





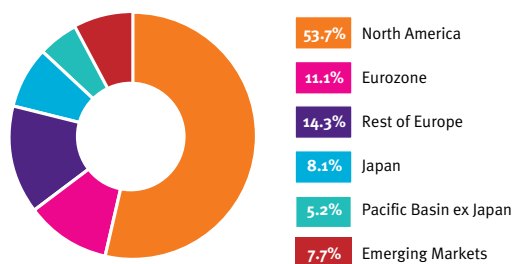
# Kleinwort Benson Investors Global High Yield Equity Quarterly Fund Factsheet Quarter 1, 2012

## Fund Snapshot

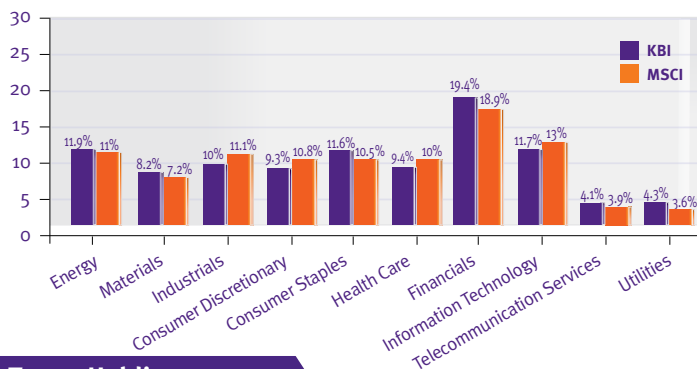
Size	€128M*
Asset	 (Equities)
Holdings	328
Regions Covered	 6
Diversification	
Overall Risk rating	low  6 high
Fund Dividend Yield	4.29%

\* Underlying KBI Fund Size.

## Geographical Breakdown



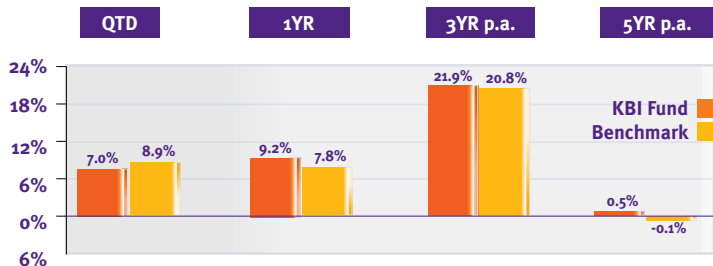
## Sector Breakdown V's MSCI Global Sector Breakdown



## Top 10 Holdings

Stock	Country	Weighting
LORILLARD	U.S.	2.6%
ELI LILLY	U.S.	2.4%
EXXON MOBIL	U.S.	2.3%
SEAGATE TECH.	U.S.	2.0%
CONOCOPHILLIPS	U.S.	1.8%
ACCENTURE	U.S.	1.8%
BRITISH AMERICAN TOBACCO	U.K.	1.7%
MEADWESTVACO	U.S.	1.5%
CHEVRON	U.S.	1.4%
BASF (XET)	Germany	1.2%

## Performance V's Benchmark



Performance in Euro and gross of management fees.

## Market Commentary

In absolute terms global equity markets recorded a gain of ca. 9% over the first three months of the year which was a continuation of the strong performance experienced during Quarter 4 of 2011. The big difference this quarter, as opposed to 2011, was that the high dividend theme didn't perform well as an investment style and consequently the KBI Global High Yield Fund underperformed the benchmark this quarter. In terms of regions North America stocks followed by European stocks were the best contributors to fund performance while Pacific Basin and Japanese stocks were laggards.



NIALL MURPHY,  
Head of Customer  
Development, KBI

High dividend stocks were out of favour over the quarter for two main reasons. Generally, when markets are trending upwards like we have seen in the past 6 months and growth styles begin to outperform, high dividend defensive strategies struggle to rise in tandem. Also we witnessed a declining preference for defensive stocks in 2012 with some profit taking and concerns over valuation after such stellar performance in the second half of 2011.

Our concentration on avoiding deep value stocks (stocks where the Dividend Yield looks attractive but is caused by a severe drop in price) also detracted from performance. However we continue to focus on identifying solid companies committed and able to grow their dividends, and we don't get distracted in short term periods when markets show a preference for deep value stocks over quality sustainable dividend payers.

Our regional industry group neutral approach to constructing the portfolio helped significantly. More traditional high dividend products tend to be heavily overweight Utilities, Telecoms, Energy and Pharmaceuticals and these were the worst industry performers in Q1 2012. Also our allocation to emerging markets added to performance as these regions outperformed global developed markets by approximately 2.5%.

At Kleinwort Benson Investors, our high yield funds continue to place emphasis on quality and financially strong companies. With potentially less earnings growth coming through in the coming quarters relative to previous earnings, dividend yield and dividend growth will increase in importance as share price catalysts. Whilst the policies of governments and central banks have been the dominant drivers of market direction recently, we believe the actions of the corporate sector will be a major story in the future. Our sustainable dividend investment approach should continue to be a winning strategy in such an environment.

Information source: Kleinwort Benson Investors /Datastream.  
All figures quoted are as at 31st March 2012.

# Kleinwort Benson Investors Global High Yield Equity Quarterly Fund Factsheet Quarter 1, 2012

## Fund Summary

This is a global equity fund which invests in companies that pay higher dividends than their industry peers. In addition it adopts a rigorous stock selection process to eliminate regional and industry sector bias.

## About Kleinwort Benson Investors (KBI)

Kleinwort Benson Investors Dublin Ltd. is renowned for successfully developing and managing a diversified range of unique investment products for both Irish and international clients. They are particularly known for innovation in investment product design, development and delivery. Assets under management for Kleinwort Benson Investors currently stand at over €3.2bn\*, most of which is equity based.

An established institutional asset management firm, Kleinwort Benson Investors is based in Dublin with a marketing and servicing office in New York. The company has a global client base with clients located in Ireland, US, Canada, UK, Japan, and Taiwan.

The company is part of the RHJI Group and is a sister company of Kleinwort Benson Bank, the well known UK financial services institution with roots dating back to the 1850s. RHJI is publicly listed on the Brussels Euronext stock exchange and has offices in Tokyo, Brussels, Zurich, London and New York.

\* - Figure as at 31st March 2012

## Why Invest in High Yield Equities?

Dividends are payments made by a company to its shareholders, out of the profits that the company has made. A 'High Yield' share is one that, on average, pays out a higher dividend relative to the wider market of shares.

Research has shown that good dividend income is a key driver of the performance of a portfolio of shares as opposed to being reliant purely on the growth in share prices.

In times when stock market returns are moderate, high yield equities tend to outperform the stock market average because the dividend income increases the total return achieved. When markets are falling, the downturn is cushioned by the dividend income being paid.

## KBI's Investment Style

KBI's investment style ensures the fund invests in stocks that:

- Have higher dividend yields than the average in regional industry groups
- Are committed to maintaining and growing dividends, and
- Are able to sustain existing levels of dividends

Crucially the fund is constructed to be industry sector and region neutral. If the fund simply used dividend yield as a guide to constructing the portfolio it would create unintended biases to certain sectors that traditionally consist of high dividend paying stocks.

KBI's stock selection model provides excellent diversification from the point of view of investing in all industry sectors, investing in all regions, and in all sizes of companies.

## Exposure to Emerging Market dividend payers

KBI's research shows that the number and diversity of dividend payers available in emerging markets is increasing. The surge in dividend-payers in emerging markets is a relatively recent phenomenon and is driven in part by the desire of ambitious firms to attract foreign investors. Currently about 8% allocation of the Global High yield fund is therefore allocated to emerging market equities. This allocation to emerging markets is long term in nature but the allocation will change according to KBI's assessment of relative attractiveness at any point in time.

## What Makes KBI Different?

KBI will invest in all 24 industry groups in the MSCI World Index whereas most high yield funds will only invest in up to 10 industry groups. Ignoring up to 14 industry groups increases risk and restricts investment choice.

KBI actively looks at investing in large, small and mid size companies in terms of market capitalisation. This is because unlike most other high yield providers, KBI has the resources and method to facilitate full market coverage.

**Warning: Past performance is not a reliable guide to future performance.**  
**Warning: The value of your investment may go down as well as up.**  
**Warning: Funds may be affected by changes in currency exchange rates.**  
**Warning: If you invest in this product you may lose some or all the money you invest.**

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