Asia Small Companies

Strategy Update 31 Dec 2019

DELFT PARTNERS
GLOBAL INVESTMENT MANAGEMENT

Delft Partners Asia Small Companies strategy invests in small to medium size companies in the Asia region.

We select between 60 and 80 stocks that possess a superior combination of our preferred characteristics from a universe of over 3,000 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 the dynamic Asian small company universe with a proven ESG compliant process.

For additional information please visit www.delftpartners.com

Or contact us:

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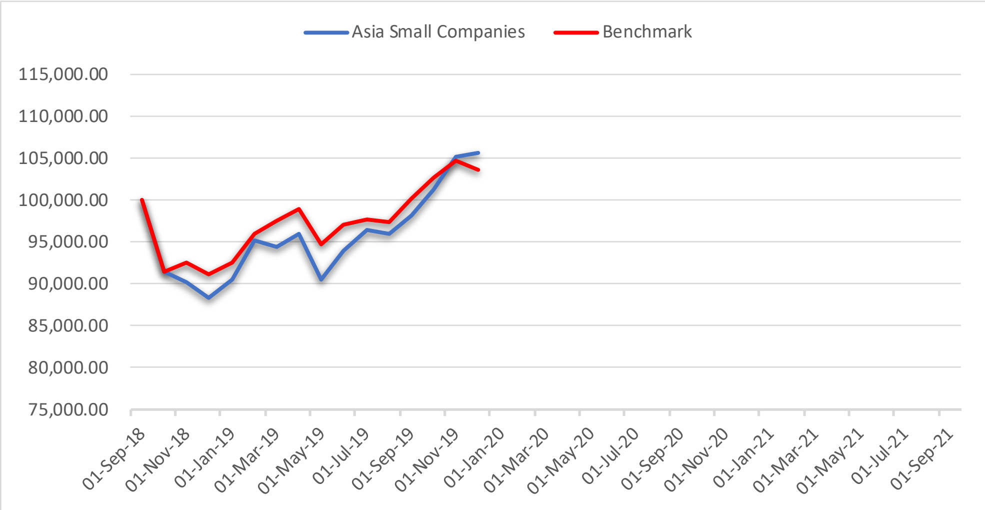
31 Dec 2019	Portfolio
No. of Securities	67
Weighted Average Market Capitalisation	USD 2.9bn
Forward Price/ Earnings	11.8x
Price/Book	1.2x
Dividend Yield	2.9%
Ex Post Tracking Error	5.1%

PERFORMANCE*

Value of AUD 100,000 since inception



Periods ended 31 Dec 2019	3 Months	6 Months	1 Year	Since Inception
Portfolio*	+7.7%	+12.5%	+19.7%	+5.7%
Benchmark^	+3.6%	+6.8%	+13.7%	+3.6%
Active	+4.0%	+5.3%	+5.3%	+2.0%

*Total return based on the Tamim Fund in AUD gross of fees.

^Strategy Benchmark is MSCI AC Asia SMID Index NTR, Inception Date: 28 September 2018

PORTFOLIO REVIEW & MARKET UPDATE

The Asian region recorded a strong gain of 7.9% during the fourth quarter in USD terms which was converted into a gain of 3.6% in AUD terms due to a recovery by the local currency. Our positive performance during the quarter was driven by strong stock selection especially in Japan and asset allocation in favour of China and Taiwan.

The strongest markets in the quarter were China +11.9%, Taiwan +11.3% and South Korea +9.9%. The gain in China was in response to the long awaited “phase one” trade deal, measures to boost domestic infrastructure spending and an easing of residency restrictions. South Korea was helped by an improvement in relations with Japan following high level bilateral discussions and a lifting of the embargo on imports of key technology products. Taiwan continued to perform well bringing the full year gain to 30.1%, the best in our region, helped by a very strong technology sector. Japan increased by 7.8%, Singapore by 7.2% and Hong Kong lagged with a gain of 5.6% for the quarter.

Seven of our portfolio holdings increased by more than 25% during the quarter, the best was Japan Aviation Electronics up 44.9%, performance was boosted by the potential for a restructuring of the NEC Group of companies which also helped our holding in NEC Networks up 32% during the period. Our plastic pipe manufacturer China Lesso was another strong performer during the quarter up 34.6% on news of increased infrastructure spending in China. The weakest performer during the period was Mapletree North Asia Commercial Trust which fell 12.1% in reaction to damage to their Festival Walk retail shopping mall in Hong Kong caused by the civil protests. Damage to property and loss of rental income caused by the protests is fully covered by insurance and we retain our position in the Mapletree North Asia Commercial Trust.

We will continue to invest in Asian small to mid-sized companies with strong value, momentum and quality attributes together with accounting, strategy and governance standards that meet our requirements. Long-term returns will be generated by the ability of our companies to deliver growing profits and dividends.

ASIA SMALL COMPANIES
STRATEGY UPDATE 31 DEC 2019

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GLOBAL INVESTMENT MANAGEMENT

The Strategy seeks long-term capital appreciation by investing in small to medium capitalisation listed Asian companies.

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. The strategy currently focuses on equities in Japan, China, Hong Kong, Taiwan, South Korea and Singapore.

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:

MSCI All Country Asia SMID Index Net Total Return

Investment Objective:

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

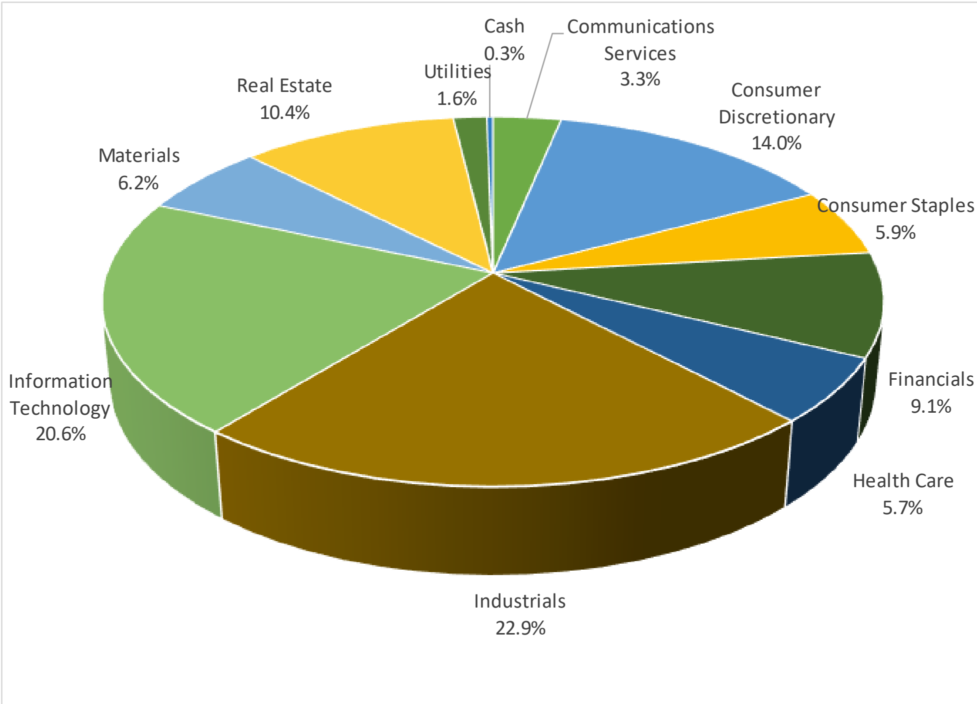
Portfolio Managers:

Robert Swift

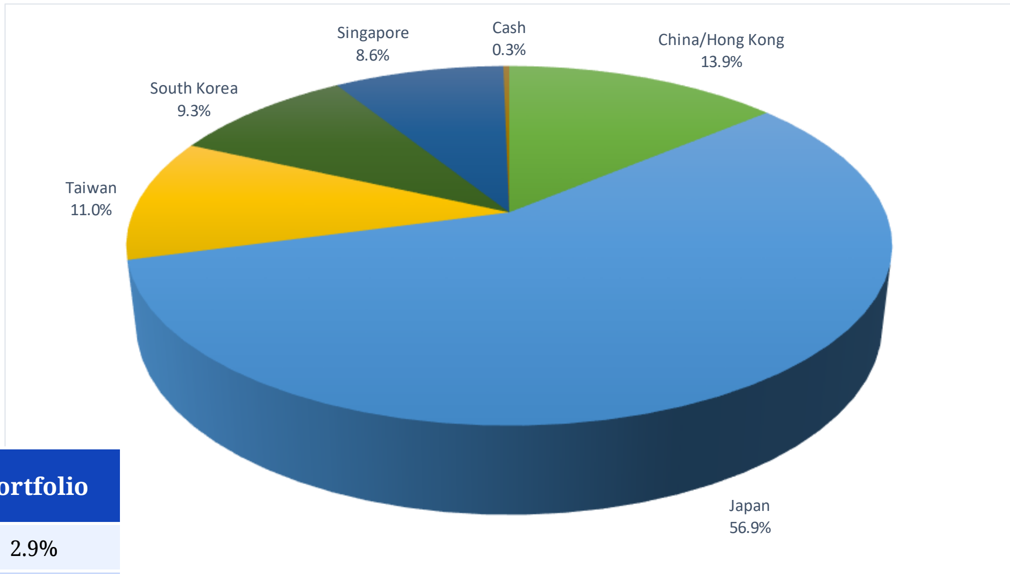
Kevin Smith

Karl Hunt

SECTOR ALLOCATION



COUNTRY ALLOCATION



TEN LARGEST HOLDINGS

Company Name	Country	Portfolio
Advantest Corporation	Japan	2.9%
China Lesso Group	China/HK	2.9%
Sawai Pharmaceutical Co	Japan	2.8%
Simplo Technology Co Ltd	Taiwan	2.6%
Tokyo Seimitsu Co Ltd	Japan	2.6%
Zenkoku Hosho Co Ltd	Japan	2.5%
K's Holdings Corporation	Japan	2.4%
Japan Aviation Electronics	Japan	2.4%
Novatek Microelectronics	Taiwan	2.2%
Sheng Siong Group Ltd	Singapore	2.1%
TOTAL		**25.4%**

Important note: Delft Partners Asia Small Companies strategy is offered through the Asia Small Companies class of the Tamim Fund. **https://www.tamim.com.au/asiasmallcompanies.html**

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