Global Infrastructure

Strategy Update 31 Mar 2024

DELFT PARTNERS
GLOBAL INVESTMENT MANAGEMENT

Delft Partners Global Infrastructure invests in listed infrastructure stocks including constituents of the digital economy.

We select between 40 and 60 stocks from a universe of over 400 securities.

Process highlights:-

- Experienced team utilises fundamentally based research in conjunction with quantitative models to create the portfolio.
- Diversified by design by industry and geography.
- Turnover is low reflecting our investment philosophy that inefficiencies are best identified with a long term perspective.

Benefits

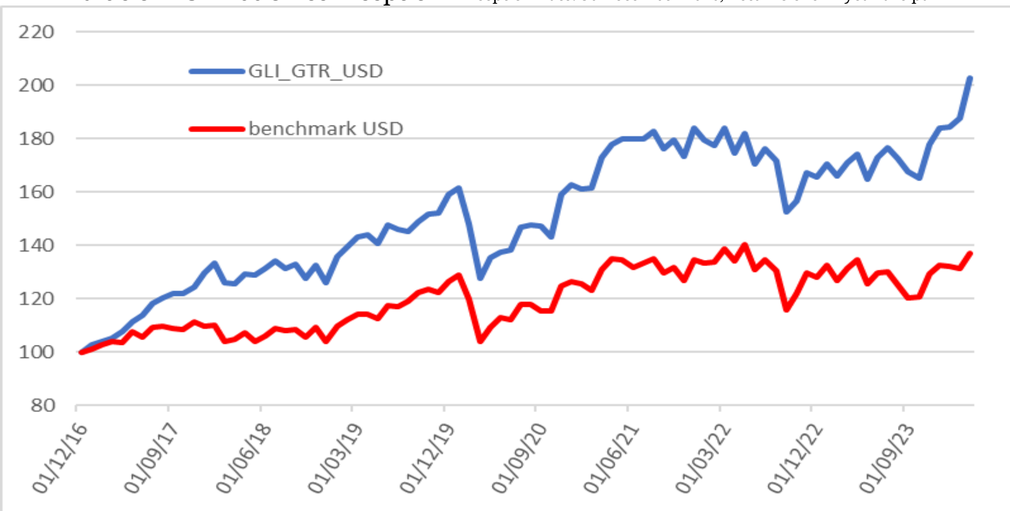
- Income and some capital growth from attractively valued stocks in a period of renewed focus on the importance of infrastructure.
- Investing in essential companies with lower Betas than general equity market indices.
- Liquidity for investors cf unlisted infrastructure strategies

For additional information please visit www.delftpartners.com

29 Mar 2024	Portfolio
No. of securities	57
Wtd Avg Market cap	US$ 44.6bn
Price/Earnings	12.3x
Price/Book	2.9x
Dividend Yield	3.7%
Price/Sales	1.9x
Active Risk (vs Bmk)	4.8%
PAR Score (Portfolio/Universe)	65/ 50

Tile images https://www.antiquetileshop.com

Value of AUD 100 since inception—Inception Date: 30 December 2016, Returns over 1 year are pa



Periods ended 31 Mar 2024	1 Month	3 Months	1 Year	3 Years	Inception
Portfolio*	5.0%	12.1%	18.6%	10.0%	11.4%
Return vs. Benchmark	+0.7%	+3.7%	+10.7%	+2.9%	+5.2%

*Portfolio total return net Interest Withholding Tax in AUD, gross of fees. Based on a live portfolio managed by that represents an expectation of returns. The returns will differ per account due to execution timing differences, account size and minimum lot constraints. This sheet provides general information only. Intended for wholesale professional investors in Australia only, and is not a recommendation for a product. Delft Partners operates as owner of API Capital Advisory P/L AFSL 329133

PORTFOLIO REVIEW & MARKET UPDATE

- World markets rose strongly in the 1st quarter. Bond yields which had been compressed by statements from The Fed in q4 2023, remained at their lower levels.
- Infrastructure themes and the clear evidence for supportive policy came to the fore. Regardless of who wins the elections in Europe and the USA, re-onshoring, the establishment of new supply chains, and energy security will be a priority and mean capital stock investment.
- Inflation has now been above 2% for almost 2 years, but given deposit outflows from banks, high debt servicing costs, and very high funding needs from profligate governments, effective rates will not go higher to reach 'the last mile'. Our central case remains that inflation is perceived as preferable to a severe asset price correction caused by continued QT. This will provide a tailwind to real assets such as owned by infrastructure companies.
- We expect the yield curve to steepen and do not know yet whether bull or bear. We think we are close to one of those inflexion points when normality is suspended, we move to a new paradigm, and volatility rises.
- Japan continued its outperformance which is pleasing since we have been advocating owning certain stocks in this market for a while. The Yen remained at depressed levels despite the stated end of Yield Curve Control and zero rates. Some Japanese utilities are net cash and we anticipate strong dividend growth from these.
- Bought XCEL, DTE, CNP, K&O Energy—all utilities, to reduce our short duration risk in the portfolio. We sold SNAM, E.ON and reduced PWR.
- For industry and regional weightings please visit our website. https://www.delftpartners.com/actively-managed-strategies.html