DELFT PARTNERS
Global Investment Management

Global Diversified

Strategy Update 30 Sep 2022

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 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

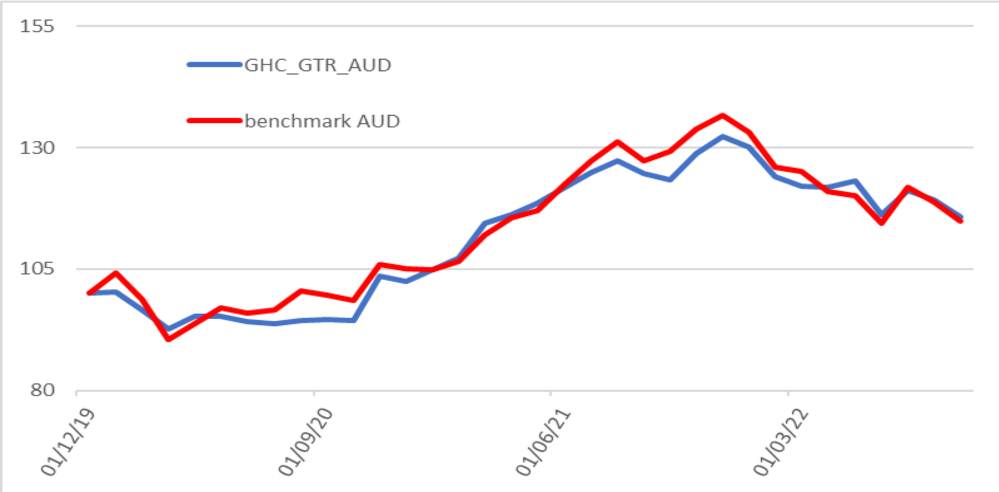
- Diversified portfolio
- Controlled risk
- Access to key decision makers

For additional information please visit www.delftpartners.com

30 Sep 2022	Portfolio
No. of securities	100
Wtd Avg Market cap	US$ 98.3bn
Price/Earnings	10.8x
Price/Book	4.1x
Dividend Yield	3.6%
Beta (MSCI W)	0.93
Active Risk (vs Bmk)	3.7%
ESG Score* (Portfolio/Universe)	66/ 50

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

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



Periods ended 30 Sep 2022	1 Month	3 Months	1 Year	2 Years	Inception
Portfolio*	-2.9%	-0.3%	-7.1%	10.6%	5.5%
Return vs. Benchmark	0.4%	-0.6%	2.9%	3.0%	0.3%

*Portfolio total return net Interest Withholding Tax in AUD, gross of fees. Based on a live portfolio managed by 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

PORTFOLIO REVIEW & MARKET UPDATE

- World markets fell further in q3 as language from central banks regarding interest rate increases gave way to action. US equity markets had their worst half-year in a long time. 10 Year Treasury Notes also fell heavily. Equities and bonds were unusually correlated.
- We have already seen a significant slowdown in economic activity as price rises, mortgage rate rises and tighter lending standards kick in, especially in the USA. Equity EPS will be revised down which will remove much of the P/E multiple expansion from the USA.
- Demand destruction as evidenced by falls in the price of oil and copper will help reduce price pressure in the short term but longer term the issue is supply, especially of energy, but private sector capital investment needs incentivising.
- In this regard the UK mini budget was a sensible attempt (badly coordinated and communicated) to "re-set the agenda". The panic over the fiscal impact is misplaced.

https://cebr.com/reports/public-borrowing-may-be-less-out-of-control-than-the-markets-think/?fbclid=IwAR2W_OjQ_UHA9mYngraNRMlE978zwSPlCfEZFtJLITQefMWAER4tRhlyc9k

- In the absence of a "re-set" the chances of capital controls are looming since higher interest rates are essentially unaffordable for most governments given recently acquired debt levels. We believe we are at a turning point which needs to be taken.
- General Mills raised profit forecasts illustrating the pricing power of consumer staples companies. Fedex missed eps estimates; blamed declining volumes; and then raised prices an average of 6%. This clearly illustrates the problem of lack of competition and supply.
- For sector and country weightings please visit our website. https://www.delftpartners.com/actively-managed-strategies.html