



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

We select the best 30 stocks from the holdings in our diversified Global Equity strategy

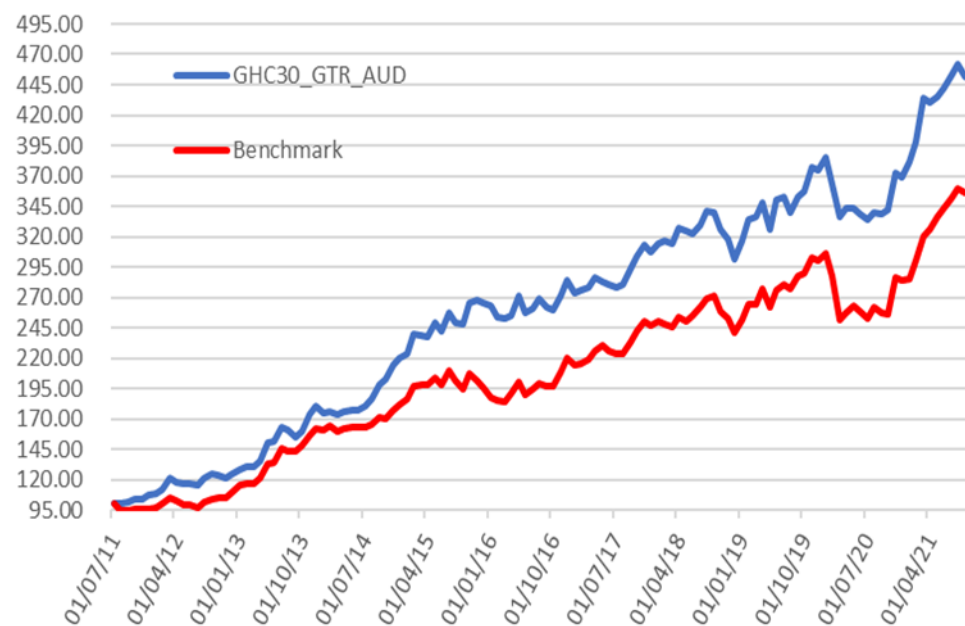
- We invest in all major markets and sectors to capture diversification benefits.
- Position sizes are based on risk and return estimates
- We do not invest in companies where we believe poor Governance is likely to penalise shareholders.
- We have a moderate value bias preferring to pay less for future earnings and dividends if we can identify a catalyst.

Benefits

- Capital appreciation and dividends from attractively valued stocks
- Consistent application of a proven investment process
- Above market and peer group performance

For additional information please visit www.delftpartners.com

Value of AUD 100 since inception



Periods ended 30 Sep 2021	1 Month	3 Months	1 Year	3 Years	Inception
Portfolio*	-2.3%	2.0%	33%	9.9%	16.0%
Return vs. Benchmark	-1.2%	-1.7%	-4.0%	0.3%	2.4%

*Portfolio total return net Interest Withholding Tax in AUD, gross of fees.
Inception Date: 15 July 2011. , Returns over 1 year are pa

PORTFOLIO REVIEW & MARKET UPDATE

30 Sep 2021	Portfolio
No. of securities	30
Wtd Avg Market cap	US\$ 100.6bn
Price/Earnings	13x
Price/Book	2.1x
Dividend Yield	3.2%
Return on Equity	21.3%
Active Risk (vs Bmk)	5.1%
ESG Score* (Portfolio/Universe)	71/ 50

* Source: Refinitiv ESG Data

- World markets fell during the quarter, as investors became appropriately nervous about interest rates and capricious government regulation. China is the poster child for the latter (we do not own Education stocks, nor Chinese gaming companies) but the UK, Spain and the US governments all introduced unexpected regulation. Given the results of the German election at end September, we expect more regulation there too.
- We remain invested in companies benefitting from increased industrial activity, productivity enhancing investment (true technology, infrastructure), useful companies that make life better, and those with a margin of balance sheet safety.
- We like Japan. Shareholder activism is on the rise in Japan which will help continue the trend toward better treatment of shareholders. Japan performed well versus other world markets.
- Notable positive contributors were Sony, General Mills & Valero and negative contributors were Emerson, Johnson Controls & Ping An.
- The Evergrande bankruptcy will be containable even if the likelihood is that the bad debts will be greater than the \$300bn advertised. China, like the USA, needs to deal with moral hazard. Currently the Chinese look like addressing the problem first even if it will mean slower economic growth and losses in certain equities and bonds. Notably and encouragingly, the 14th Chinese Five-Year Plan did not contain an explicit GDP growth target
- We made minor trades in the quarter. We sold Barratt Developments, a disappointing investment hampered by a disappointing government. We invested in Canon the Japanese business and consumer device manufacturer with under appreciated technology; on a P/E of 16x and a yield of over 3%.
- Corporate profits remain elevated relative to wages. Expectations for long run returns should be tempered by an acknowledgment that this balance needs to shift.



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):

World Value biased

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

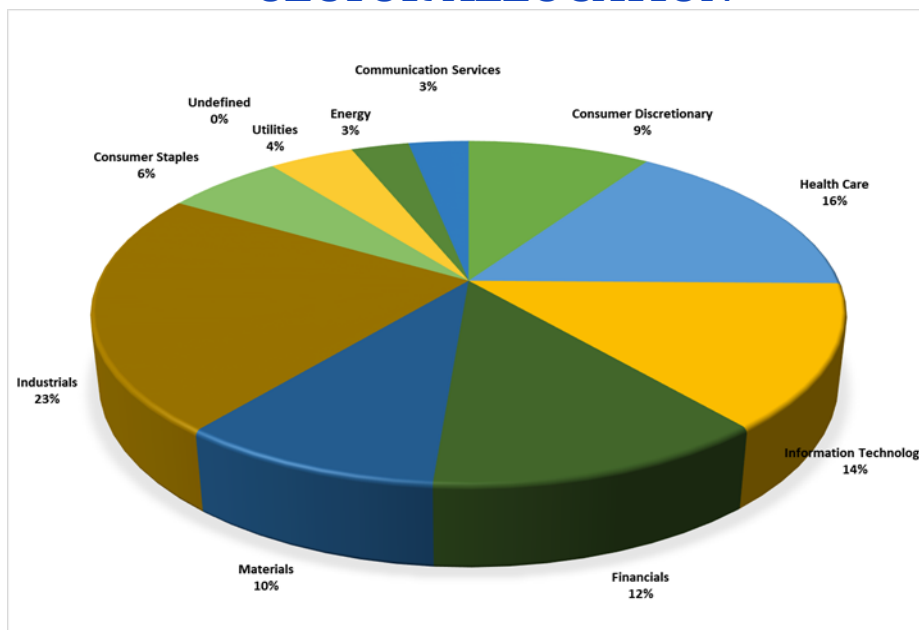
Portfolio Manager(s):

Robert Swift
Kevin Smith
Vinnie Esposito

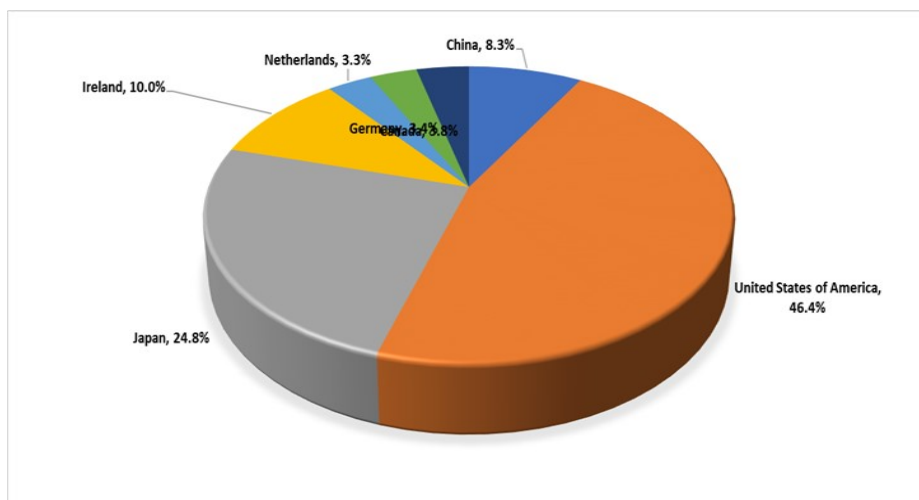
TEN LARGEST HOLDINGS

Company Name	Region	Portfolio
KLA Corp	America	5.3%
Sony Group	Asia	4.6%
Emerson Electric Co	America	4.2%
The AES Corp	America	4.2%
Quest Diagnostics	America	4.1%
General Dynamics Corp	America	4.0%
Itochu Corp	Asia	3.9%
Johnson Controls	America	3.9%
Manulife Financial	America	3.7%
Kajima Corp	Asia	3.7%
TOTAL		41.6%

SECTOR ALLOCATION



REGIONAL ALLOCATION



This fact sheet relates to no single product and is only representative of the strategy offered by Delft Partners. Its is intended for wholesale professional investors in Australia only.

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 primary live managed account portfolio. Contact us for further information.

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