



Value of AUD 100 since inception - Inception Date: 15 July 2011. Returns over 1 year are pa annualised

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

We select the best 30 stocks from the holdings in our diversified Global Equity strategy

- We invest in all major markets and 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 value bias and measure our value added by comparing our returns to a value index.**

### Benefits

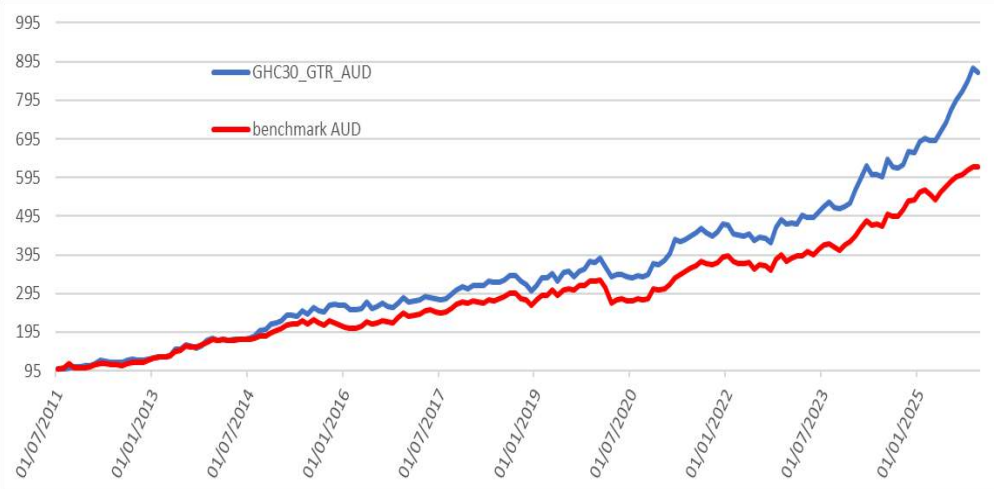
- Capital appreciation and dividends from attractively valued stocks
- Expected preservation of purchasing power against persistent inflation.
- Above market and peer group performance

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

### Or contact us:

Robert Swift,  
[robert.swift@delftpartners.com](mailto:robert.swift@delftpartners.com)

Adam Upton  
[Adam.Upton@delftpartners.com](mailto:Adam.Upton@delftpartners.com)



Periods ended 31 Dec 2025	1 Month	3 Months	1 Year	3 Years	Inception
Portfolio*	-1.5%	5.9%	31.2%	22.3%	16.2%
Return vs. Benchmark	-1.1%	2.8%	13.6%	3.6%	2.3%

\*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. Intend-

## QUARTERLY PORTFOLIO REVIEW & MARKET UPDATE

- World markets rose in the quarter. The strategy outperformed due to stock selection. The AI investment theme continued although the price of the Oracle CDS or credit protection jumped 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 have been slightly 'growth biased' relative to the index and are now reducing that bias. We started this by selling Kajima and re-investing in Brother Industries in Japan. The company trades just above 12x forward earnings, at about book value, and has a lazy balance sheet which management is addressing by a combination of share buybacks and intended M&A. The company is undergoing management change and is shifting to industrial applications away from its consumer focussed past.
- 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

31 Dec 2025	Portfolio
No. of securities	30
Wtd Avg Market cap	US\$ 135bn
Price/Earnings	20.5x
Price/Book	7.6x
Dividend Yield	2.1%
Price/Sales	4.1x
Active Risk (vs Bmk)	5.1%
PAR Score (Portfolio/Universe)	82/50