



Delft Partners Global High Conviction is a global listed equity strategy.

We select c. 30 stocks that possess our preferred characteristics, from a universe of over 2,000 securities.

- We invest in all major markets and sectors to capture diversification benefits.
- Position sizes are based on risk and return estimates
- We do not invest in companies where we believe poor Governance is likely to penalise shareholders.
- We verify our relative portfolio ESG exposure with a quantitative score from Refinitiv.

### Benefits

- Capital appreciation and dividends from attractively valued stocks
- Consistent application of process and ESG principles
- Above market and peer group performance

For additional information please visit [www.delftpartners.com](http://www.delftpartners.com)

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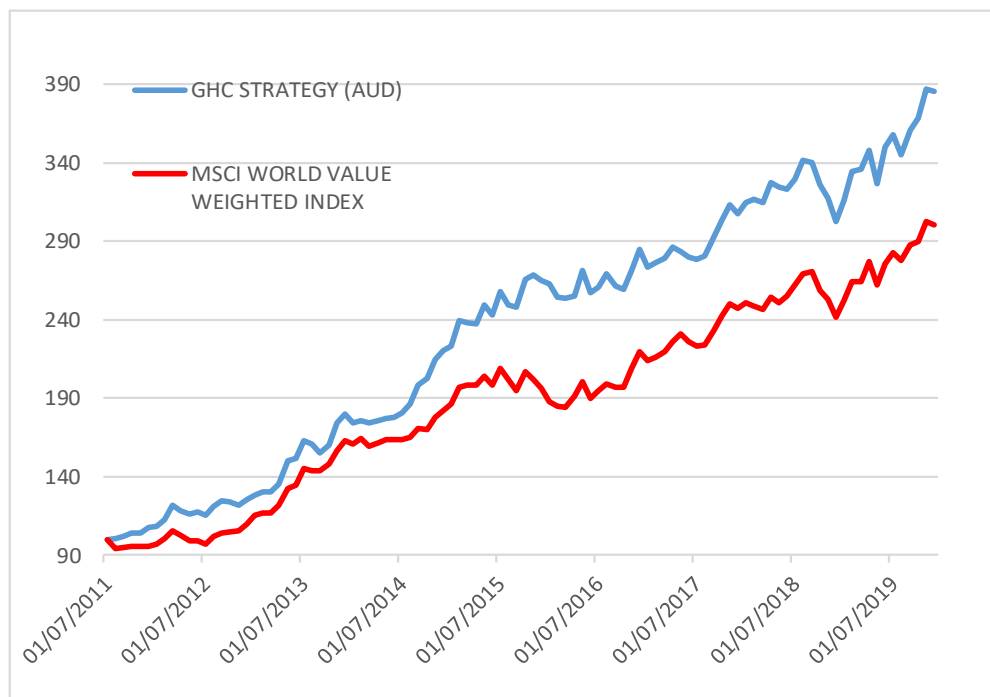
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31 Dec 2019	Portfolio
No. of securities	30
Wtd Avg Market cap	USD 80.5bn
Price/Earnings	14.3x
Price/Book	1.86x
Dividend Yield	2.9%
Return on Capital	12.7%
Active Risk (vs Bmk)	4.3%
ESG Score* (Portfolio/Universe)	56 / 50

\* Source: Refinitiv ESG Data

### PERFORMANCE\* Value of AUD 100 Since inception



Periods ended 31 Dec 2019	3 Months	1 Year	3 Years	5 Years	Since Inception
Portfolio*	+6.8%	+27.3%	+10.6%	+11.8%	+17.4%
Benchmark^	+4.4%	+24.3%	+11%	+10.5%	+13.9%
Active	+2.4%	+2.5%	-0.3%	+1.2%	+3.0%

\*Portfolio total return net Interest Withholding Tax in AUD, gross of fees.

^Strategy Benchmark is MSCI World Value Weighted Index NTR, Inception Date: 15 July 2011

### PORTFOLIO REVIEW & MARKET UPDATE

- World markets were strong in Q4. We remain fully invested with a value and quality bias.
- The AUD\$ rose in December reducing the quarterly unhedged returns of the strategy a little.
- All major regions performed strongly in the quarter rising between 7% and 9% in US\$. We remain very constructive on the Japanese equity market.
- China-USA trade talks appear to be progressing and although Hong Kong remains mired in protests, the prospects for corporate profits growth in and from, China remain reasonable.
- Brexit seems to have been resolved with a large majority voting for the Conservatives in the December general election. The UK equity market and Sterling rose strongly but there is plenty of time to evaluate the exit and the investment implications. Following a research trip to Europe in October we invested in Barratt Developments, a UK housebuilder; raising UK exposure before the election.
- The departure of the UK, a sizeable net contributor, may be the catalyst for a re-appraisal of EU economic policy? We remain underweight the region and the Euro while the politicians continue to impair economic well being.
- As well as Barratt we purchased or added to Alibaba and Discovery Channel during the quarter. We took some profits in Hitachi High Tech which rose over 100% during 2019. We sold Caterpillar and reinvested in Johnson Controls a USA based infrastructure services company.
- Notable contributors in the quarter were: Hitachi High Tech + 21%; Sony + 16%; Legal & General + 25%; AES + 23%
- We remain unhedged for AUD\$ based investors.



The Strategy seeks long-term capital appreciation by investing in industry leading companies listed on the global market exchanges.

Our investment process selects stocks and builds portfolios by combining our quantitative stock analysis models with the team's extensive fundamental equity and market knowledge.

Our value-oriented approach pays careful attention to position sizes, sectoral and country weights.

We ensure that the active strategy pays equal attention to risk as to return.

### Benchmark(s):

MSCI World Value Weighted Index (AUD\$)

MSCI World Net (AUD\$)

**Investment Objective:** Outperform the Benchmark by 3-5% pa over rolling 5 year time periods.

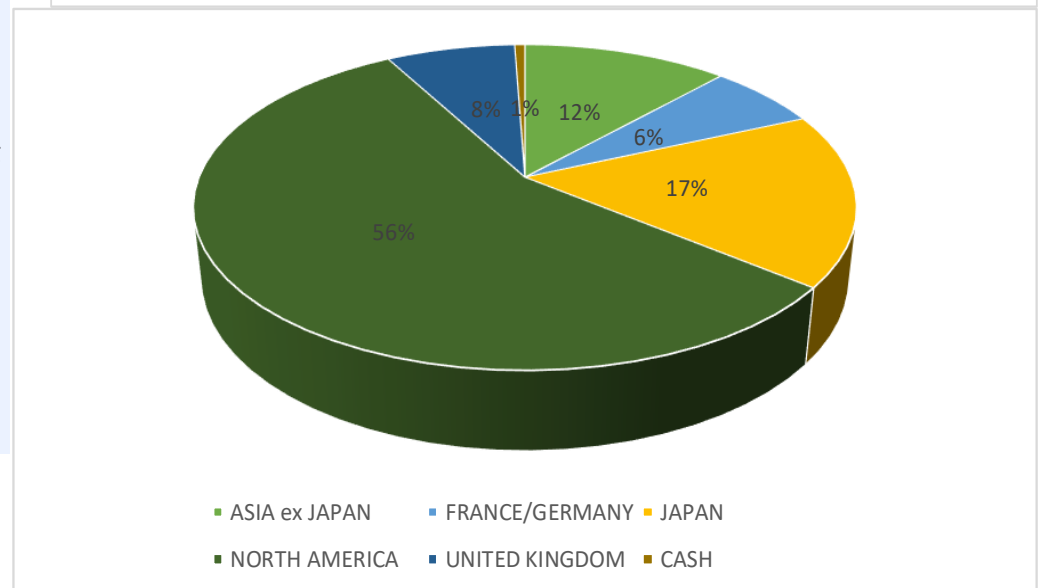
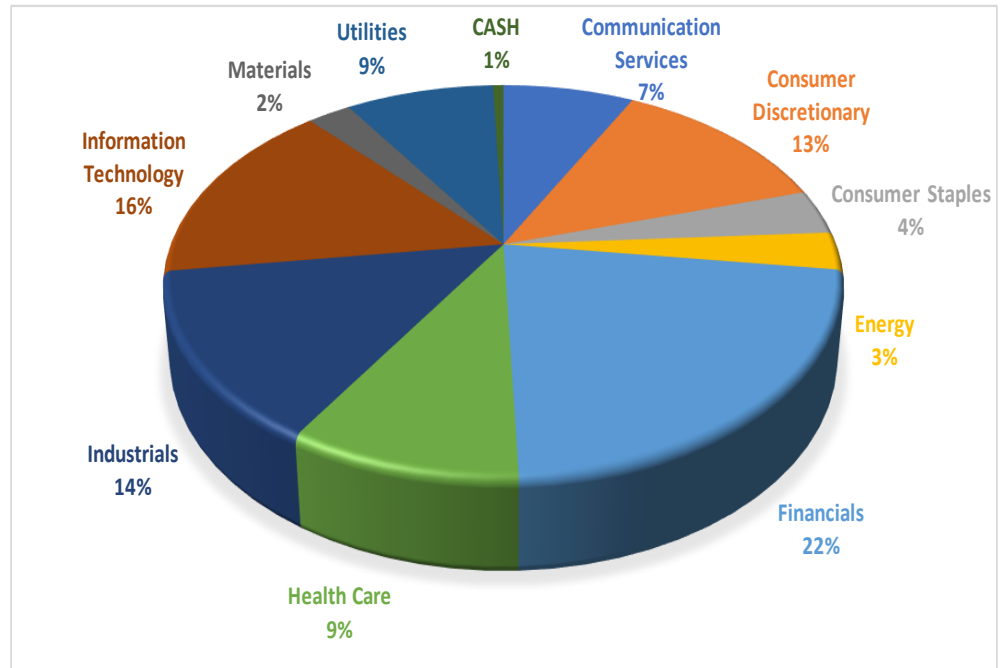
### Portfolio Manager(s):

Robert Swift

Karl Hunt

Kevin Smith

## SECTOR & REGIONAL ALLOCATION



## TEN LARGEST HOLDINGS

Company Name	Country	Portfolio
Legal & General	UK	5.3%
KLA Tencor	USA	4.7%
Alibaba Group	China	4.4%
Sony	Japan	4.3%
Anthem	USA	4.2%
Intel	USA	4.2%
AES	USA	4.2%
Verizon Corp	USA	4.1%
Manulife Financial	Canada	4.0%
Ping An Insurance	China	3.9%
<b>TOTAL</b>		<b>43.3%</b>

Important note: The Global High Conviction strategy is offered on a separately managed account basis. Your portfolio may experience different performance results to the factsheet results due to account size and minimum trade lot constraints. Performance results are shown gross of fees and portfolio holdings in this fact sheet are based on the model portfolio. Delft tile images are provided by Regts Antique Tiles <https://www.antiquetileshop.com>

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