



Delft Partners Global Alpha Plus (GAP) is a diversified portfolio that invests in companies listed on the world's major developed market exchanges identified through our VMQ stock selection process.

The model portfolio of 150–250 stocks is created by optimising active returns against investment strategy Beta constraints in combination with fundamental and ESG oversight of stock selection.

The investment objective is to add alpha to the MSCI World Value Weighted Index while delivering the Beta return.

BENEFITS

- A portfolio solution to better A portfolio solution to capture preferred “smart” Beta factors.
- Strong long term strategy return improvement, Delft Partners “Alpha Plus”, in addition to the returns from the strategy Betas.
- Greater flexibility, where we can agree strategy holding update terms and clients carry out portfolio implementation

For additional information please visit www.delftpartners.com

Or contact us:

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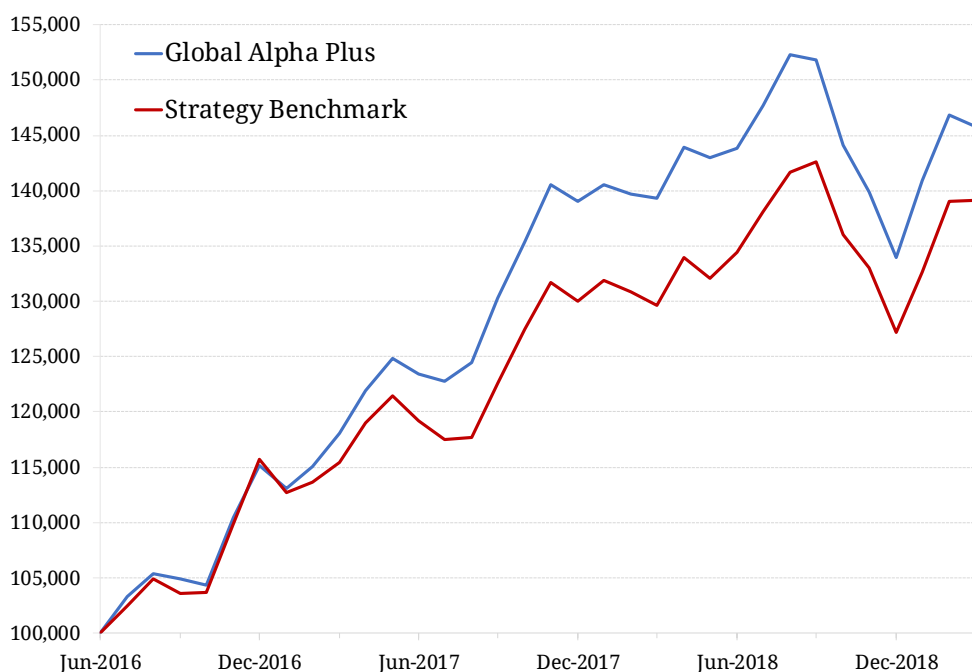
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As at 29 Mar 2019	Portfolio
No. of securities	230
Wtd Avg Market cap	USD 61.5bn
Price/Earnings	10.6x
Price/Book	1.6x
Dividend Yield	3.8%
Return on Equity	21.9%
Active Risk (vs Bmk)	1.8% pa
Factor/Asset % of active risk	30% / 70%
Beta R ² (since inception)	0.94

PERFORMANCE*

Value of AUD 100,000 since inception



Periods ended 29 Mar 2019	3 Months	YTD	1 Year	2 Years	Since Inception
Portfolio*	+8.8%	+8.8%	+4.6%	+11.1%	+14.7%
Benchmark^	+9.4%	+9.4%	+7.3%	+9.8%	+12.8%
Active	-0.6%	-0.6%	-2.7%	+1.3%	+1.9%

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

^Strategy Benchmark is MSCI World Value Weighted Index NTR, Inception Date: 30 June 2016, Returns over 1 year are pa

PORTFOLIO REVIEW & MARKET UPDATE

- World markets staged a good recovery in Q1 following the heavy sell off at the end of 2018 on recessionary and valuation concerns.
- As events unfolded it became clearer that though a slowdown in world growth was occurring, a recession was not imminent. Further positive noises from the China-USA trade talks suggest that a deal is likely in the near future.
- The Strategy aims to deliver the returns of a preferred set of factor elements with superior long run outcomes to the smart beta target. This is achieved through thorough evaluation of sources of active risk and delivering the factor elements through stocks with better representation of value, momentum and quality factor elements. It currently holds 230 stocks out of the 1640 in the strategy benchmark.
- Over 70% of the tracking error is estimated to come from stock specific exposure. We believe this more efficiently delivers the factor return. This risk preference is more than likely to produce long run positive active returns. We remain fully invested in the portfolio and unhedged for AUD based investors.
- The strategy is offered on a model portfolio basis and can be implemented by professional investors according to their own regulatory and client requirements.



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.

We rank stocks quantitatively based upon their attributes to Value, Momentum and Quality (VMQ) factors.

We build portfolios by trading off the expected returns on the VMQ scale against the main investment objective of delivering the strategy Betas.

We constrain the active risk to be mostly stock specific.

This approach results in "smarter portfolios" - **Alpha Plus** smart beta.

Benchmark(s):

MSCI World Value Weighted Index

Investment Objective: Outperform the Benchmark by 2-4% pa over rolling 5 year time periods.

Portfolio Manager(s):

Robert Swift

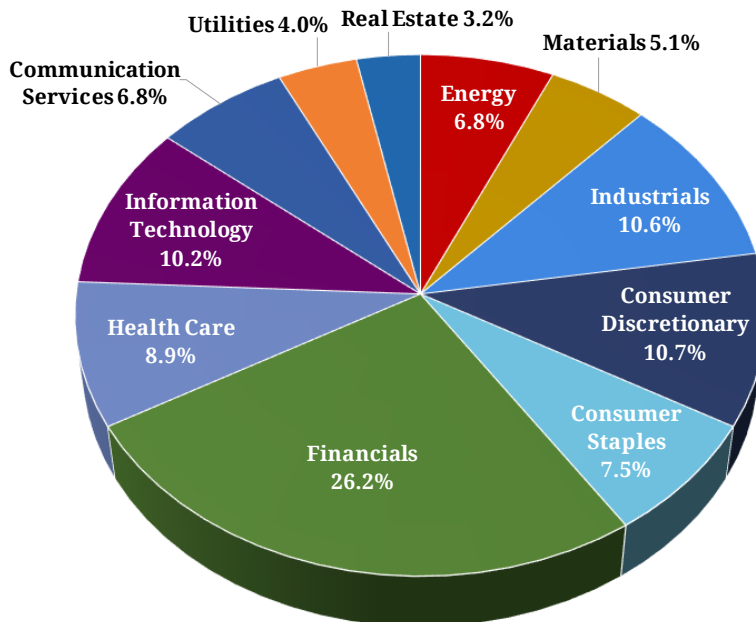
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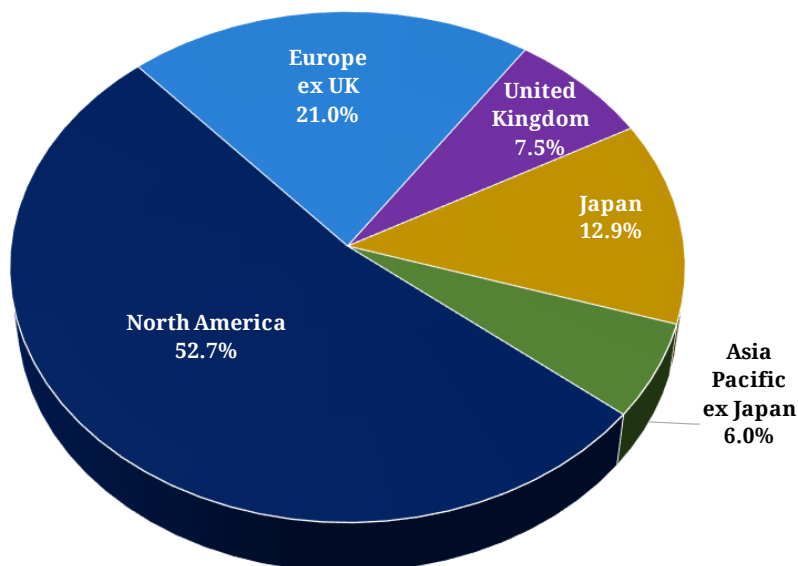
TEN LARGEST HOLDINGS

Company Name	Country	Portfolio
Apple Inc	USA	1.6%
Verizon Comm. Inc	USA	1.2%
Total SA	France	1.1%
Intel Corp	USA	1.0%
Mitsubishi UFJ Fin.Grp	Japan	0.9%
Cisco Systems Inc	USA	0.9%
Mizuho Financial Group	Japan	0.9%
Pfizer Inc	USA	0.9%
Gilead Sciences Inc	USA	0.8%
BP plc	UK	0.8%
TOTAL		10.1%

SECTOR ALLOCATION



REGION ALLOCATION



Important note: Performance results are gross of fees and portfolio holdings shown in this fact sheet are based on the model portfolio which is currently offered through Delft Partners Model Portfolio Service. Contact us for further information. Delft tile images are provided by Regts Antique Tiles <https://www.antiquetileshop.com>

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