



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

We select between 20 and 30 stocks that possess a superior combination of preferred characteristics from a universe of over 2,000 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 attractively valued stocks in the strategy universe with a proven ESG compliant process.
- Above market and peer group performance

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

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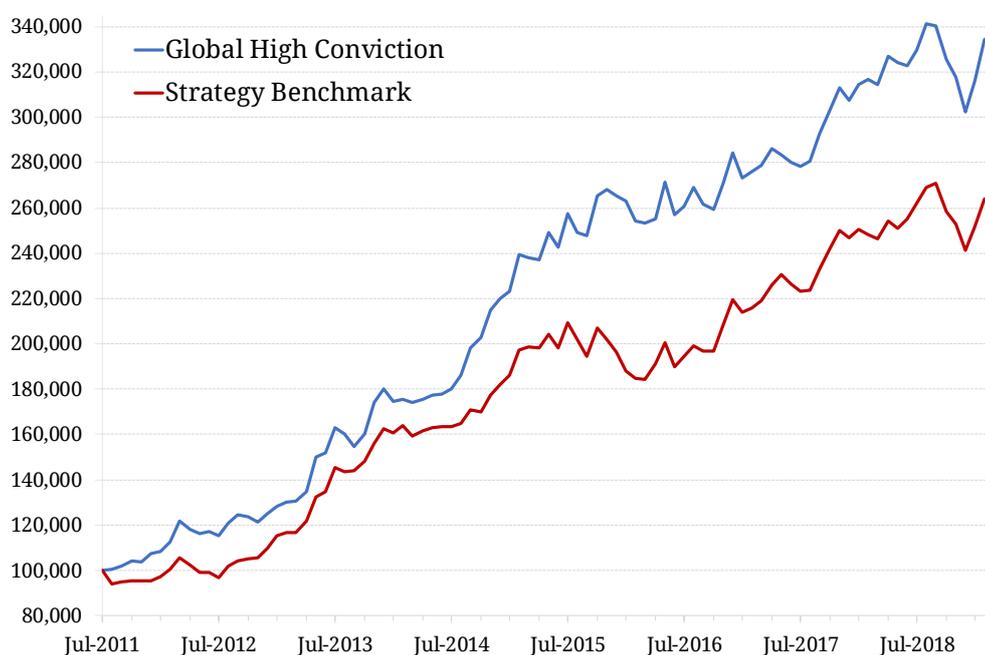
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As at 31 Mar 2019	Portfolio
No. of securities	30
Wtd Avg Market cap	USD 109.5bn
Price/Earnings	10.3x
Price/Book	1.9x
Dividend Yield	3.6%
Return on Equity	27.8%
Active Risk (vs Bmk)	4.2% pa
ESG Score* (Portfolio/Universe)	71.0 / 69.3

### PERFORMANCE\*

Value of AUD 100,000 since inception



Periods ended 31 Mar 2019	3 Months	1 Year	3 Years	5 Years	Since Inception
Portfolio*	+11.1%	+6.8%	+9.9%	+14.0%	+17.1%
Benchmark^	+9.4%	+7.3%	+12.7%	+10.6%	+13.5%
Active	+1.7%	-0.5%	-2.8%	+3.4%	+3.6%

\*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 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.
- China's growth — and therefore the rest of Asia's growth — has been a concern for some time, with outright contraction in some sectors like Autos. The government has introduced some measures; these together with the trade talks have lifted the markets in the region. However it remains unclear whether we have seen the worst in Chinese economic performance.
- Europe remains the biggest concern to us. It has barely recovered from the 2009 Financial Crisis. The rigid one currency fits all policy of the Euro is the main culprit along with other rigidities in many economies. For instance the ability to turnover and redeploy workers make companies reluctant to hire in the first place. Brexit of course continues to overshadow the Continent and the path to resolution is still unclear at the time of writing.
- During the period we purchased General Mills, an attractively valued US food producer, selling Evonik Industries in Germany, increasing North American and Consumer Staples exposure. We also traded Subaru for Sony Corporation in Japan and Dow DuPont for KLA Tencor in USA increasing exposure to Information Technology. We remain fully invested in the portfolio and unhedged for AUD based investors.



The Strategy seeks long-term capital appreciation by investing in industry leading companies listed on market exchanges around the world.

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.

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(s):

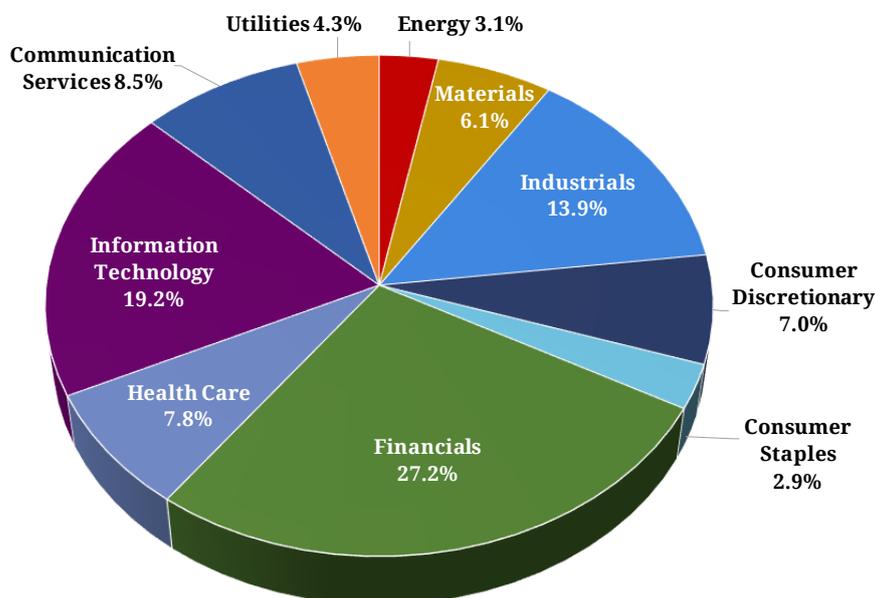
MSCI World Value Weighted Index

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

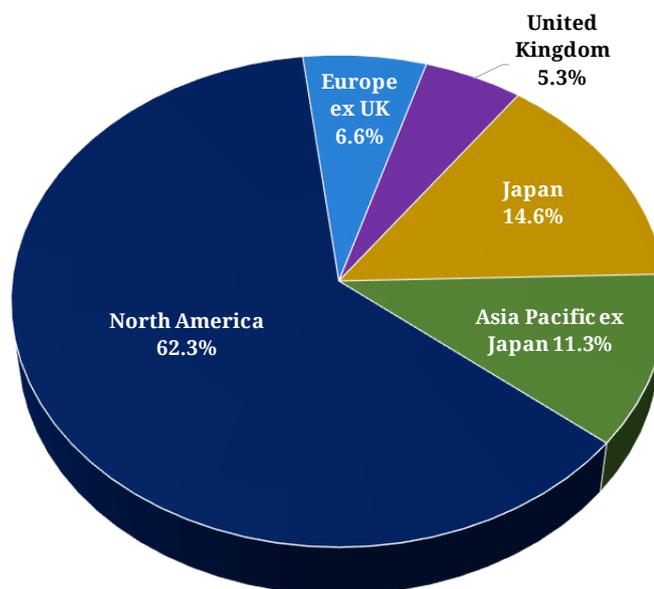
### Portfolio Manager(s):

Robert Swift  
Roger McIntosh  
Karl Hunt

## SECTOR ALLOCATION



## REGION ALLOCATION



## TEN LARGEST HOLDINGS

Company Name	Country	Portfolio
Legal & General Group	UK	5.2%
Verizon Communications	USA	4.9%
Apple Inc	USA	4.6%
Caterpillar Inc	USA	4.3%
AES Corporation	USA	4.3%
Cisco Systems Inc	USA	4.2%
Intel Corporation	USA	4.1%
Ping An Insurance Group	China	4.1%
Gilead Sciences Inc	USA	3.9%
Manulife Financial Corp	Canada	3.8%
<b>TOTAL</b>		<b>43.4%</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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