Global Infrastructure

Strategy Update 30 September 2021

Global Investment Management

Delft Partners Global Infrastructure is a global equity strategy investing in listed infrastructure stocks including constituents of the digital economy.

We select between 40 and 60 stocks that possess a superior combination of preferred characteristics from a universe of over 400 securities.

Process highlights:-

- Governance quality is a key component of our research.
- Our experienced team utilises fundamentally based research in conjunction with quantitative models create the portfolio.
- Turnover is low reflecting our investment philosophy that inefficiencies are best identified with a long term perspective

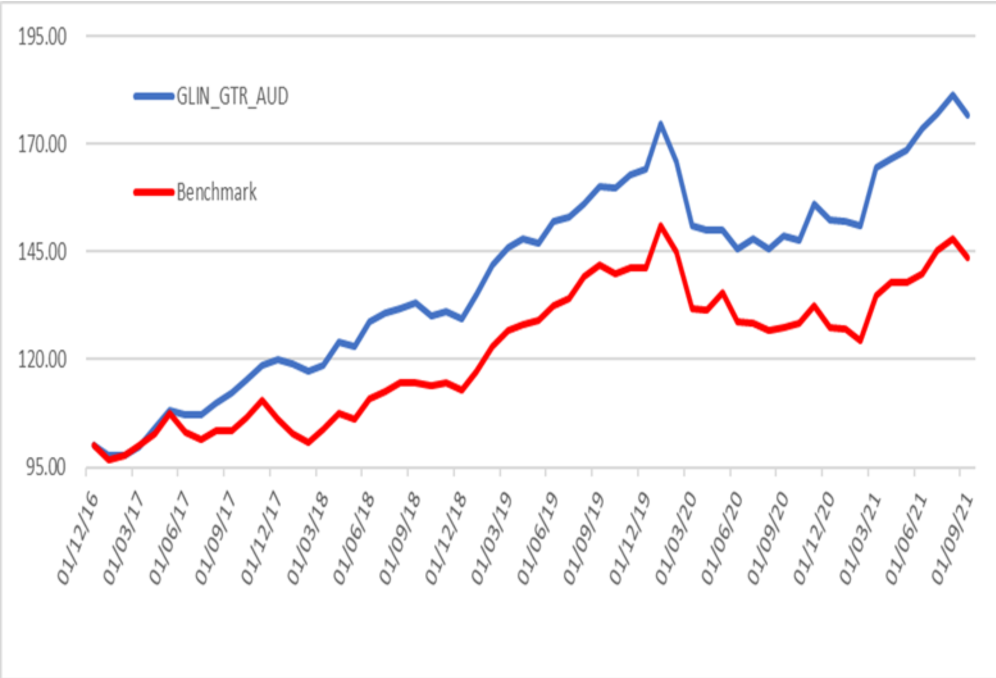
Benefits

- Income and some capital growth from attractively valued stocks in a period of renewed focus on the importance of infrastructure.
- Above benchmark and peer group performance.
- Investing in essential companies with lower Betas.
- Liquidity

For additional information please visit www.delftpartners.com

As at 30 Sep 2021	Portfolio
No. of securities	57
Wtd Avg Market cap	USD 49.8bn
Price/Earnings	15.7x
P/B	1.9x
Dividend Yield	3.9%
Return on Equity	14.8%
Active Risk (vs Bmk)	4.5% ex ante

Value of AUD 100 since inception



30 September 2021 A$	1 Month	3 Months	1 Year	3 Years p.a.	Since Inception
Portfolio*	-2.6%	1.8%	18.7%	9.9%	12.7%
Return vs. Benchmark	0.5%	-0.7%	5.4%	1.9%	4.5%

*Model and live Portfolio combined total return net of Interest Withholding Tax in AUD, gross of fees
Inception Date: 30 December 2016, Returns over 1 year are pa

PORTFOLIO REVIEW & MARKET UPDATE

- The strategy returned –2.1% in US$ for the 3rd quarter. In A$ +1.8% as the A$ declined against most currencies and the portfolio is unhedged.
- The backdrop to infrastructure remains positive and news flow supportive.
- Notable positive performers were NYK, Sumitomo Warehouse, Kunlun Energy and National Fuel Gas
- Problems in global logistics supply chains have provided a profitable back drop to our investments, but we took considerable profits in these stocks in September.
- We sold Fed Ex in the USA, NYK the Japanese shipping company, and reduced profitable positions for risk reasons, in Kunlun Energy, China Merchants Port Holdings, SITC, & China Longyuan Power.
- We diversified the portfolio by adding some more names and we now have over 55 holdings.
- We purchased NRG, OGE Energy, Entergy, WEC Energy, and NTT in Japan
- Carbon Neutral 2050 is admirable but not easy. Energy prices rose dramatically for a number of reasons and renewables are not (yet?) capable of meeting spikes in demand. Given the zeitgeist demanding 'Green' energy, we favour gas utilities and pipelines for our utility investments. Our judgement is that gas will be seen as a clean energy and that we will also see nuclear power debated as an option— as it should be.
- Regulatory risks are not confined to China. The Spanish government hinted at revisiting the prices for wind sourced electricity which has shot up in price in sympathy with gas prices. This hurt the share prices of Iberdrola and ENEL in Italy. These are difficult risks to predict but our guess is that the fiscally strapped European governments will be the most tempted.
- The portfolio remains well diversified across sectors and geographies.

DELFT PARTNERS

Global Investment Management

Global Infrastructure

Strategy Update 30 September 2021

The Strategy seeks diversified income sources and long-term capital appreciation through a broad range of infrastructure companies listed on global market exchanges.

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

Position sizes, sectoral and country weights are determined with the aid of sophisticated portfolio construction algorithms.

We ensure that the strategy pays equal attention to risk as to return. It is an actively managed strategy that is takes productive risk relative to a reference benchmark.

Benchmark(s):

Contact for suggested reference benchmark

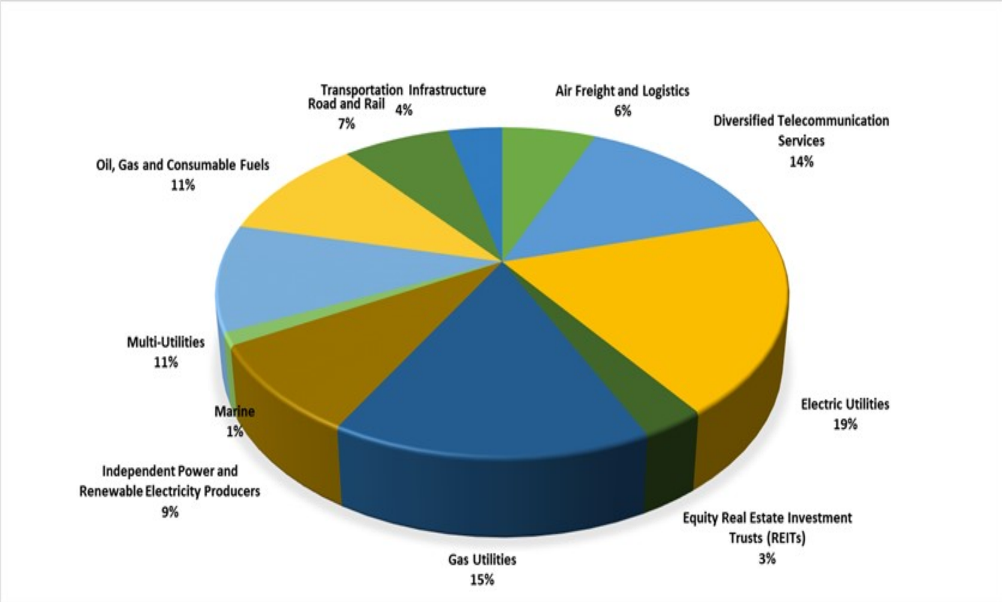
Investment Objective: Outperform the Benchmark by 3-5% pa over rolling 5 year time periods.

Portfolio Manager(s):

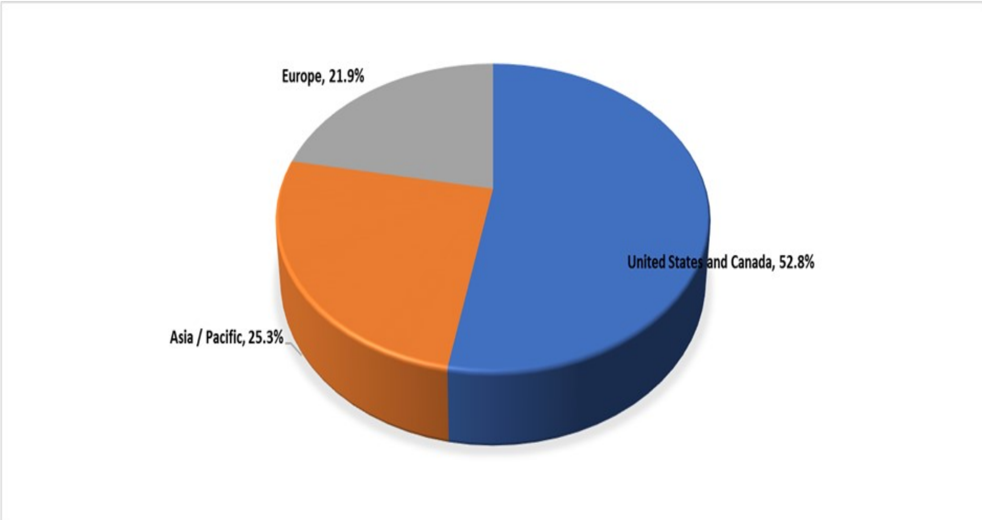
Robert Swift

Kevin Smith

SECTOR ALLOCATION



REGION ALLOCATION



TEN LARGEST HOLDINGS

COMPANY_NAME	REGION	WEIGHT
Verizon Communications Inc	USA	4.3%
China Resources Gas	Asia	4.2%
NTT	Japan	3.3%
Deutsche Post	Europe	2.9%
Nippon Express	Japan	2.7%
The Southern Co	USA	2.6%
AT&T	USA	2.5%
Kunlun Energy	Asia	2.5%
TransAlta Renewables	Canada	2.4%
Norfolk Southern	USA	2.3%
TOTAL		**29.7%**

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 Listed Infrastructure 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.

Contact us for further information.