

Q3 2023 USD

KBI Global Investors



KBIGI Integris Emerging Markets Equity Strategy

Summary Details		
Assets under Mgmt.	\$8.7m	
Inception Date	01 Jan 2015	
Benchmark	MSCI Emerging Markets Net Return Index	
Number of Stocks	84	
Risk Characteristics		
Beta (5 Yrs)	0.98	
Information Ratio (5 Yrs)	0.27	
Volatility	19.34	
Portfolio Statistics	Strategy	Index
Dividend Yield	4.1%	2.8%
Dividend Payout	39.9%	33.7%
Dividend Growth	17.1%	15.3%
Total Payout Yield	4.3%	2.7%
Price to Earnings (forward)	8.7x	12.3x
Price to Book	1.2x	1.7x
Weighted Avg Mkt Cap.	\$64.4bn	\$93.6bn
ESG Score	6.7	5.6
Wtd Avg Carbon Intensity	77.3	323.8

Source: KBI Global Investors as of 09/30/23. The risk characteristics are calculated independently by KBI Global Investors using monthly gross returns of the composite over a 5 year period relative to the Index as at the 09/30/23. 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 Integris Emerging Markets AUM. This is the combined AUM of KBI Global Investors Ltd and KBI Global Investors (North America) Ltd excluding Assets under Advisement 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
Strategy (Gross)	-3.5	3.4	17.3	1.5	1.8
Strategy (Net)	-3.7	2.8	16.5	0.8	1.0
Benchmark	-2.9	1.8	11.7	-1.7	0.6

Source: KBI Global Investors, Datastream, MSCI as of 09/30/23

KBI calculate both composite returns and benchmark returns. Returns are gross of fees in USD and we use a model fee, 0.75% pa to calculate the net return. We divide the gross return by the period fee rate in decimal form to calculate the period net return. 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 Integris 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 strategy uses an ESG screen within its portfolio construction process. We established Integris as our corporate brand for our screened offerings in 2019. 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 industry 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.• Eliminate stocks with lowest ESG score.• Rank remaining stocks.
Step 3
<ul style="list-style-type: none">• Create portfolio targeting preferred financial criteria, ESG criteria and highest ranked stocks.

Current Integris Emerging Markets Portfolio Characteristics

Mkt. Cap \$bn	Strategy	MSCI EM Index	+/- %
<3 (small)	9.8	3.5	6.3
3-5 (mid-small)	19.5	7.7	11.8
5-10 (mid)	19.1	16.3	2.8
10-25 (mid-large)	25.4	22.3	3.1
>25 (large)	26.2	50.2	-24.0

Source: KBI Global Investors as of 09/30/23. 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. ESG
Style	Relative value. High quality. Multi cap. Diversified.
Products Screening	Global, Emerging Markets, Eurozone Fossil Fuel Reserves, CCC rated companies, Tobacco & others.

Investment Team		
Key People	Title	Industry Experience
CIO		
Noel O'Halloran	Chief Investment Officer	36yrs
Portfolio Management Team		
Gareth Maher	Head of Portfolio Management GES Team	36yrs
David Hogarty	Head of Strategy Development	32yrs
Ian Madden	Senior Portfolio Manager	23yrs
James Collery	Senior Portfolio Manager	23yrs
John Looby	Senior Portfolio Manager	33ys
Massimiliano Tondi	Senior Portfolio Manager	20yrs
Jeanne Chow Collins	ESG & Engagement Analyst	23yrs
Eoin Fahy	Head of Responsible Investing	35yrs

Portfolio Positioning			
Sector Breakdown			
Sector	%	Sector	%
Financials	25.2	Industrials	5.5
Information Technology	21.4	Consumer Staples	5.3
Consumer Discretionary	13.1	Utilities	5.1
Communication Services	9.8	Real Estate	2.1
Materials	5.5	Energy	1.5
Health Care	5.5		

Geographical Breakdown	
Region	%
Emerging Asia	78.4
Emerging EMEA	13.1
Emerging Latin America	8.5

Top 10 Holdings		
Stock	Country	%
Taiwan Semiconductor Manufacturing	Taiwan	7.9
Samsung Electronics Company Limited	South Korea	4.8
Netease Inc	China	3.4
China Construction Bank	China	2.6
Lenovo Group Limited	China	2.5
Power Grid Corporation Of India Limited	India	2.4
Samsung C&T Corp	South Korea	2.3
China Medical System Holdings Limited	China	2.2
Agricultural Bank Of China Limited	China	2.1
BGF Retail Co Ltd	South Korea	2.0

Source of all data: KBI Global Investors. The above information represents the top 10 largest positions in the strategy as of 09/30/23 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 anc 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
<p>Worries about geopolitical tensions with the US and contagion from property market problems have hit the market. While these fears are valid, the discounts on offer more than compensate. The market is now 50% cheaper than its most recent high in February 2021.</p> <p>Specific sectors and stocks offer particular Value. While investors are scared by potential contagion effects from the property market collapse, many banks in China are trading at valuations sizeably less than their current asset base.</p> <p>In fact, many China stocks have book values of only 0.3. In other words, if one of them closed down tomorrow, paid off all their liabilities and sold all their assets, their Value would increase threefold!</p> <p>As the old adage goes, good investors should be fearful when others are greedy and be greedy only when others are fearful. Prices get too depressed, and bargains present themselves.</p>

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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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