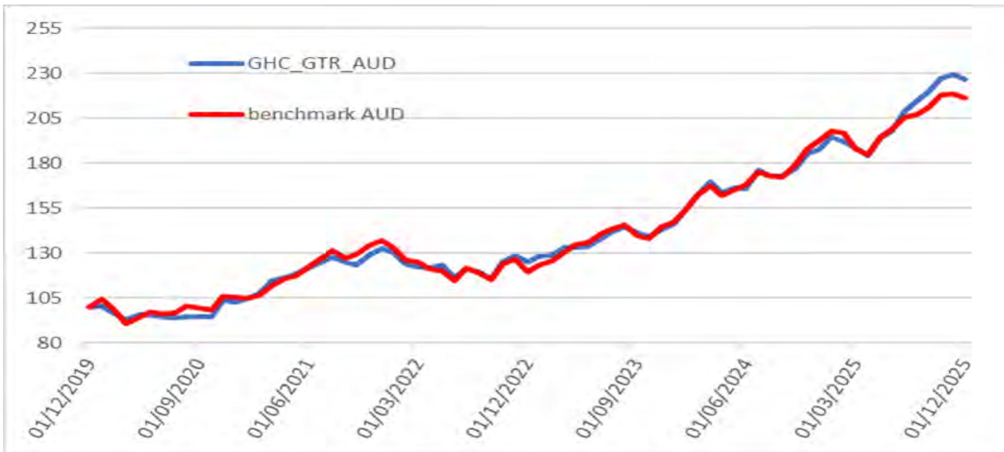
Global Diversified

Strategy Update 31 Dec 2025

DELFT PARTNERS
Global Investment Management

Value of AUD 100 since inception - Inception Date: 1 Jan 2020. Returns over 1 year are pa annualised



Periods ended 31 Dec 2025	1 Month	3 Months	1 Year	3 Years	Inception
Portfolio*	-1.2%	3.2%	21.0%	22.0%	14.6%
Return vs. Benchmark	-0.3%	0.7%	7.6%	0.1%	0.8%

*Portfolio total return net Interest Withholding Tax in AUD, gross of fees. Based on a live portfolio managed by Delft that represents an expectation of returns. The returns will differ per account due to execution timing differences, account size and minimum lot constraints. This sheet provides general information only. Intended for wholesale professional investors in Australia only, and is not a recommendation for a product. Delft Partners operates as owner of API Capital Advisory P/L AFSL 329133

Delft Partners Global Diversified is a global listed equity strategy.

We produce an efficient portfolio designed to outperform typical global market cap based equity indices on a medium term basis

- We invest in all major markets and sectors to capture diversification benefits.
- We are typically unhedged
- We do not try to time style, Beta or market exposure, preferring to typically remain fully invested
- Active position sizes are based on risk and return estimates and constructed with the help of optimisation software
- We do not invest in companies where we believe poor Governance is likely to penalise shareholders.

Benefits

- Diversified portfolio
- Controlled risk
- Access to key decision makers

For additional information please visit www.delftpartners.com

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31 Dec 2025	Portfolio
No. of securities	99
Wtd Avg Market cap	US$ 269.5bn
Price/Earnings	17.8x
Price/Book	4.6x
Dividend Yield	2.2%
Price/Sales	3.4
Active Risk (vs Bmk) ex- ante	4.7%
Weighted PAR score (Portfolio/Universe)	81/ 50

* Source: CIQ ,
Tile images https://www.antiquetileshop.com

QUARTERLY PORTFOLIO REVIEW & MARKET UPDATE

- World equity markets rose in the quarter. The strategy outperformed strongly over the year. The AI investment theme continued although the price of the Oracle CDS or credit protection jumped in December as the circularity of the financing of the AI ecosystem started to ring alarm bells.
- If electricity prices rise as demand swamps supply due to AI demand, then the rising prices will curb the ability of consumers to spend on AI when the providers finally charge for the service. Put another way, either the AI spend has to be curbed to keep energy prices reasonable, or revenues to the AI companies will be pushed further out or even cancelled. The likely winners? Utility companies, energy companies and the companies that build, maintain and repair the energy networks all look well positioned. Japan is re-opening its nuclear power plants by the way.

https://www.delftpartners.com/news/views/november-2025-to-infinity-and-beyond-or-obviously-an-ouroboros.html

- We resolved in November to diversify the portfolio such that any retracement in the AI induced price momentum effect would not hurt performance. We did this by making a few trades—we added Rio ADRs, selling Kajima and Ebara in Japan, and reducing Sumitomo Electric Industries. We sold T Rowe Price and International Paper in the USA. We have more to do in the first quarter of 2026.
- Economic news from the US can be construed as positive. Aided by an increase in private sector capital expenditure, the US economy grew over 4% annualised in the 3rd quarter which means that debt servicing costs shrank. The best (only?) way to reduce the burden of the accumulated debt pile is to grow the economy faster. Deregulation, reducing government spending relative to private sector spending, reducing frictional unemployment (taxes the government receives from labour incomes massively overwhelm that from corporate taxes), and making energy costs as low as possible are all constructive developments.
- European smaller companies were the winners in 2025 and the US market on average brought up the rear. We were surprised by the performance of the European stocks but our positioning didn't hurt performance. Germany appears to be adopting some supply side tax reform but the regulatory environment remains adverse to capital.