

Summary Details

Assets under Mgmt.	€7.0bn
Inception Date	01 Aug 2004
Benchmark	MSCI World Net Return Index
Number of Stocks	182

Risk Characteristics

Beta (10 Yrs)	0.97
Information Ratio (10 Yrs)	-0.33
Volatility	13.78

Portfolio Statistics

	Strategy	Index
Dividend Yield	3.3%	1.9%
Dividend Payout	43.5%	33.3%
Dividend Growth	14.1%	7.6%
Total Payout Yield	4.7%	2.6%
Price to Earnings (forward)	11.8x	17.4x
Price to Book	2.2x	3.2x
Weighted Avg Mkt Cap.	\$140.8bn	\$479.1bn
ESG Score	7.6	6.9
Wtd Avg Carbon Intensity	56.2	105.5

Source: KBI Global Investors as of 31/12/23. 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 31/12/23. 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 Global Developed AUM 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	10Yrs
Fund (Gross)	5.6	11.9	11.9	12.7	11.1	9.6
MSCI World Net Return Index	6.8	19.6	19.6	11.0	13.6	11.0
MSCI World Value Net Return Index	4.8	7.7	7.7	12.1	9.6	8.3

Source: KBI Global Investors, Datastream, MSCI as of 31/12/23

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 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

- Create regional group segments from MSCI Index.
- Eliminate stocks below segment average yield.
- Lower yield stocks, countries, industries will qualify.

Step 2

- Eliminate stocks and segments that fail sustainability, quality and growth criteria.
- Rank remaining stocks.

Step 3

- Create portfolio preferred financial criteria and highest ranked stocks.

Current Developed Portfolio Characteristics

Mkt. Cap \$bn	Strategy	MSCI World Index	+/- %
<3 (small)	0.0	0.0	0.0
3-5 (mid-small)	1.1	0.3	0.8
5-10 (mid)	6.5	3.2	3.3
10-25 (mid-large)	31.8	11.8	20.0
>25 (large)	60.6	84.7	-24.1

Source: KBI Global Investors as of 31/12/23. 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.
Style	Relative value. High quality. Multi cap. Diversified.
Products	Global, EAFE, Emerging Markets, North America, ACWI, Eurozone.

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	33yrs
Massimiliano Tondi	Senior Portfolio Manager	20yrs
Jeanne Chow Collins	ESG & Engagement Analyst	23yrs
Eoin Fahy	Head of Responsible Investing	35yrs

Contact Details

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Portfolio Positioning

Sector Breakdown

Sector	%	Sector	%
Information Technology	22.0	Energy	5.3
Financials	17.8	Consumer Staples	4.9
Industrials	12.4	Materials	3.4
Health Care	11.9	Real Estate	3.2
Consumer Discretionary	10.5	Utilities	2.1
Communication Services	6.5		

Geographical Breakdown

Region	%
North America	73.2
Europe	17.9
Japan	5.9
Pacific Basin ex Japan	3.0

Top 10 Holdings

Stock	Country	%
Microsoft Corporation	US	2.6
Accenture Plc	US	2.3
Cisco Systems Inc	US	2.2
Cognizant Technology Solutions	US	2.0
Manulife Financial Corporation	Canada	2.0
Morgan Stanley	US	2.0
Omnicom Group Inc	US	2.0
Interpublic Group Of Companies Inc	US	2.0
Best Buy Company Inc	US	2.0
Cigna Group	US	1.9

Source of all data: KBI Global Investors. Data as of 31/12/23

Overview

For equity returns, 2023 was a very strong year. Given the importance we place on dividends, cashflows and avoiding speculative exposures, aggressive bull markets aren't always an easy place to achieve outperformance.

Outside North America, however, where the dominance of growth over value has run its course, the strategy did exactly that. Since the start of the market rotation in 2021 and a recovery in value investing as an investment style, more medium-term numbers are also beginning to consolidate.

US returns were dominated by AI related names, with worrying consequences for risk concentration and valuation multiples. 2023 was a poor year for US fundamentals despite the bull run.

The year ended with global optimism, as fears of a severe recession eased. Breadth improved considerably since Fed "pivot" in November. Paying a hefty premium for secular growth stocks is less appealing when growth is expected more broadly, and value and smaller stocks are considered more economically sensitive. This broader cyclical exposure means they're more likely to benefit from a stronger economic environment. They are also the most heavily discounted, in our view.

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