumer Discretionary | 14.0 | Health Care | 3.0 |
| Communication Services | 10.6 | Real Estate | 2.5 |
| Materials | 8.0 | Utilities | 2.4 |
| Industrials | 6.0 | | |

Geographical Breakdown

| Region | % |
|------------------------|------|
| Emerging Asia | 79.6 |
| Emerging EMEA | 12.6 |
| Emerging Latin America | 7.8 |

Top 10 Holdings

| Stock | Country | % |
|---------------------------------------|-------------|-----|
| Taiwan Semiconductor Manufacturing | Taiwan | 6.0 |
| Samsung Electronics Company Limited | South Korea | 4.4 |
| China Construction Bank | China | 2.6 |
| Netease Inc | China | 2.3 |
| Agricultural Bank Of China Limited | China | 2.2 |
| Yadea Group Holdings Ltd | China | 2.0 |
| Industrial & Commercial Bank Of China | China | 1.9 |
| China Resources Land Limited | China | 1.9 |
| Banco Do Brasil Sa | Brazil | 1.8 |
| China Medical System Holdings Limited | China | 1.8 |

Source of all data: KBI Global Investors. Data as of 30/06/22

Overview

Globally equity market declines can be fully explained by rising bond yields in response to higher inflation.

Growth stocks have been worst affected. Unless inflation is stopped the trends of H1 will continue.

Unchanged earnings expectations seem out of line with growing economic worries. Again, growth stocks seem more exposed.

Uncertainty, and therefore risk, is at very high levels. Stocks with cash-based earnings and well covered dividends offer the most predictability. Now is not the time for speculative growth or long duration strategies.

Low quality stocks will face challenges as the cost of inputs, and the cost of debt rises. High margins of safety should be preferred.

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