DELFT PARTNERS
Global Investment Management

Asia Small Companies

Strategy Update 30 June 2020

Delft Partners Asia Small Companies strategy invests in small to medium size companies in the Asia region.

We select between 60 and 80 stocks that possess a superior combination of our preferred characteristics from a universe of over 3,000 securities.

- ESG is a key component of our fundamental research.
- We do not invest in companies where we believe poor Governance is likely to penalise shareholders.
- We do consider investing where our ESG assessment is likely to improve.
- Where possible we verify our portfolio ESG exposure relative to benchmarks with a quantitative score.

Benefits

A high quality investment approach that provides access to the dynamic Asian small company universe with a proven ESG compliant process.

For additional information please visit www.delftpartners.com

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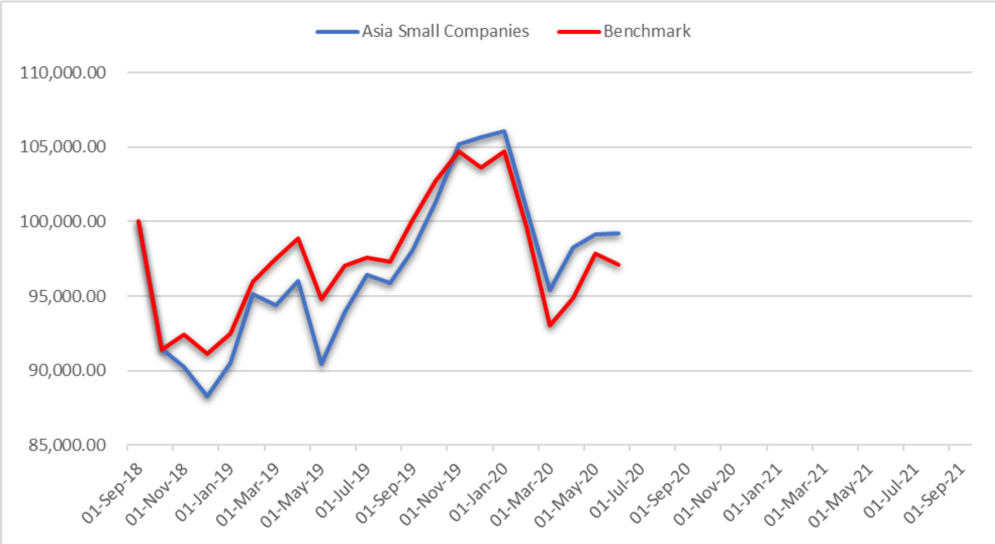
30 June 2020	Portfolio
No. of Securities	75
Weighted Average Market Capitalisation	USD 3.2bn
Forward Price/ Earnings	12.5x
Price/Book	1.0x
Dividend Yield	3.4%
Ex Post Tracking Error	5.0%

PERFORMANCE*

Value of AUD 100,000 since inception



Periods ended 30 June 2020	3 Months	6 Months	1 Year	Since Inception
Portfolio*	+4.0%	-6.1%	+5.6%	-0.8%
Benchmark^	+4.4%	-6.3%	+0.1%	-2.9%
Active	-0.4%	+0.2%	+5.5%	+2.2%

*Total return based on the Tamim Fund in AUD gross of fees.
^Strategy Benchmark is MSCI AC Asia SMID Index NTR, Inception Date: 28 September 2018

PORTFOLIO REVIEW & MARKET UPDATE

With stock markets around the world continuing to anticipate a recovery in economic activity as Covid-19 lockdown restrictions are eased, Asian small to mid-sized equities increased during the quarter by 17.4% in US dollar terms. The recovery in Asian markets was offset by strength in the Australian currency, which restricted the index return to 4.4% in AUD terms. The fund slightly lagged behind the index rising 4.0% during the quarter. Over the year to end June 2020 the fund was well ahead of the index, rising 5.6% versus the index that increased by just 0.1% in AUD terms.

Political tension between the United States and China continued to build during the quarter, President Trump and senior members of his administration have been more vocal in blaming China for the Covid-19 pandemic. Some of the market volatility in the latter stages of the quarter was generated by mixed messages from the White House and concerns regarding the state of the "Phase One" trade deal with China.

Following a period of low turnover for us in April and May, June was a month of high activity as we adjusted some of the sector weights and expanded the number of holdings from 62 to 75. We reduced over overweight in the information technology sector by taking profits in Advantest and NEC Networks, both of which had performed well in the current year. We added seven new Chinese companies, six Japanese companies and one new position in Taiwan. These purchases increased portfolio exposure to the consumer, health care and materials sectors.

Our strongest stock during the quarter was Japanese housebuilder Open House which bounced by 66% from the end of March low bringing the year to date return to 15%. Open House is now the largest stock in the portfolio with a weighting of 3.1%. Open House specialises in affordable single -family homes in urban markets and has an attractive combination of a single figure price earnings rating, strong return on equity and double digits earnings growth. The worst performer in the portfolio during the quarter was Champion REIT in Hong Kong which fell 14% on the resumption of the protest movement, the shares now yield 7% net and trade at a discount of 63% to the underlying value of assets. We are retaining our position in Champion REIT.

We will continue to invest in Asian small to mid-sized companies with strong value, momentum and quality attributes together with accounting, strategy and governance standards that meet our requirements.

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Strategy Update 30 JUNE 2020

The Strategy seeks long-term capital appreciation by investing in small to medium capitalisation listed Asian companies.

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.

Our value-oriented approach pays careful attention to position sizes, sectoral and country weights. The strategy currently focuses on equities in Japan, China, Hong Kong, Taiwan, South Korea and Singapore.

We ensure that the strategy pays equal attention to risk as to return. It is an actively managed strategy that is meaningfully different from the index.

Benchmark:

MSCI All Country Asia SMID Index Net Total Return

Investment Objective:

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

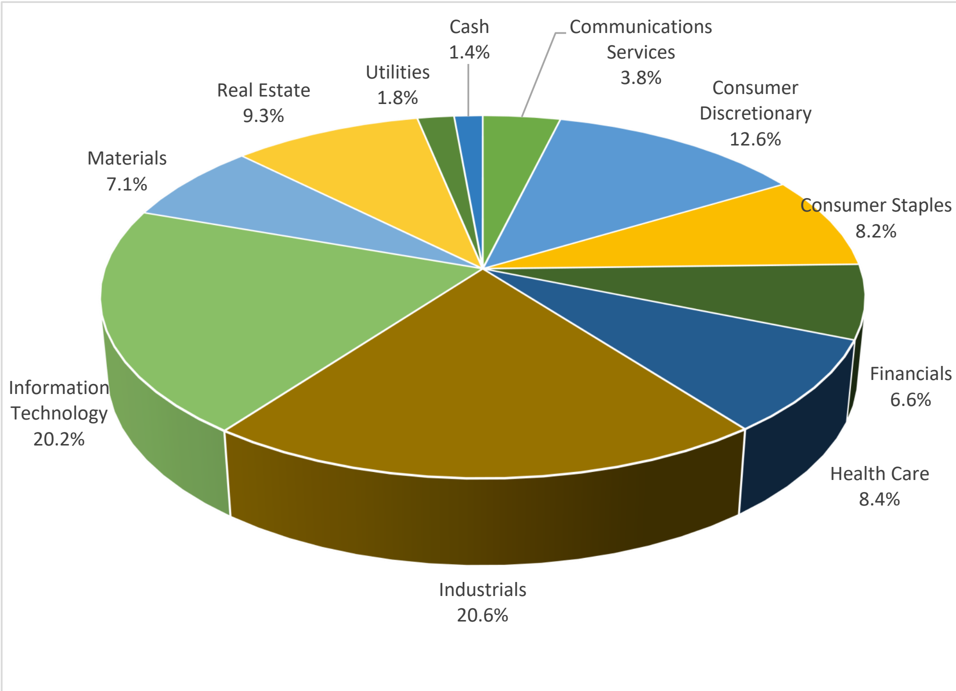
Portfolio Managers:

Kevin Smith

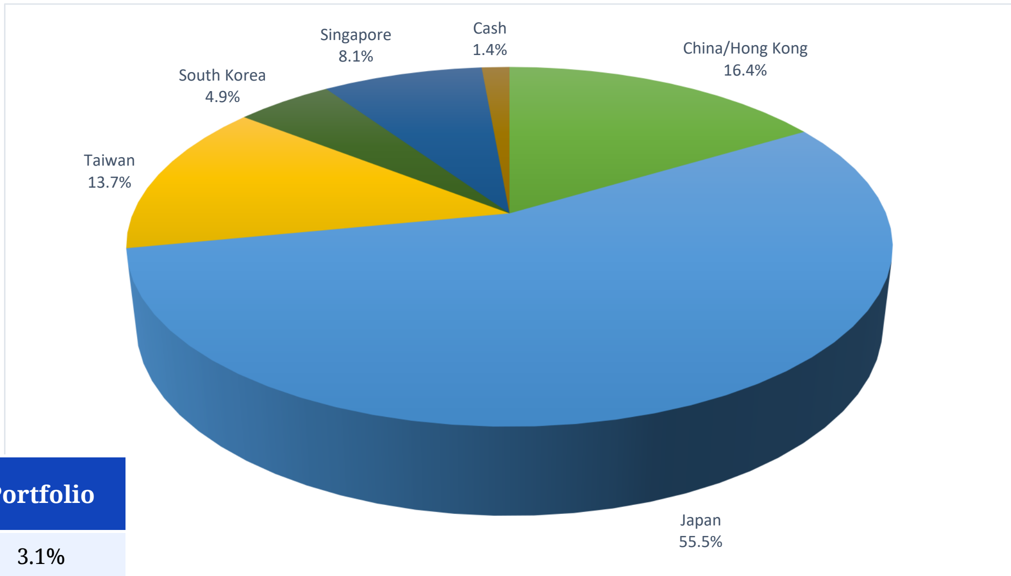
Robert Swift

Karl Hunt

SECTOR ALLOCATION



COUNTRY ALLOCATION



TEN LARGEST HOLDINGS

Company Name	Country	Portfolio
Open House Co	Japan	3.1%
K's Holdings Corporation	Japan	3.0%
Sawai Pharmaceutical Co	Japan	2.7%
Sheng Siong Group Ltd	Singapore	2.2%
Sugi Holdings	Japan	2.1%
Advantest Corporation	Japan	2.0%
NOF Corporation	Japan	2.0%
Simplo Technology Co	Taiwan	1.9%
Kyowa Exeo Corporation	Japan	1.9%
China Lesso Group	China/HK	1.9%
TOTAL		**22.8%**

Important note: Delft Partners Asia Small Companies strategy is offered through the Asia Small Companies class of the Tamim Fund. **https://www.tamim.com.au/asiasmallcompanies.html**

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