

Asia Small Companies

Strategy Update 31 December 2021



Value of AUD 100,000 since inception

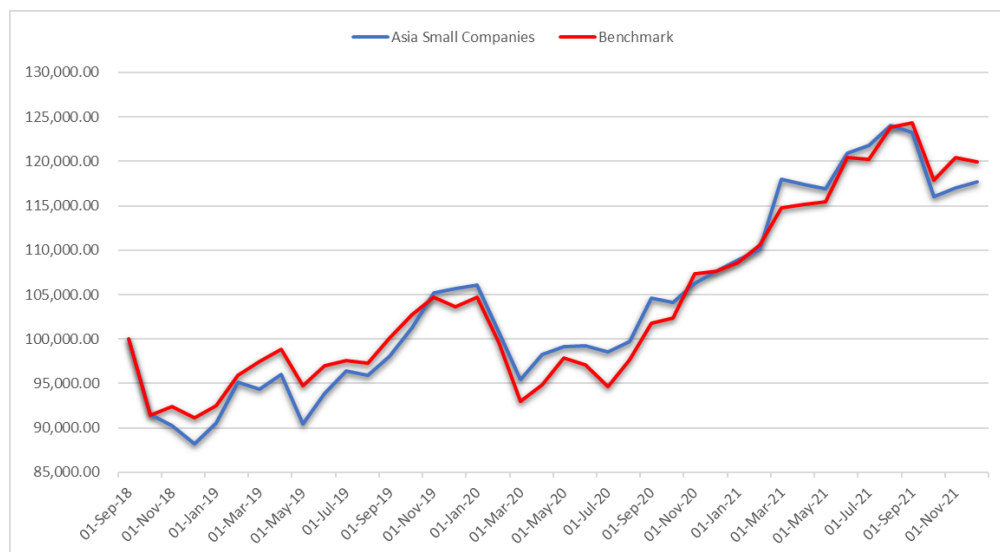
Delft Partners Asia Small Companies strategy invests in small to medium size companies in the Asia region. We select between 60 and 80 stocks that possess a superior combination of our preferred characteristics from a universe of over 3,000 securities.

- We invest in six major markets in the region and ten 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 have a moderate value bias preferring to pay less for future earnings and dividends if we can identify a catalyst.

Benefits

- A high quality investment approach that provides access to the dynamic Asian small and mid-sized companies universe.
- Capital appreciation and dividends from attractively valued stocks.
- Consistent application of a proven investment process.

For additional information please visit www.delftpartners.com



Periods ended 31 Dec 2021	3 Months	1 Year	2 Years**	Since Inception**
Portfolio*	-4.5%	+10.5%	+6.1%	+5.5%
Return vs. Benchmark	-1.0%	-0.9%	-1.4%	-0.3%

*Total return based on the Tamim Fund in AUD gross of fees

**Annualised returns

PORTFOLIO REVIEW & MARKET UPDATE

Asian equity markets for small to mid-sized stocks in December ended the quarter down 3.8% in USD terms and down 3.5% in AUD terms. The strongest country in our universe was Taiwan up 12.8% followed by Singapore up 1.4%, the remaining markets in our region declined, the weakest being Japan down 7.1%.

At the end of December Taiwan's President Tsai Ing-wen called on Beijing to curb their military expansion policy stating that both China and Taiwan "shoulder the responsibility of maintaining regional peace and stability." Tsai indicated that Taiwan will not cave when facing pressure from Beijing. A day prior to President Tsai's comments, President Xi Jinping reiterated his desire for unification under his long-term vision of realising the "great rejuvenation of the Chinese nation." The relationship between China and Taiwan remains the biggest risk facing equity markets in the region. The market in Taiwan showed a surprising amount of strength with a double digit percentage gain in the face of ongoing tension with China, the market in China fell 6.8% in the same period.

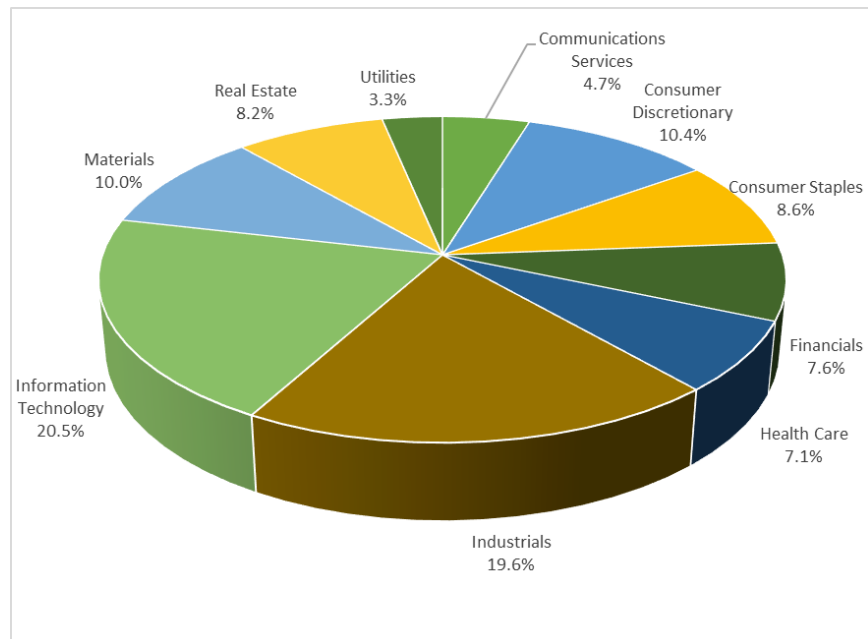
Japan reported a sharp rise in factory output up 7.2% from the previous month, the largest monthly increase since 2013, a result that was well ahead of expectations. Within that number car production increased by 43.1% over the previous month. Towards the end of December Japan's cabinet approved a draft budget of 107.6 trillion yen equivalent to USD 940 billion, the largest ever spend planned by the government. Prime Minister Fumio Kishida is enjoying a good start to his term in office with an approval rating of 65%, an increase of four percentage points in the poll conducted by Nikkei and TV Tokyo. Improving numbers in the economy and better political stability have not helped the equity market which recorded a decline of 2.3% for the 2021 year.

The market in South Korea fell 2.9% during the quarter despite the economy delivering robust growth of exports for 2021, rising by 25.8% the fastest pace in more than a decade following consecutive years of declines. Exports of semiconductors increased by 29%, petrochemicals by 54.8% and steel by 37.0%. The European Union showed the strongest growth rate for Korean products rising by 33.9%, outpacing the United States at 29.4% growth and China (the largest market for Korean exports) which increased by 22.9%. Exports of \$60.4 billion in December was a record individual monthly number helped by semiconductor sales that increased by more than 35%.

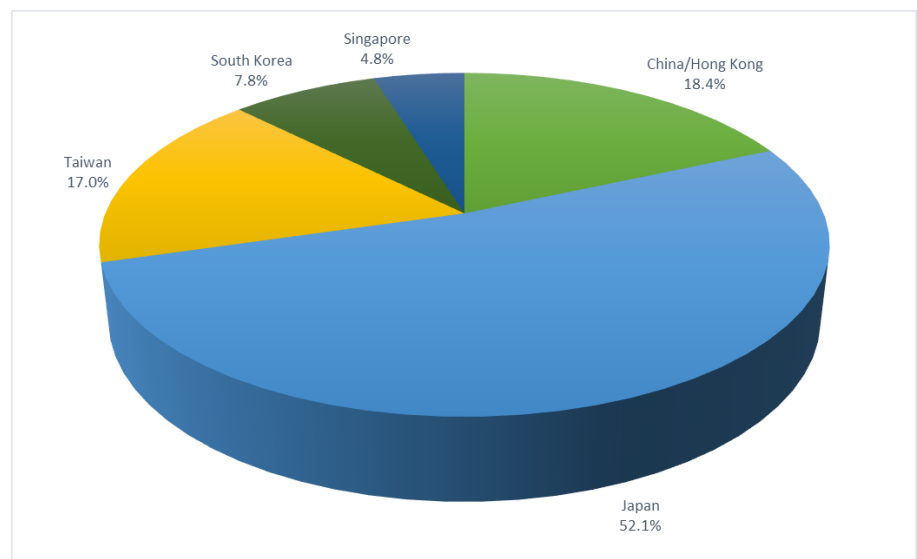
31 Dec 2021	Portfolio
No. of Securities	75
Weighted Average Market Capitalisation	USD 3.6bn
Forward Price/Earnings	10.1
Price/Book	1.4
Forward Dividend Yield	3.9%



SECTOR ALLOCATION



COUNTRY ALLOCATION



TEN LARGEST HOLDINGS

Company Name	Country	Weight
Chailease Holding Co	Taiwan	3.7%
Lien Hwa Industry Corp	Taiwan	3.2%
Novatek Microelectronics	Taiwan	3.0%
Open House	Japan	2.9%
Fujimi Incorporated	Japan	2.6%
NOF Corporation	Japan	2.6%
China Water Affairs Group	China/HK	2.2%
Seria Co Ltd	Japan	2.0%
K'S Holdings Corporation	Japan	1.9%
Koei Tecmo Holdings	Japan	1.8%
TOTAL		25.9%

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> Its is intended for wholesale professional investors in Australia only. Performance results are shown gross of fees and portfolio holdings in this fact sheet are based on the primary live trust account portfolio. Contact us for further information.

APIR Code: CTS7571AU ISIN: AU60CTS75718

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