



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)

### Or contact us:

Robert Swift,  
[robert.swift@delftpartners.com](mailto:robert.swift@delftpartners.com)

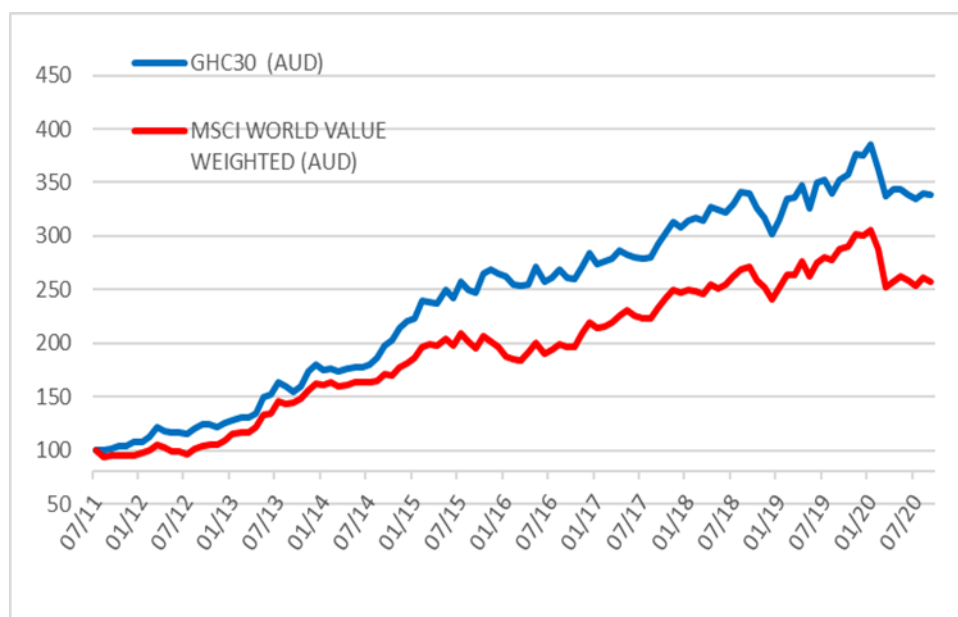
Dugald Ross,  
[Dugald.Ross@delftpartners.com](mailto:Dugald.Ross@delftpartners.com)

Kevin Smith,  
[kevin.smith@delftpartners.com](mailto:kevin.smith@delftpartners.com)

30 Sep 2020	Portfolio
No. of securities	30
Wtd Avg Market cap	USD 80.4bn
Price/Earnings	14.1x
Price/Book	2.3x
Dividend Yield	2.9%
Return on Capital	11.4%
Active Risk (vs Bmk)	5.4%
ESG Score* (Portfolio/Universe)	61 / 49

\* Source: Refinitiv ESG Data

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



Periods ended 30 Sep 2020	3 Months	1 Year	3 Years	5 Years	Inception
Portfolio*	0.16%	-3.7%	5.0%	6.5%	14.3%
Benchmark^	-0.69%	-10.7%	3.3%	5.7%	10.8%
Active	0.85%	6.9%	1.7%	0.8%	3.4%

\*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 were volatile but rose during the quarter. Risk assets remain at elevated levels relative to current and future earnings, while investors believe zero interest rates are appropriate and possible to maintain
- Inflation is coming and frankly already here, but not measured accurately by the CPI although the PCE measure a more accurate gauge, IS rising strongly.
- Bonds especially long duration bonds performed well but are approaching danger levels.
- 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 and healthcare. We like Japan and Asia on valuation, fiscal resilience and improving governance. USA banks have again been told to suspend buy backs and restrain dividends.
- The EU has gone somewhat quiet on the idea of debt mutualisation. Brexit is the focus and the Brits appear to have discovered the art of negotiating. The outlook remains poor for European profits notwithstanding the 'cheap' market.
- We sold AXA and Veolia in Europe and reinvested in Heidelberg Cement in Europe and Shin-Etsu Chemical in Japan.
- Notable performers included AES, a US utility company, Alibaba, the US listed Chinese social media/e-commerce business., and NTT DoCoMo which received a takeover bid from its parent company at a 30% premium.
- 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.

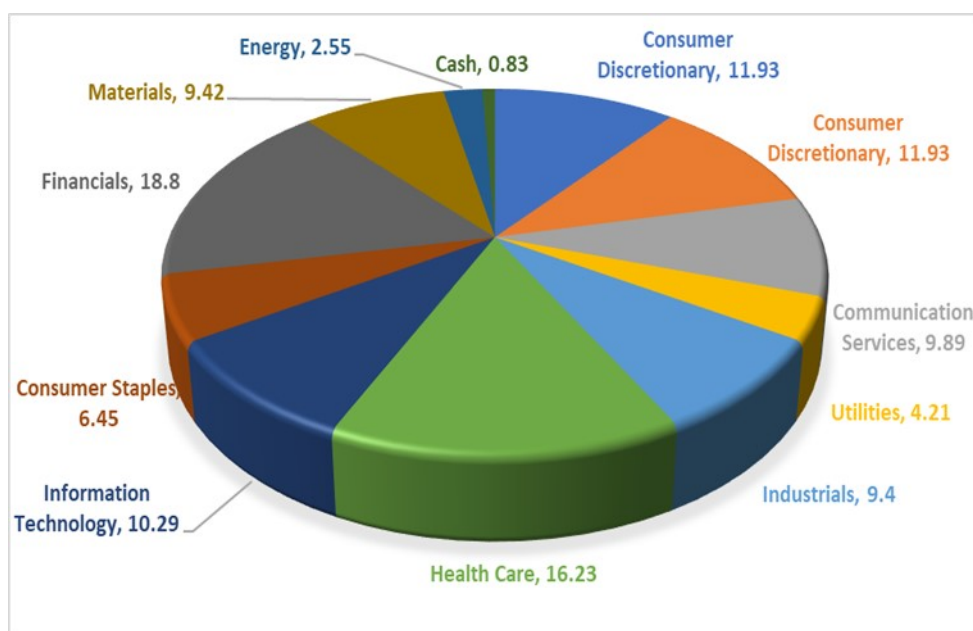
### Portfolio Manager(s):

Robert Swift

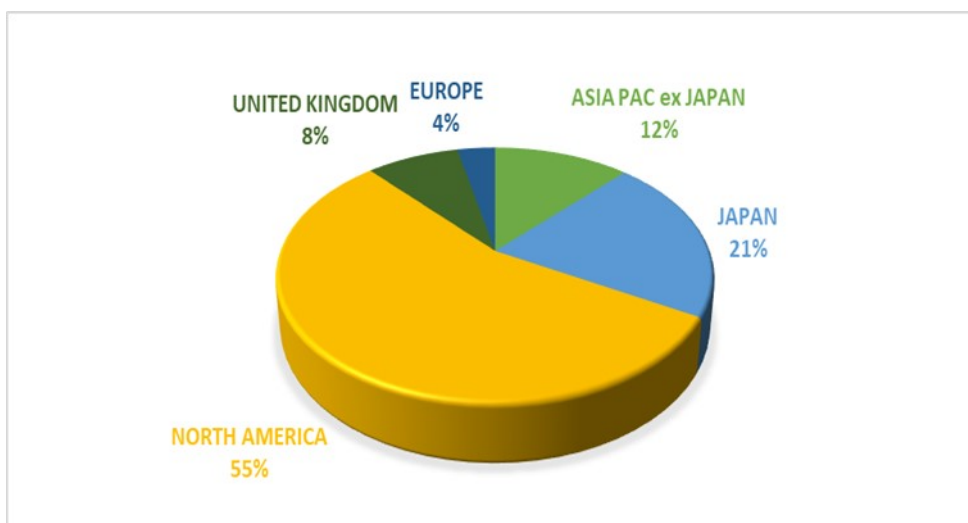
Karl Hunt

Kevin Smith

## SECTOR ALLOCATION



## REGIONAL ALLOCATION



## TEN LARGEST HOLDINGS

Company Name	Country	Portfolio
Shin-Etsu Chemical	Japan	5.5%
Alibaba Group	China	5.3%
Verizon Communications	USA	4.6%
AES	USA	4.4%
Anthem	USA	4.1%
KLAC	USA	4.1%
Intel	USA	4.1%
Itochu	Japan	4.1%
General Mills	USA	3.9%
Ping An	China	3.8%
<b>TOTAL</b>		<b>43.9%</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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