

KBIGI Emerging Markets Equity Strategy

Summary Details

Assets under Mgmt.	\$666.3m
Inception Date	01 Aug 2010
Benchmark	MSCI Emerging Markets Net Return Index
Number of Stocks	99

Risk Characteristics

Beta (10 Yrs)	0.94
Information Ratio (10 Yrs)	-0.13
Volatility	15.29

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 06/30/22. 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 06/30/22. 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. This is the combined AUM of KBI Global Investors Ltd and KBI Global Investors (North America) Ltd 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
Strategy (Gross)	-12.3	-17.5	-22.7	0.4	1.4	2.4
Strategy (Net)	-12.4	-17.8	-23.2	-0.2	0.7	1.7
Benchmark	-11.4	-17.6	-25.3	0.6	2.2	2.5

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

KBI calculate both composite 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 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. 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 06/30/22. 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

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. The above information represents the top 10 largest positions in the strategy as of 06/30/22 based on the aggregate US\$ 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

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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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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