Global High Conviction

Strategy Update 31 Mar 2025

Global Investment Management

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

Or contact us:

Robert Swift,
robert.swift@delftpartners.com

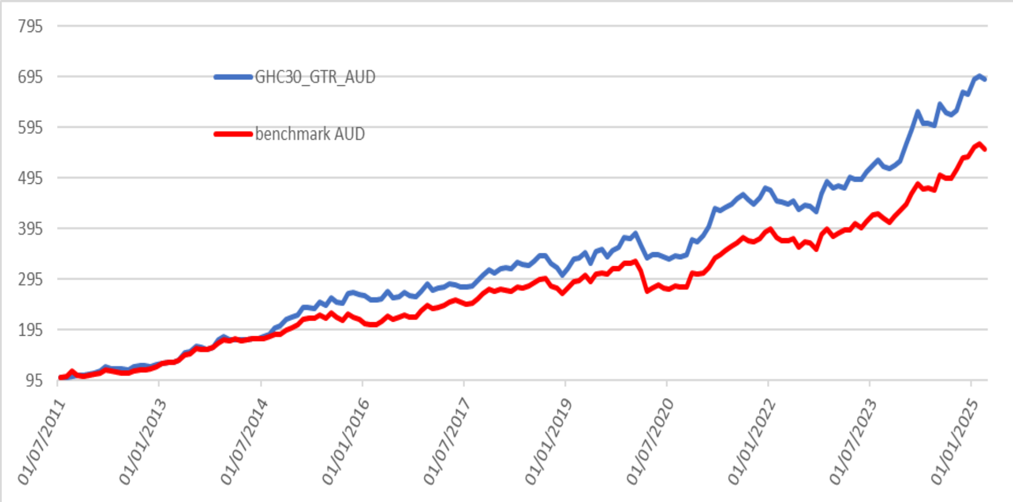
Adam Upton

Adam.Upton@delftpartners.com

31 Mar 2025	Portfolio
No. of securities	30
Wtd Avg Market cap	US$ 113.1bn
Price/Earnings	16x
Price/Book	4.9x
Dividend Yield	2.6%
Price/Sales	2.6x
Active Risk (vs Bmk)	4.5%
PAR Score (Portfolio/Universe)	77/50

Tile images https://www.antiquetileshop.com

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



Periods ended 31 Mar 2025	1 Month	3 Months	1 Year	3 Years	Inception
Portfolio*	-0.8%	4.5%	10.3%	15.6%	15.2%
Return vs. Benchmark	1.4%	2.0%	-3.2%	1.3%	1.7%

*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

QUARTERLY PORTFOLIO REVIEW & MARKET UPDATE

- World markets declined in the 1st quarter. Returns over the last few years however have been exceptional, and corrections are normal. The causes of bear markets (Inflation, regulation, taxation) are currently not in place, at least in the USA; if anything the attempt now is to reduce their likelihood.
- Value outperformed Growth to the extent that trailing one year Global returns now show a bias to the Value style of c.2%.
- Holdings in Alibaba, Heidelberg Materials, and Gilead rose more than 20%. Shin-Etsu Chemical and EMCOR detracted on average by 20%. We trimmed Heidelberg after a rise of 40% on the European proposal to send more on Infrastructure.
- Much as Russia and the USA reached a stable impasse via MAD, there is a good chance that China and the USA reach an impasse via MAD 2 – or '**Mutually Agreed Dependency**'. Chinese involvement in global manufacturing is so large and important that any complete embargo **would** result in trouble for global growth. Swire Pacific and Alibaba remain our favoured investments. We are looking closely at others.
- The US fiscal position is unsustainable, but a proposed $2tln DOGE cut in government spending will mean a reduction in aggregate demand unless compensated for in one or other of private sector spending, overseas sector demand increase, or private consumption. Tariffs are everyone's favourite correction cause but if they encourage firms to invest more in the US, then that economy at least will benefit. We believe private sector investment is more effective in generating growth than public sector spending
- European equities appear cheap but catalysts (political and energy policy change) don't seem on the cards, and US disengagement isn't helping. The European Auto industry got hurt by heavy proposed tariffs on exports to the USA, and some previously stellar stocks such as Novo