



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

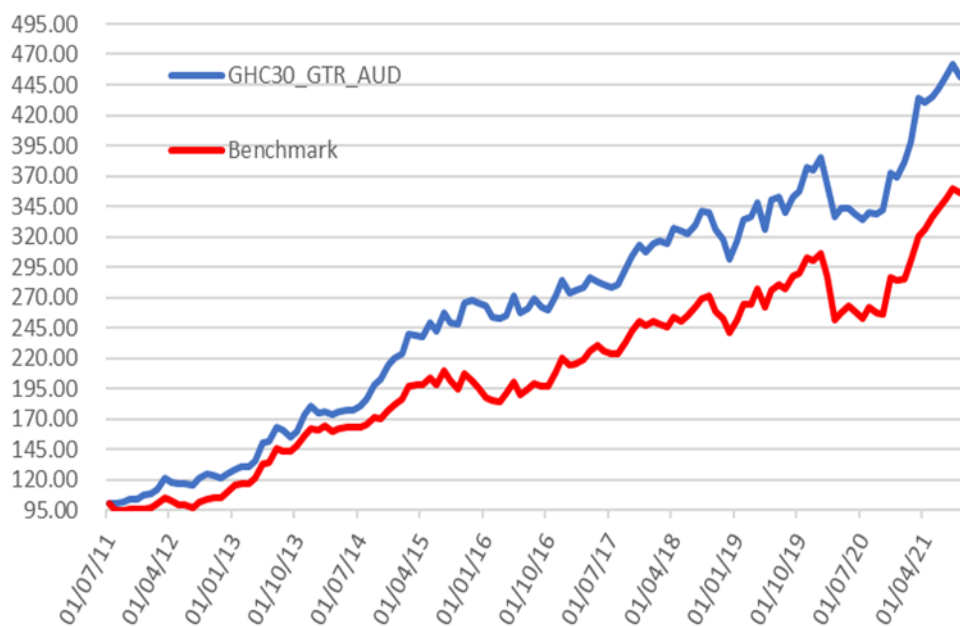
- We invest in all major markets and sectors to capture diversification benefits.
- Position sizes are based on risk and return estimates
- We do not invest in companies where we believe poor Governance is likely to penalise shareholders.
- We have a moderate value bias preferring to pay less for future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

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 | 1 Month | 3 Months | 1 Year | 3 Years | Inception |
|----------------------|---------|----------|--------|---------|-----------|
| 31 Dec 2021 | | | | | |
| Portfolio* | 4.2% | 5.1% | 28.5% | 16.3% | 16.0% |
| Return vs. Benchmark | 0.8% | 0.4% | 0.8% | 2.4% | 1.9% |

*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

| 31 Dec 2021 | Portfolio |
|------------------------------------|--------------|
| No. of securities | 30 |
| Wtd Avg Market cap | US\$ 102.9bn |
| Price/Earnings | 13.6x |
| Price/Book | 5.4x |
| Dividend Yield | 2.5% |
| Return on Equity | 25.3% |
| Active Risk (vs Bmk) | 4.8% |
| ESG Score* (Portfolio/Universe) | 73/ 50 |

* Source: CIQ

- World markets rose almost 6% during the quarter, as investors judged that flagged interest rate increases would be insufficient to slow profits growth. Equities are the best inflation hedge as long as inflation remains 'under control' and increased regulation is ineffective. For the moment both appear to be the case even though both are increasing. The USA, Europe and China all introduced or signalled more regulation, although China is likely to ease policy as the other regions tighten, albeit to a miniscule degree.
- 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. Negative news flow from the continued Covid induced lock downs is the headwind to a higher market rating. These will cease and the market is likely to return to the uptrend.
- Notable positive contributors came from Japan despite a lacklustre market overall. Sony and Canon, a recent purchase rose over 10%. Our focus on 'true technology' paid off in the USA where Seagate rose over 30%, KLA over 25% and Johnson Controls over 15%. Kroger the food retailer flagged price increases for most products and the shares rose over 10% in the quarter. See comment above on inflation and equities! Alibaba remains a conundrum although we are tempted to follow Charlie Munger in buying more.
- Chinese interest rate cuts and various other liquidity injections are likely to assuage the impact of the Evergrande failure which rumbles on.
- We added a little to China Construction Bank late in the quarter. It is now a top 10 holding. We made no other trades in the quarter. We remain fully invested and don't 'market time'.



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 3-4% pa over rolling 5 year time periods.

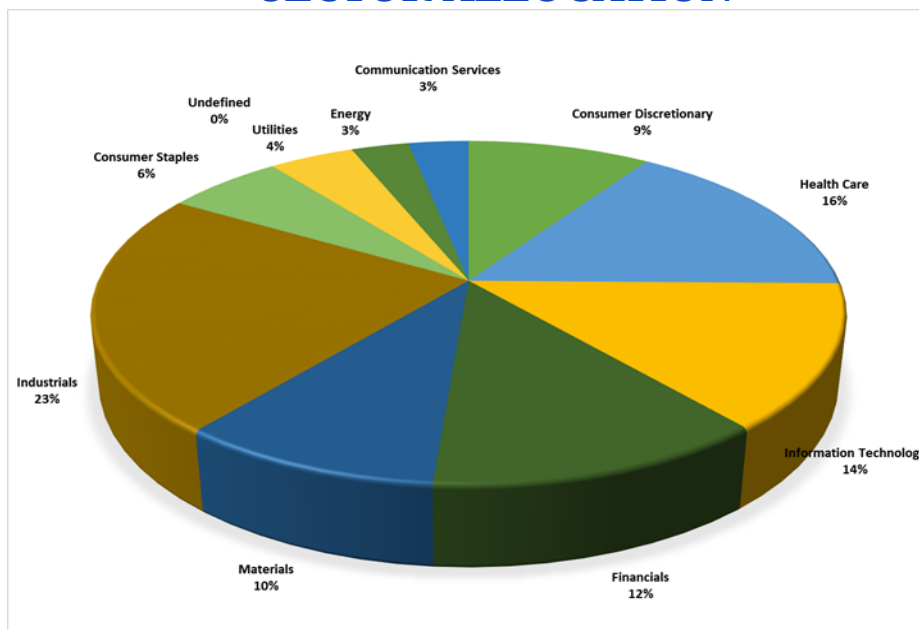
Portfolio Manager(s):

Robert Swift
Kevin Smith
Vinnie Esposito

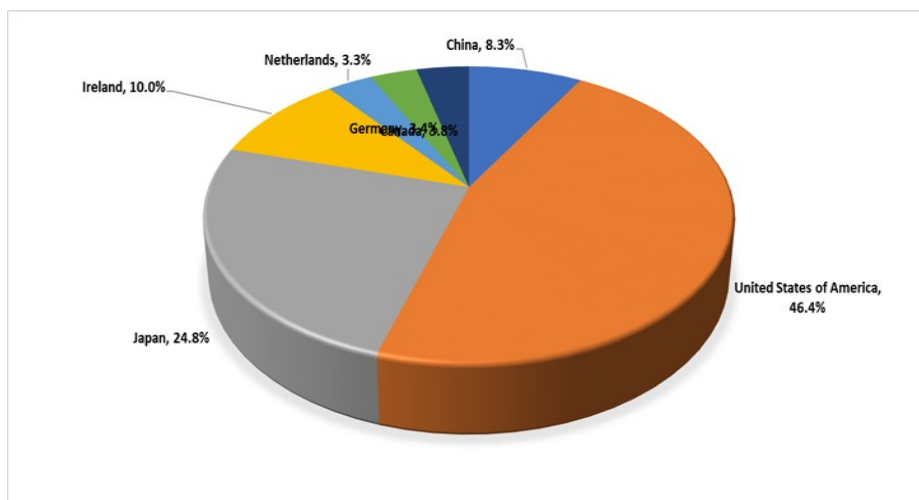
TEN LARGEST HOLDINGS

| Company Name | Region | Portfolio |
|-----------------------|---------|--------------|
| KLA Corp | America | 6.3% |
| Sony Group | Asia | 5.1% |
| Johnson Controls | America | 4.3% |
| Quest Diagnostics | America | 4.1% |
| The AES Corp | America | 4.1% |
| General Dynamics Corp | America | 4.0% |
| Emerson Electric Co | America | 4.0% |
| Anthem Inc | America | 4.0% |
| Seagate Technology | America | 4.0% |
| China Construction Bk | China | 3.9% |
| TOTAL | | 43.8% |

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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