

Q1 2024 USD

KBI Global Investors

KBIGI International Developed Equity Strategy



Summary Details	
Assets under Mgmt.	\$113.0m
Inception Date	01 Jul 2005
Benchmark	MSCI EAFE Net Return Index
Number of Stocks	214

Risk Characteristics	
Beta (10 Yrs)	0.98
Information Ratio (10 Yrs)	-0.31
Volatility	14.94

Portfolio Statistics	Strategy	Index
Dividend Yield	4.2%	2.9%
Dividend Payout	53.6%	47.9%
Dividend Growth	11.0%	8.4%
Total Payout Yield	5.3%	3.7%
Price to Earnings (forward)	10.9x	14.3x
Price to Book	1.6x	2.0x
Weighted Avg Mkt Cap.	\$71.2bn	\$102.4bn
ESG Score	7.8	7.7
Wtd Avg Carbon Intensity	65.6	89.6

Source: KBI Global Investors as of 03/31/24. 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 03/31/24. 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 International Developed 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.

Prior to 1/4/20 the EAFE AUM figure was inclusive of the EAFE component of a Global equity mandate.

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)	4.4	4.4	15.4	5.9	6.8
Strategy (Net)	4.2	4.2	14.7	5.2	6.1
MSCI EAFE Net Return Index	5.8	5.8	15.3	4.8	7.3
MSCI EAFE Value Net Return Index	4.5	4.5	17.3	6.6	6.4

Source: KBI Global Investors, Datastream, MSCI as of 03/31/24

KBI calculate both composite returns and benchmark returns. Returns are gross of fees in USD and we use a model fee, 0.65% 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 EAFE strategy is a well diversified, all cap, strategy that invests across all 24 industry sub classifications and the three major geographic global (ex US) regions (Europe, Japan and Pacific Basin ex Japan) of the global developed equity market. The firm has discretion to make an allocation to emerging markets if it so desires. 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 EAFE 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. 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 EAFE Developed Portfolio Characteristics

Mkt. Cap \$bn	Strategy	MSCI EAFE Index	+/- %
<3 (small)	0.3	0.0	0.3
3-5 (mid-small)	3.7	0.7	3.0
5-10 (mid)	17.6	7.7	9.9
10-25 (mid-large)	20.4	18.0	2.4
>25 (large)	58.1	73.6	-15.5

Source: KBI Global Investors as of 03/31/24. 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	37yrs
David Hogarty	Head of Strategy Development	33yrs
Ian Madden	Senior Portfolio Manager	23yrs
James Collery	Senior Portfolio Manager	23yrs
John Looby	Senior Portfolio Manager	34yrs
Massimiliano Tondi	Senior Portfolio Manager	20yrs
Jeanne Chow Collins	ESG & Engagement Analyst	23yrs
Eoin Fahy	Head of Responsible Investing	36yrs

Portfolio Positioning

Sector Breakdown

Sector	%	Sector	%
Financials	22.4	Materials	6.7
Industrials	16.2	Energy	4.9
Consumer Discretionary	13.5	Real Estate	3.1
Health Care	12.1	Utilities	3.0
Information Technology	8.8	Communication Services	1.9
Consumer Staples	7.4		

Geographical Breakdown

Region	%
Europe	61.4
Japan	22.8
Pacific Basin ex Japan	10.0
Emerging Markets	5.8

Top 10 Holdings

Stock	Country	%
Stellantis NV	Italy	2.5
Daimler Truck Holding AG	Germany	2.4
ASML Holding NV	Netherlands	2.3
3i Group Plc	UK	2.2
GSK PLC	UK	2.1
Roche Holding AG	Switzerland	2.0
Rio Tinto Plc	UK	1.9
Enel SpA	Italy	1.9
Axa SA	France	1.9
Mitsui & Company Limited	Japan	1.9

Source of all data: KBI Global Investors. The above information represents the top 10 largest positions in the strategy as of 03/31/24 based on the aggregate USD 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.

Contact Details

Address: KBI Global Investors (North America) Ltd.
One Boston Place,
201 Washington Street Boston,
MA 02108

Phone: +1 617-621-7141

Email: info@kbigi.com

Web: www.kbiglobalinvestors.com

Overview

Given the importance we place on dividends, cashflows and avoiding speculative exposures, aggressive bull markets aren't always an easy place to achieve outperformance.

On the total return front, North America is demonstrating different dividend growth behaviour to that of other international markets. Dividend growth continues to slow there while we are see improving dividend growth in other regions. This is particularly evident in Japan where shareholder payout improvements are very much on the agenda. We carefully increased our exposure to higher dividend growth relative to the index.

The diverging regional trend does not only apply to dividend growth. The total payout available in regions such as Europe and Japan is now more attractive than in North America. Dividend yield levels are higher (including in traditionally low yielding Japan) and buybacks via share destruction are now at similar if not better levels. We took advantage of this change in behaviour and increased our exposure to total payout yield (dividends + buybacks) over the period.

Our relative valuation, across most measures of value, remains our largest style exposures relative to the market. Valuations at an index level have moved considerably over the past 2 years. The forward price earnings ratio of MSCI North America is now at 21x (with MSCI World at 18.8x), driven primarily by the AI and large cap technology trades. The discount we hold versus MSCI World continues to run at between 30-45% depending on which valuation measure is used. We believe our relative valuation bias is attractive especially when combined with the other characteristics we offer.

Disclaimer KBI Global Investors (North America) Ltd. is a registered investment adviser with the SEC and regulated by the Central Bank of Ireland. Registration does not imply a certain level of skill or training. KBI Global Investors (North America) Ltd. is a wholly-owned subsidiary of KBI Global Investors Ltd. Form ADV Part 1 and Part 2 are available on request. KBI Global Investors claims compliance with the Global Investment Performance Standards (GIPS®). The firm is defined as the institutional business of KBI Global Investors Ltd., and its subsidiary, KBI Global Investors (North America). The term 'institutional business' shall have the meaning of all pensions, charity and corporate asset management strategies of the firm as they pertain to client funds. Unitised clients are specifically excluded from composite assignment given that their underlying unit holdings are already assigned to composites and such strategies are therefore accounted for in composite values and returns. 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. For example, a \$1,000,000 investment with an assumed annual return of 5% with an advisory fee of 0.85% would accumulate \$8,925 in fees during the first year, \$48,444 in fees over five years and \$107,690 in fees over ten years. Under MiFID II this is deemed marketing material and should not be regarded as investment research. Performance returns for individual investors may differ due to the timing of investments, subsequent subscriptions/redemptions, share classes, fees and expenses. Performance for periods of more than 1 year is annualized. Information about indices is provided to allow for comparison of the performance of the Adviser to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index, which also does not take into account trading commissions and costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategy's holdings may differ substantially from the securities that comprise the indices shown. Investments denominated in foreign currencies are subject to changes in exchange rates that may have an adverse effect on the value, price and income of the product. Income generated from an investment may fluctuate in accordance with market conditions and taxation arrangement. PAST PERFORMANCE IS NOT A RELIABLE GUIDE TO FUTURE PERFORMANCE AND THE VALUE OF INVESTMENTS MAY GO DOWN AS WELL AS UP. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Net results shown are net of all fees and expenses and include the reinvestment of all dividends and capital gains. In order to present meaningful performance results, the performance results reflected above were calculated by adjusting the gross performance by the highest fee available at the time to U.S. clients. IMPORTANT RISK DISCLOSURE STATEMENT : This material is provided for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to purchase any security, product or service including any group trust or fund managed by KBI Global Investors (North America) Ltd, or any of its affiliates (collectively, "KBI Global Investors"). The information contained herein does not set forth all of the risks associated with this strategy, and is qualified in its entirety by, and subject to, the information contained in other applicable disclosure documents relating to such a strategy. KBI Global Investors (North America) Ltd's investment products, like all investments, involve the risk of loss and may not be suitable for all investors, especially those who are unable to sustain a loss of their investment. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. This introductory material may not be reproduced or distributed, in whole or in part, without the express prior written consent of KBI Global Investors (North America) Ltd. The information contained in this introductory material has not been filed with, reviewed by or approved by any United States regulatory authority or self-regulatory authority and recipients are advised to consult with their own independent advisors, including tax advisors, regarding the products and services described therein. The views expressed are those of KBI Global Investors (North America) Ltd. and should not be construed as investment advice. We do not represent that this information is accurate or complete and it should not be relied upon as such. Opinions expressed herein are subject to change without notice. The products mentioned in this Document may not be eligible for sale in some states or countries, nor suitable for all types of investors; their value and the income they produce may fluctuate and/or be adversely affected by exchange rates, interest rates, or other factors. In some tables and charts, due to rounding, the sum of the individual components may not appear to be equal to the stated total(s). Additional information will be provided upon request. Stocks mentioned in this document may or may not be held in this strategy at this time. Any projections, market outlooks or estimates in this document are forward-looking statements and are based upon certain assumptions. Other events which were not taken into account may occur and may significantly affect the returns or performance of the strategy. Any projections, outlooks or assumptions should not be construed to be indicative of the actual events which will occur. Discussions of market conditions, market high/lows, objectives, strategies, styles, positions, and similar information set forth herein is specifically subject to change if market conditions change, or if KBIGI believes, in its discretion, that investors returns can better be achieved by such changes and/or modification. Style descriptions, market movements over time and similar items are meant to be illustrative, and may not represent all market information over the period discussed. All MSCI data is provided "as is". In no event shall MSCI, its affiliates, or any MSCI data provider have any liability of any kind in connection with the MSCI data. No further distribution or dissemination of the MSCI data is permitted without MSCI's prior express written consent.

Please see link to the website for the five year composite returns: <https://www.kbiglobalinvestors.com/wp-content/uploads/2024/04/GES-Composite-Annual>Returns.pdf>