DELFT PARTNERS

Global Investment Management

Global Infrastructure

Strategy Update 31 December 2019

Delft Partners Global Infrastructure is a global listed equity strategy.

We select between 40 and 60 stocks that possess a superior combination of preferred characteristics from a universe of over 400 securities.

- ESG is a key component of our fundamental research.
- We do not invest in companies where we believe poor Governance is likely to penalise shareholders.
- We do consider investing where our ESG assessment is likely to improve.
- Where possible we verify our portfolio ESG exposure relative to benchmarks with a quantitative score.

Benefits

- A high quality investment approach that provides access to attractively valued stocks in the strategy universe with a proven ESG compliant process.
- Above market and peer group performance

For additional information please visit www.delftpartners.com

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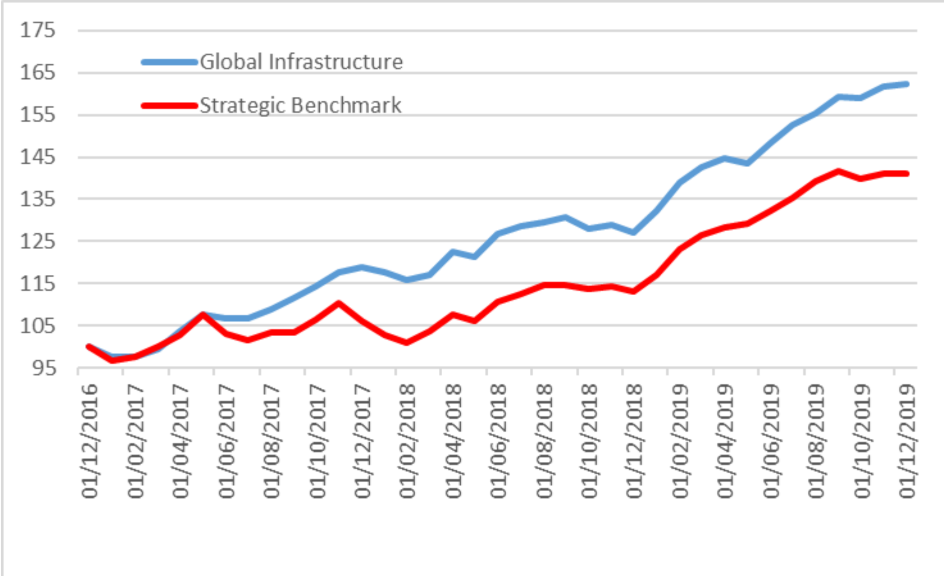
As at 31 Dec 2019	Portfolio
No. of securities	40
Wtd Avg Market cap	USD 31.0 bn
Price/Earnings	17.4x
Prosp. Sales Growth	5.6%
Dividend Yield	4.5%
Return on Equity	14.0%
Active Risk (vs Bmk)	3.5% pa

PERFORMANCE*

Value of AUD 100 since inception Net of fees



Periods ended 31 Dec 2019	1 Month	3 Months	1 Year	2 Years	Since Inception
Portfolio*	+0.20%	+1.73%	+27.59%	+16.86%	+17.49%
Benchmark^	-0.16%	-0.54%	+24.59%	+15.32%	+12.13%
Active	+0.35%	+2.28%	+2.40%	+1.33%	+4.78%

*Model Portfolio total return net of Interest Withholding Tax in AUD, net of fees
^Strategic Benchmark is 50% MSCI World Core Infrastructure, 50% MSCI World Infrastructure,
Inception Date: 30 December 2016, Returns over 1 year are pa

PORTFOLIO REVIEW & MARKET UPDATE

- Delft Partners Global Infrastructure strategy is an income producing portfolio of listed infrastructure assets which typically have more regular and stable revenue streams. The strategy aims to generate total returns that are more defensive than broader listed equities with low correlation to mainstream assets, providing stable income, capital growth and liquidity with lower return volatility compared to typical listed equity strategies.
- 2019 was a good year for equity markets, mainly driven up by the US market (+30%). Interest in Infrastructure stocks remained high and the fund rose +27.59% in AUD terms compared to the global benchmark which rose +24.59%.
- The rising concern of global warming/environmental issues should generally help the infrastructure sector - the need for better public transport, a switch to renewables (good for electric utilities), and incentives to provide a cleaner environment, all provide a tailwind to revenue and ratings.
- The portfolio outperformed the benchmark in Q4 helped by good performances from AES, Gibson Energy, Transalta Renewables, Deutsche Post and Encavis.
- New purchases in Q4 were made in Shenzhen Intl (Southern Chinese highway tolls), Fraport (Frankfurt Airport), Enagas, and Nippon Gas while West Japan Railway and Outfront Media were sold.
- The portfolio maintains a strong bias to renewable energy assets in North America. In 2020 we could see more focus on public sector infrastructure (roads, rail, bridges, etc) where there has been significant underinvestment in many western developed countries and we remain alert to further opportunities in this particular area.
- The portfolio remains unhedged for AUD based investors.

Global Investment Management

Global Infrastructure

Strategy Update 31 December 2019

The Strategy seeks diversified income sources and long-term capital appreciation through a broad range of infrastructure companies listed on global market exchanges.

Our investment process selects stocks and builds portfolios by combining our quantitative stock analysis model with the team's extensive fundamental equity and market knowledge.

Our value-oriented approach pays careful attention to position sizes, sectoral and country weights.

We ensure that the strategy pays equal attention to risk as to return. It is an actively managed strategy that is meaningfully different from the index.

Benchmark(s):

50% MSCI World Core Infrastructure
50% MSCI World Infrastructure

Investment Objective:

Outperform the Benchmark by 3-5% pa over rolling 5 year time periods.

Portfolio Manager(s):

Karl Hunt

Kevin Smith

Robert Swift

SECTOR ALLOCATION

SECTOR EXPOSURE	As at 31 Dec 2019		
	PORTFOLIO	BENCHMARK	Active Wght
Electric Utilities	35.76	21.93	13.83
Integrated Telecoms	2.47	13.99	-11.52
Multi Utilities	10.80	14.65	-3.85
Wireless Telecoms	3.94	4.70	-0.76
Oil & Gas Storage + Transport	14.91	13.82	1.09
Gas Utilities	10.97	6.74	4.24
Health Care Facilities	0.00	0.98	-0.98
Highways & Railtracks	8.25	3.79	4.47
Airport Services	3.78	3.18	0.60
Water Utilities	2.15	3.07	-0.92
Alternative Carriers	0.00	0.38	-0.38
Other	4.60	12.78	-8.18
CASH	2.37		2.37

REGION ALLOCATION

SECTOR EXPOSURE	As at 31 Dec 2019		
	GLIN PORTFOLIO	BENCHMARK	Active Wght
OTHER	33.11	34.79	-1.68
SPAIN	5.10	4.61	0.49
JAPAN	4.73	8.09	-3.36
NORTH AMERICA	54.69	52.52	2.18
CASH	2.37		

TEN LARGEST HOLDINGS

Company Name	Country	Portfolio
Transalta Renewables	Canada	3.95%
PPL Corp	USA	3.64%
Southern Co.	USA	3.46%
Dominion Energy	USA	3.39%
Encavis	Germany	3.36%
AES	USA	3.31%
Nippon Gas	Japan	3.30%
Nextera Energy	USA	3.20%
Veolia Environment	France	3.19%
TC Energy	Canada	2.98%
TOTAL		**33.78%**

Important note: Performance results are gross of fees and portfolio holdings shown in this fact sheet are based on the model portfolio which is currently offered through Delft Partners Model Portfolio Service. Contact us for further information. Delft tile images are provided by Regts Antique Tiles **https://www.antiquetileshop.com**