



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

We select c. 30 stocks that possess our preferred characteristics, from a universe of over 2,000 securities.

- 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 verify our relative portfolio ESG exposure with a quantitative score from Refinitiv.

### Benefits

- Capital appreciation and dividends from attractively valued stocks
- Consistent application of process and ESG principles
- Above market and peer group performance

For additional information please visit [www.delftpartners.com](http://www.delftpartners.com)

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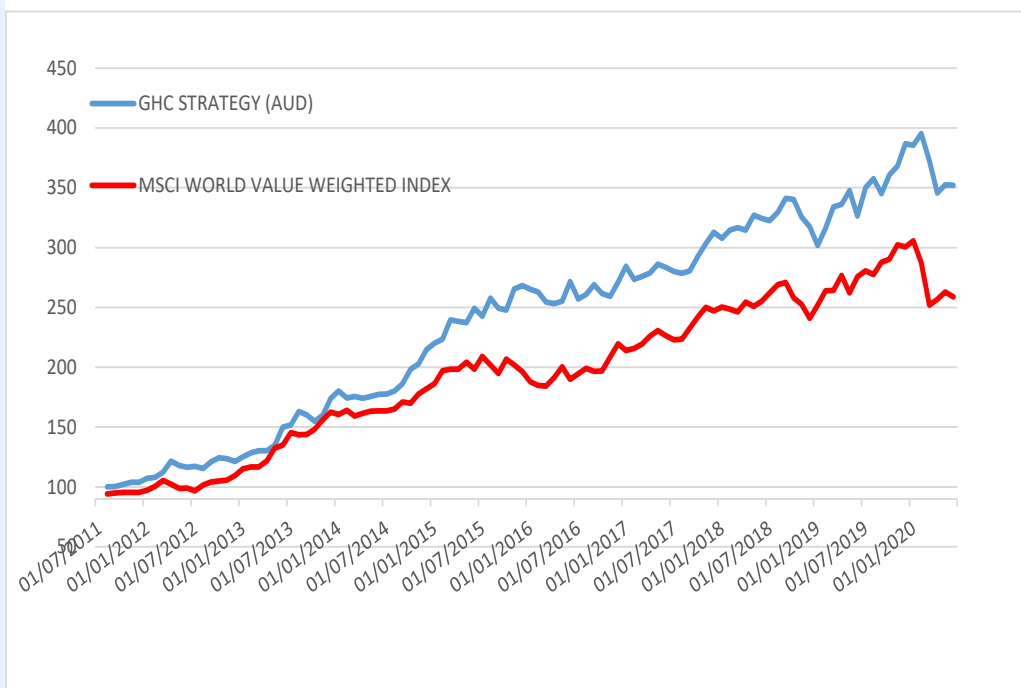
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30 June 2020	Portfolio
No. of securities	30
Wtd Avg Market cap	USD 80.4bn
Price/Earnings	14.1x
Price/Book	0.4x
Dividend Yield	2.9%
Return on Capital	11.4%
Active Risk (vs Bmk)	5.1%
ESG Score* (Portfolio/Universe)	61 / 49

\* Source: Refinitiv ESG Data

### PERFORMANCE\* Value of AUD 100 Since inception



Periods ended 30 June 2020	3 Months	1 Year	3 Years	5 Years	Inception
Portfolio*	0.50%	-9.90%	+7.45%	+7.45%	+14.99%
Benchmark^	2.74%	-13.87%	+4.58%	+5.46%	+11.25%
Active	-2.18%	+4.61%	+2.74%	+1.89%	+3.36%

\*Portfolio total return net Interest Withholding Tax in AUD, gross of fees.

^Strategy Benchmark is MSCI World Value Weighted Index NTR, Inception Date: 15 July 2011.

### PORTFOLIO REVIEW & MARKET UPDATE

- World markets rebounded strongly as central banks provided virtually unlimited free money.
- They have signalled this support will continue and markets will remain elevated relative to current and future earnings, while they believe this promise can be honoured.
- The philosophy of not timing market exposure helped us capture much of this rebound.
- Forecasting near term earnings is almost impossible. We remain very diversified with underweight positions in banks and oils; and overweight positions in 'true technology' companies such as KLA Tencor. We like Japan and Asia which performed strongly in the bounce.
- The EU had a set back when the Bundesbank was deemed to have acted inappropriately by buying too much ECB sponsored debt. If the resultant political argument accelerates fiscal consolidation in Europe it will be very positive. Don't hold your breath.
- The USA and China provided more global political tension. China has decided that the 1997 agreement regarding Hong Kong need no longer be honoured. A unified global response would be welcome but accelerate a return to 'national industrial policy settings', whereby supply chains once again become less global, less efficient, but more robust.
- We sold Cisco and reinvested in Ciena Corp in the USA. We also sold Celanese Corp and reinvested into Bristol Myers, the USA based pharmaceutical company which appears to have digested its acquisition of Celgene well and is building a strong oncology pipeline.
- Notable price changes in the quarter came from Hong Kong Exchange, KLA Tencor and General Mills
- We remain unhedged for AUD\$ based investors.



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):

MSCI World Value Weighted Index (AUD\$)

MSCI World Net (AUD\$)

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

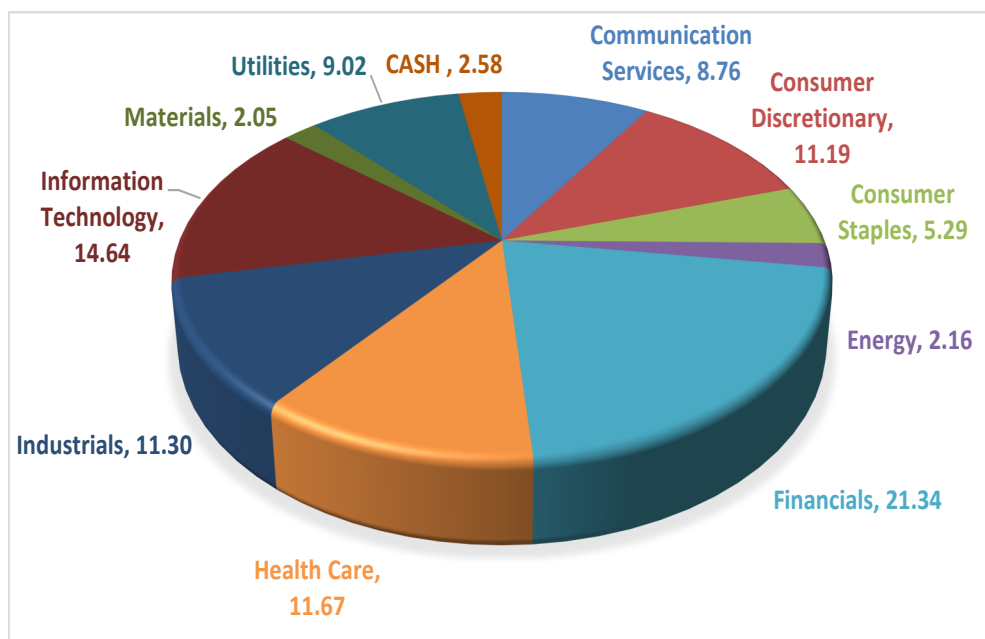
### Portfolio Manager(s):

Robert Swift

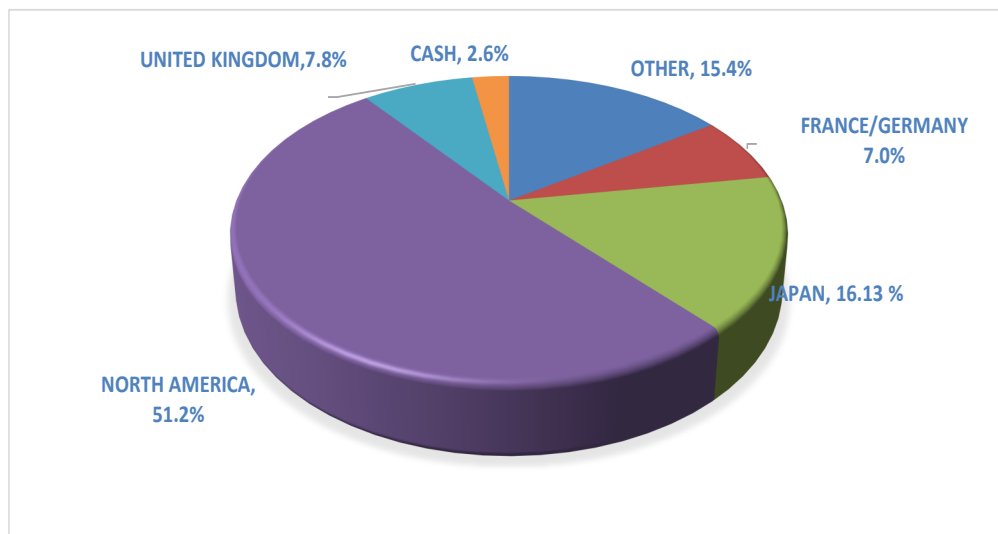
Karl Hunt

Kevin Smith

## SECTOR ALLOCATION



## REGIONAL ALLOCATION



## TEN LARGEST HOLDINGS

Company Name	Country	Portfolio
KLA Tencor	USA	5.9%
General Mills	USA	5.3%
Alibaba Group	China	5.2%
Intel	USA	4.7%
Sony Corp	Japan	4.4%
Gilead Sciences	USA	4.2%
Anthem	USA	4.2%
Verizon Communications	USA	4.2%
Legal & General	UK	4.1%
Ciena Corp	USA	4.0%
<b>TOTAL</b>		<b>46.2%</b>

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 model portfolio. Delft tile images are provided by Regts Antique Tiles  
<https://www.antiquetileshop.com>

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