



TAMIM

GLOBAL HIGH CONVICTION

Still a good place to hedge
inflation risk

PRESENTED BY ROBERT SWIFT

GLOBAL EQUITIES PORTFOLIO MANAGER

JUNE 2024






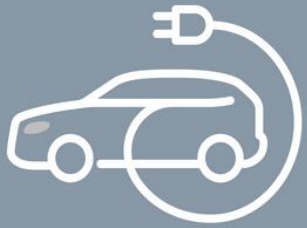



CTSP Funds Management Pty Ltd trading as Tamim Asset Management, including Tamim Funds Management Pty Ltd and their directors, employees and representatives are referred to in this Appendix as “the Group”. This report is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy any securities or financial instruments. This report has been prepared without taking account of the objectives, financial situation and capacity to bear loss, knowledge, experience or needs of any specific person who may receive this report. No member of the Group does, or is required to, assess the appropriateness or suitability of the report for recipients who therefore do not benefit from any regulatory protections in this regard. All recipients should, before acting on the information in this report, consider the appropriateness and suitability of the information, having regard to their own objectives, financial situation and needs, and, if necessary seek the appropriate professional, foreign exchange or financial advice regarding the content of this report. We believe that the information in this report is correct and any opinions, conclusions or recommendations are reasonably held or made, based on the information available at the time of its compilation, but no representation or warranty, either expressed or implied, is made or provided as to accuracy, reliability or completeness of any statement made in this report. Any opinions, conclusions or recommendations set forth in this report are subject to change without notice and may differ or be contrary to the opinions, conclusions or recommendations expressed elsewhere by the Group. We are under no obligation to, and do not, update or keep current the information contained in this report. The Group does not accept any liability for any loss or damage arising out of the use of all or any part of this report. Any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties. Different assumptions and estimates could result in materially different results. The Group does not represent or warrant that any of these valuations, projections or forecasts, or any of the underlying assumptions or estimates, will be met. Past performance is not a reliable indicator of future performance. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject any entity within the Group to any registration or licensing requirement within such jurisdiction. All material presented in this report, unless specifically indicated otherwise, is under copyright to the Group. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior written permission of the appropriate entity within the Group. The Group, its agents, associates and clients have or have had long or short positions in the securities or other financial instruments referred to herein, and may at any time make purchases and/or sales in such interests or securities as principal or agent, including selling to or buying from clients on a principal basis and may engage in transactions in a manner inconsistent with this report.

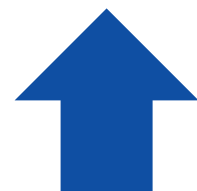
Disclaimer





Our Investment Platform

EQUITIES				OTHER ASSET CLASSES		
AUSTRALIAN		GLOBAL		PROPERTY		PRIVATE DEBT
 AUSTRALIA ALL CAP	 SMALL CAP INCOME	 GLOBAL HIGH CONVICTION	 GLOBAL MOBILITY	 TAMIM PROPERTY	 LISTED PROPERTY	 TAMIM CREDIT FUND



What we said last time – December 2023

- Has Powell just saved us and saved the USA Government billions? A 'soft' landing of sorts.
- Equity risk better than bonds.
- Some risk is still cheap. 7 themes to check out? = Invest in profitable companies, Japan, 'Old' Energy, Re-Industrialisation of USA, Infrastructure, Food and Ag.

June 2024

- Our report card gets us 7/10. We remained invested but are shocked at narrowness of market. We argued for a mid cap bias...
- Choosing between recession, with asset price shocks, and inflation? Inflation will be preferred
- Base effects will soon allow talk of rate cuts, which will support equities.
- The conundrum is WHEN will the market broaden to favour active risk and valuation bias?
- We still like our 7 themes (Our magnificent 7?) and would add defence stocks.
- We intend to remain both diversified and fully invested – we favour USA, Japan and not so much Europe

Discussion Points

Still a good place to hedge inflation risk



What we said last time ~ December 2023

- What we said last time – December 2023
 - Has Powell just saved us and saved the USA Government billions? A 'soft' landing of sorts.
 - Equity risk better than bonds.
 - Some risk is still cheap. 7 themes to check out? = Invest in profitable companies, Japan, 'Old' Energy, Re-Industrialisation of USA, Infrastructure, Food and Ag.
- June 2024
 - Our report card gets us 7/10. We remained invested but are shocked at narrowness of market. We argued for a mid cap bias...
 - Choosing between recession, with asset price shocks, and inflation? Inflation will be preferred.
 - Base effects will soon allow talk of rate cuts, which will support equities.
 - The conundrum is WHEN will the market broaden to favour active risk and valuation bias?
 - We still like our 7 themes (Our magnificent 7?) and would add defence stocks.
 - We intend to remain both diversified and fully invested – we favour USA, Japan and not so much Europe



What kind of
“landing”?

IT'S A SOFT-LANDING

WITH BANK RUNS



Interest Rate Pain – Do we want another Bank failure?



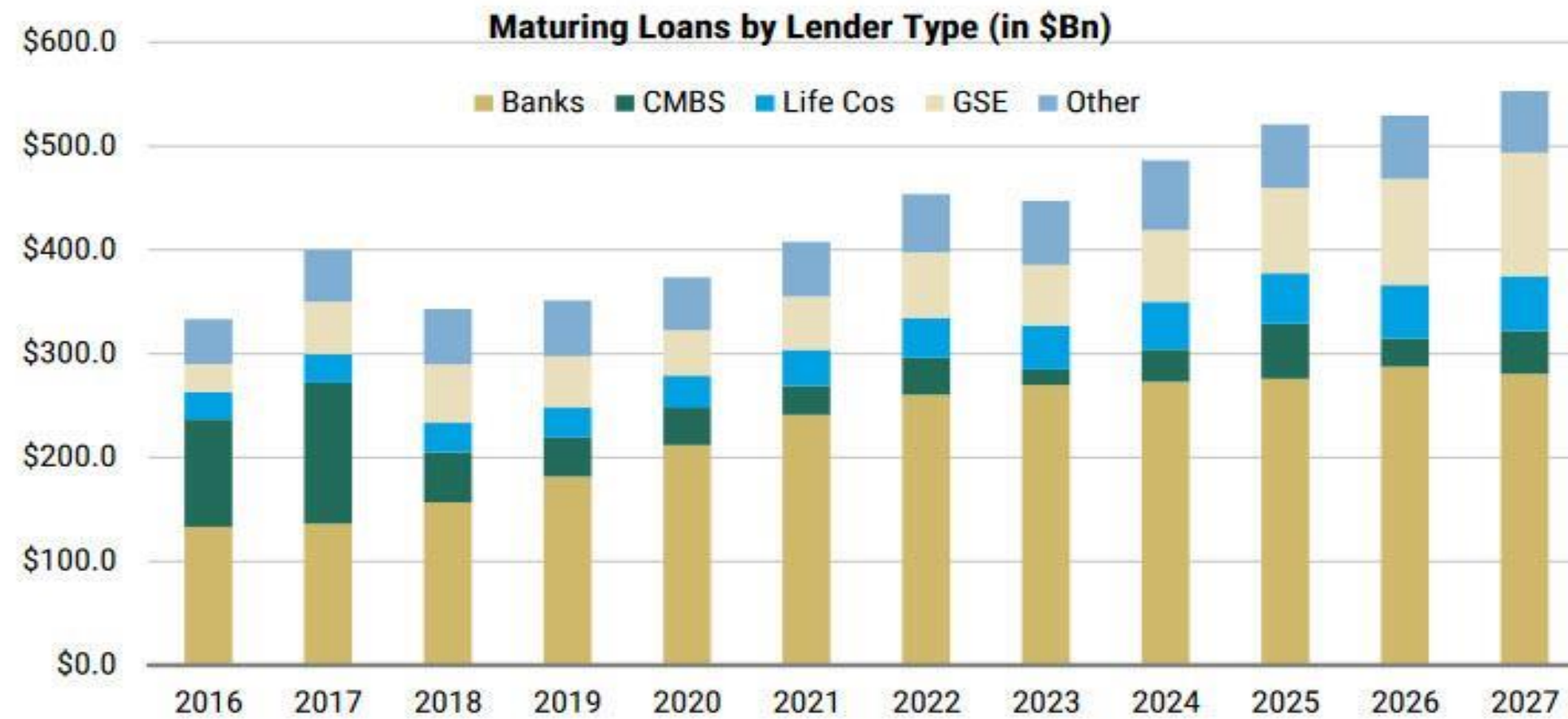
Source: FDIC.

Note: Insured Call Report filers only. Unrealized losses on securities solely reflect the difference between the market value as of quarter end and the book value of non-equity securities.

And they own Real Estate "assets" too

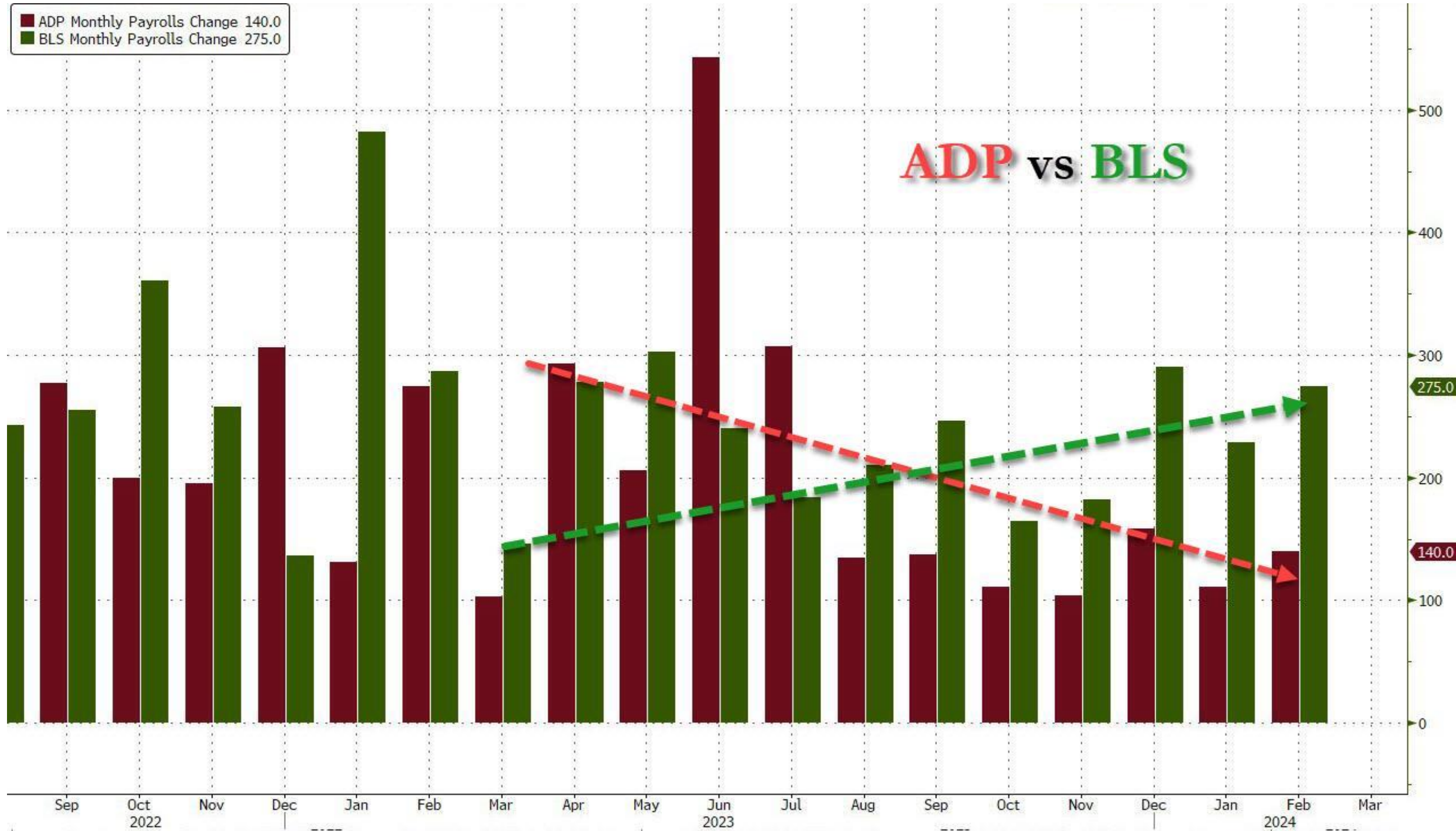


Exhibit 8: CRE Debt Maturities: \$2.5tn in next 5 years



Source: Trepp, Morgan Stanley Research

Macro Analysis somewhat “challenging”



Source: Bureau of Labor Stats ADP Research Institute

The policy errors will favour inflation..how to protect?



\$20.00



1998



\$20.00



2005

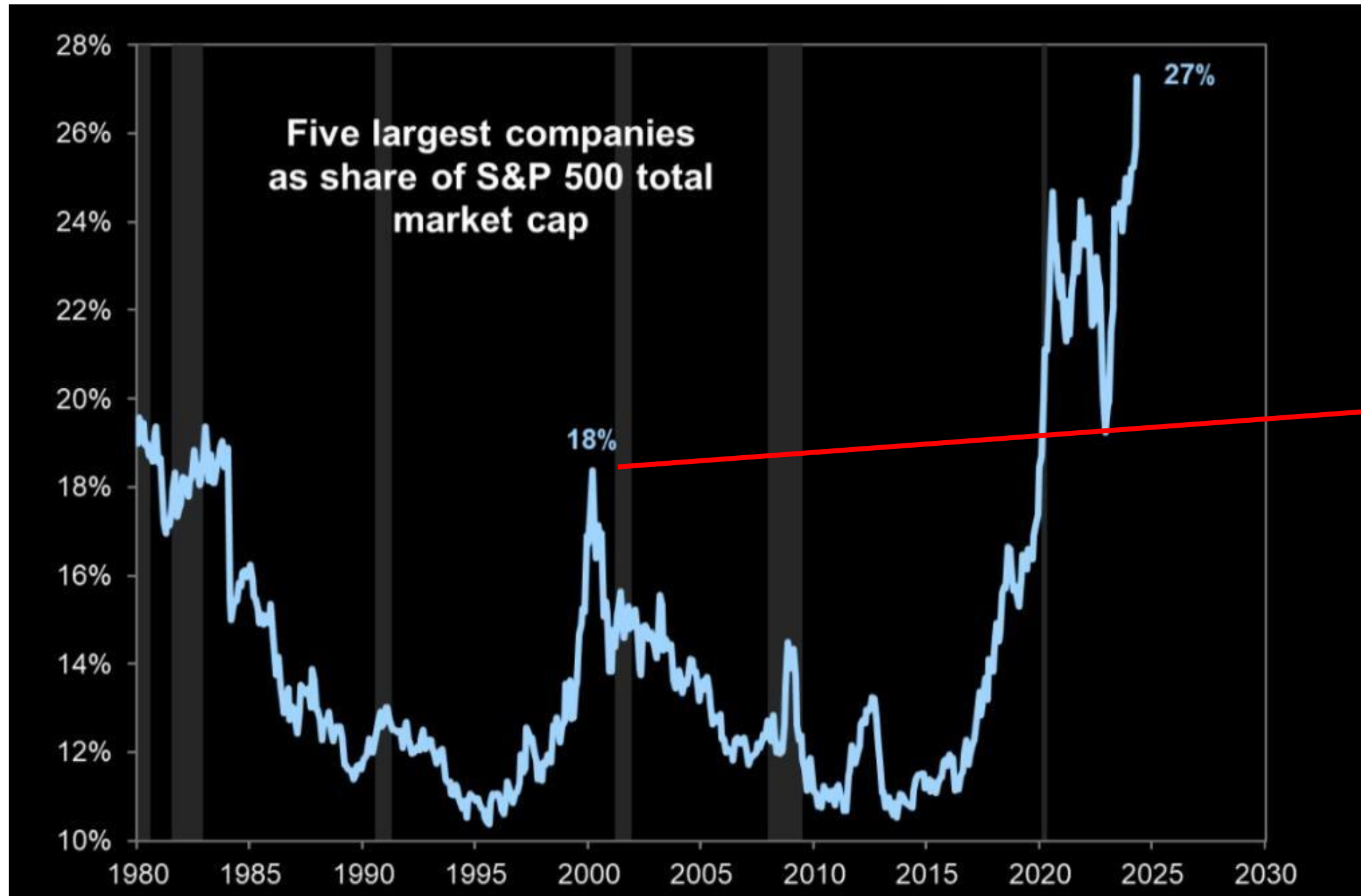


\$20.00



2023

Market is both narrow and momentum oriented

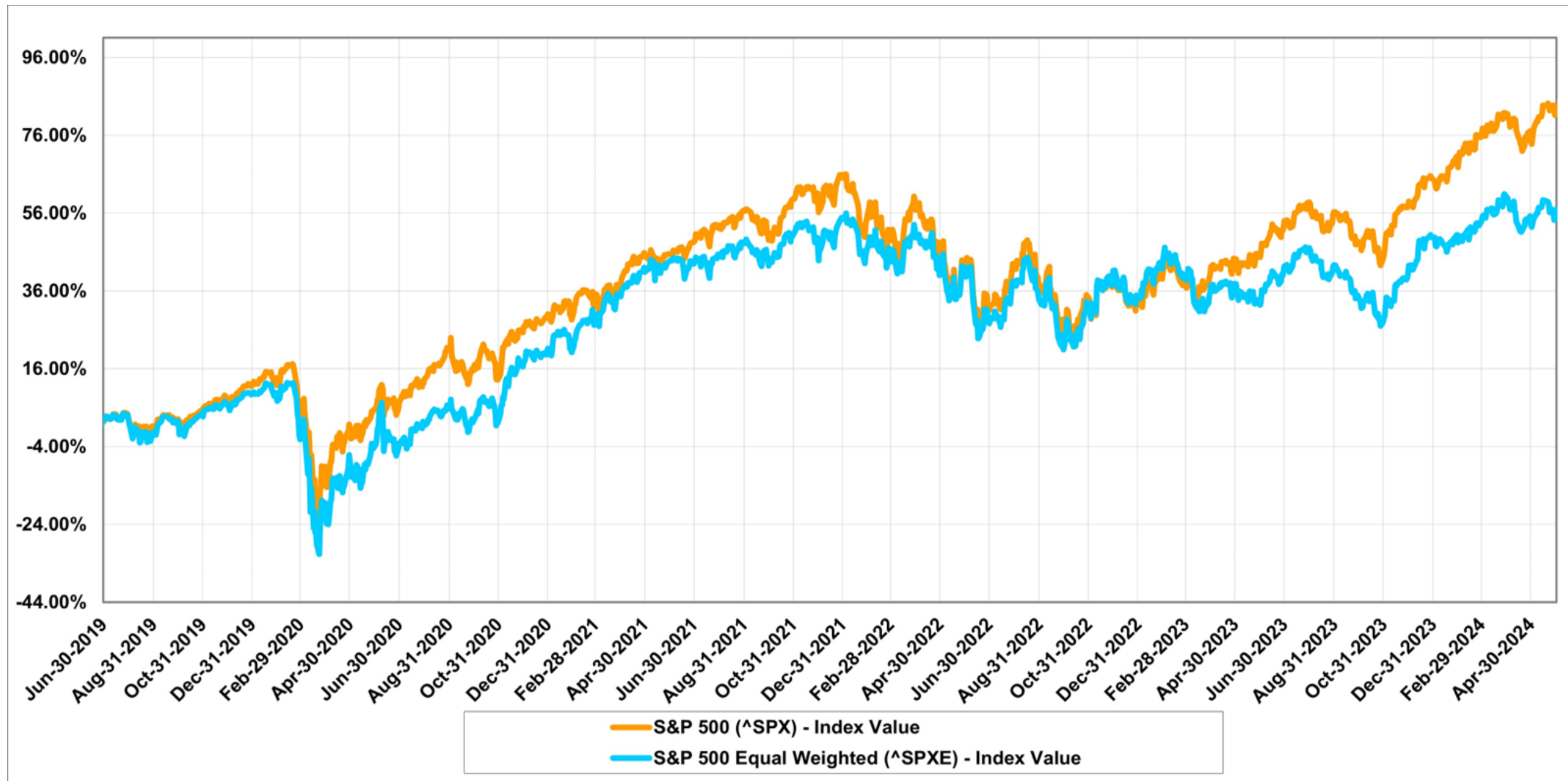


“BIGGER than Ben Hur”
and
BIGGER than dot.com
bubble



Source: S&P

Market is both narrow and momentum oriented



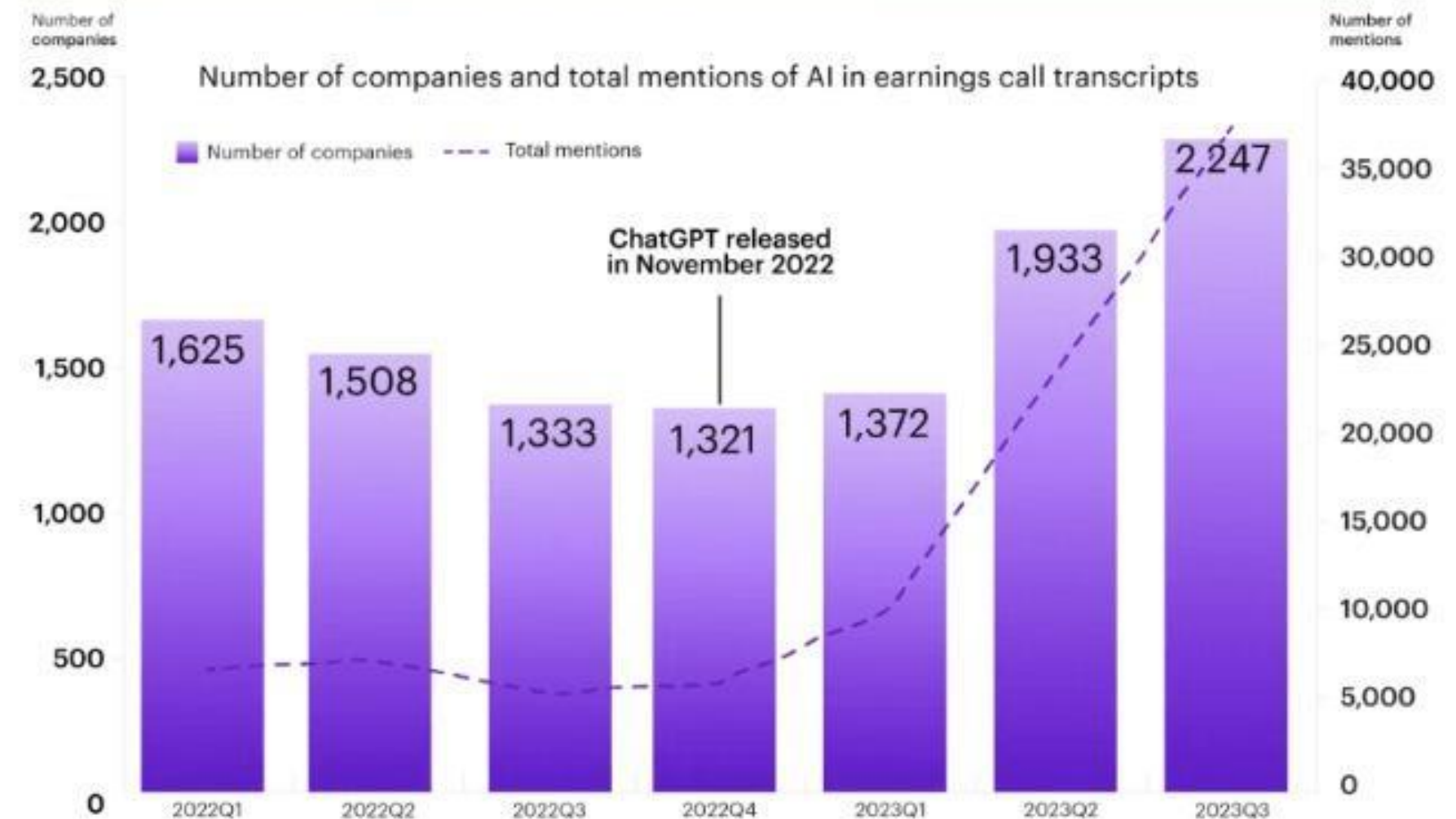
} Trees don't grow to the sky?

It's all about AI but AI am not naïve!

- If it's so great then ALL companies benefit
- Competition will rise
- Invest in “picks and shovels” rather than prospect for gold?

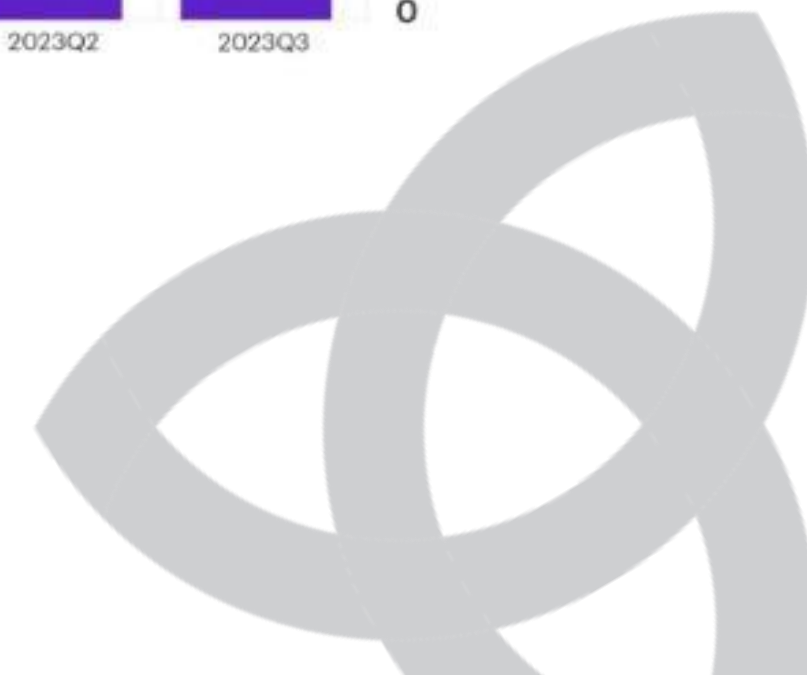
Can AI have your attention?

AI mentions in earnings call transcripts increased **6x** since release of ChatGPT in Nov. 2022.



Source: Accenture Technology Vision 2024

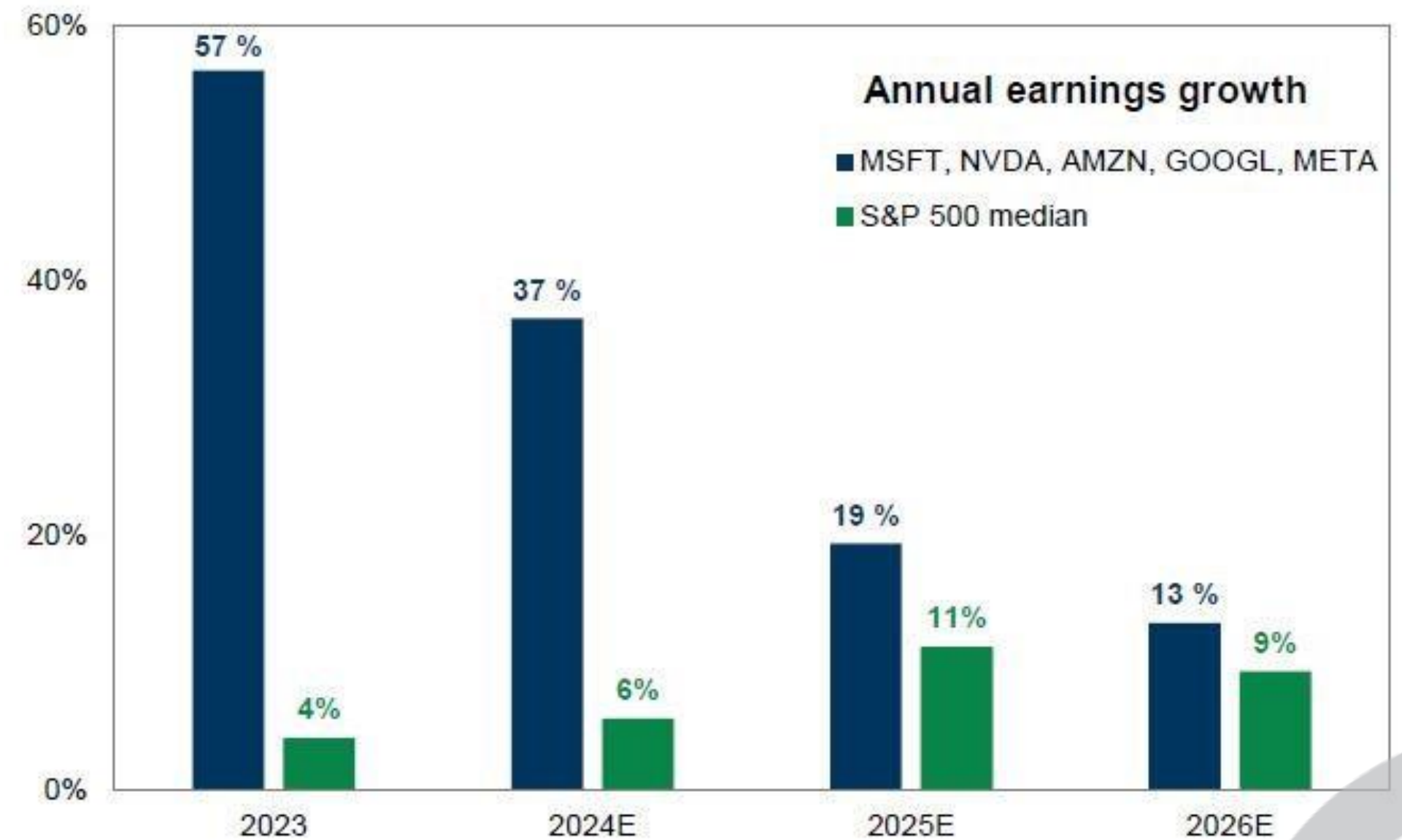
Courtesy of Accenture



It's all about AI but AI am not naïve!

- If it's so great them ALL companies benefit
- Competition will rise
- Invest in “picks and shovels” rather than prospect for gold?

Exhibit 1: Mega-cap tech EPS growth premium is expected to narrow
as of June 13, 2024



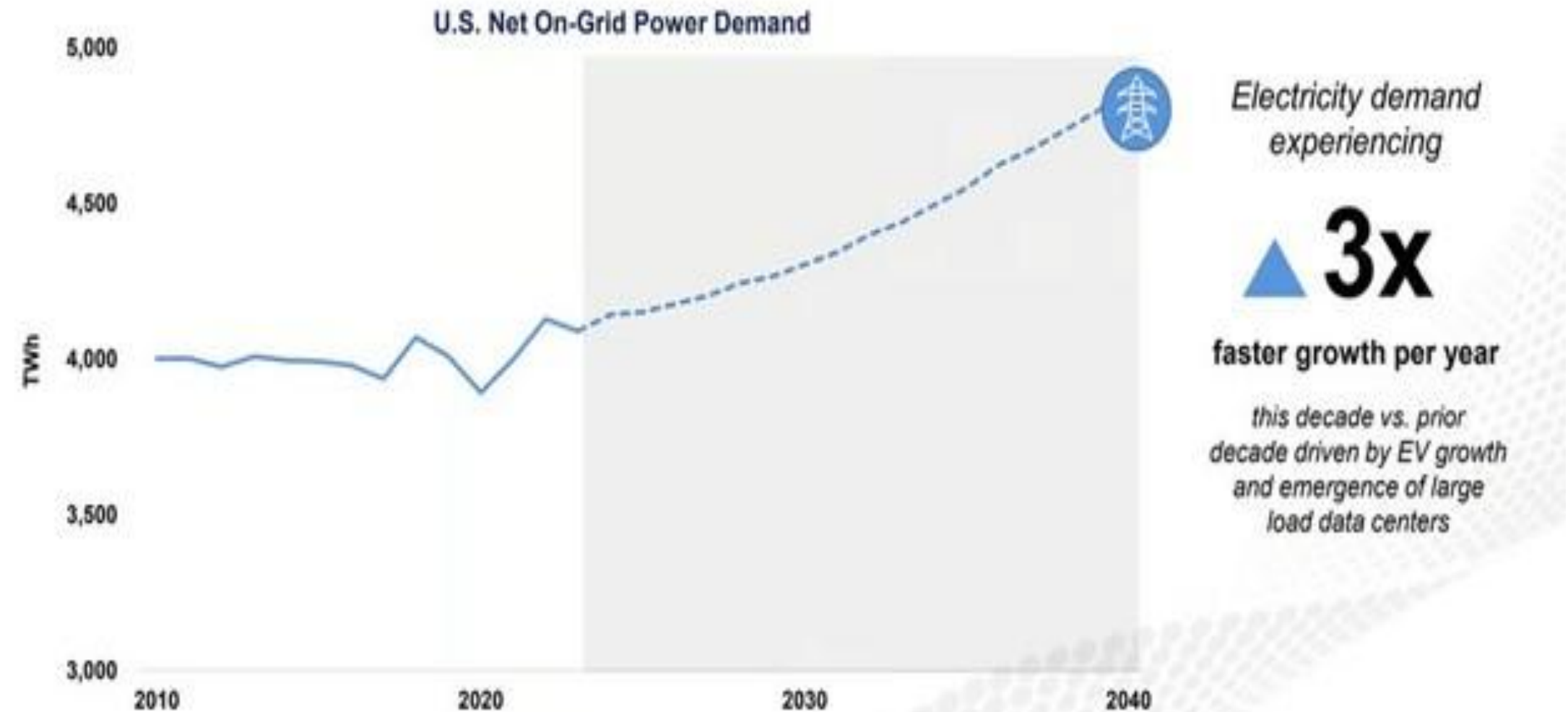
Source: GS

Picks and shovels -

Check out:

- Sterling Infrastructure
- EMCOR
- CEG
- Quanta
- NGK Insulators

Electrification of heating and transport, data centers and AI-driven future will create growth in power demand not seen in past two decades



Source: S&P Global Commodity Insights © 2024.

WILLIAMS © 2024 The Williams Companies, Inc. All rights reserved.

NYSE: WMB | 2024 Analyst Day | February 14, 2024 | www.williams.com

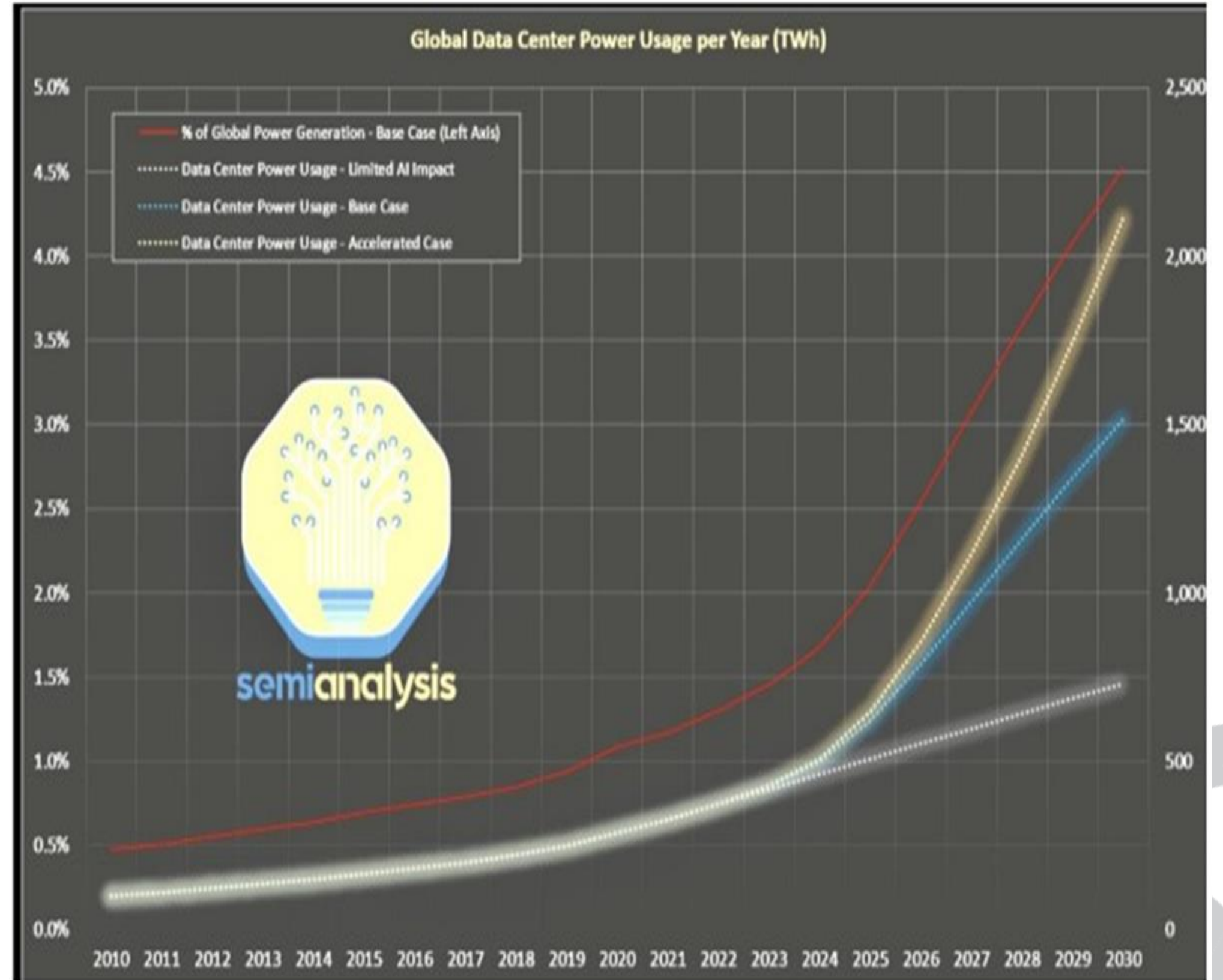
IMAGE SOURCE: WILLIAMS.



Picks and shovels -

Check out:

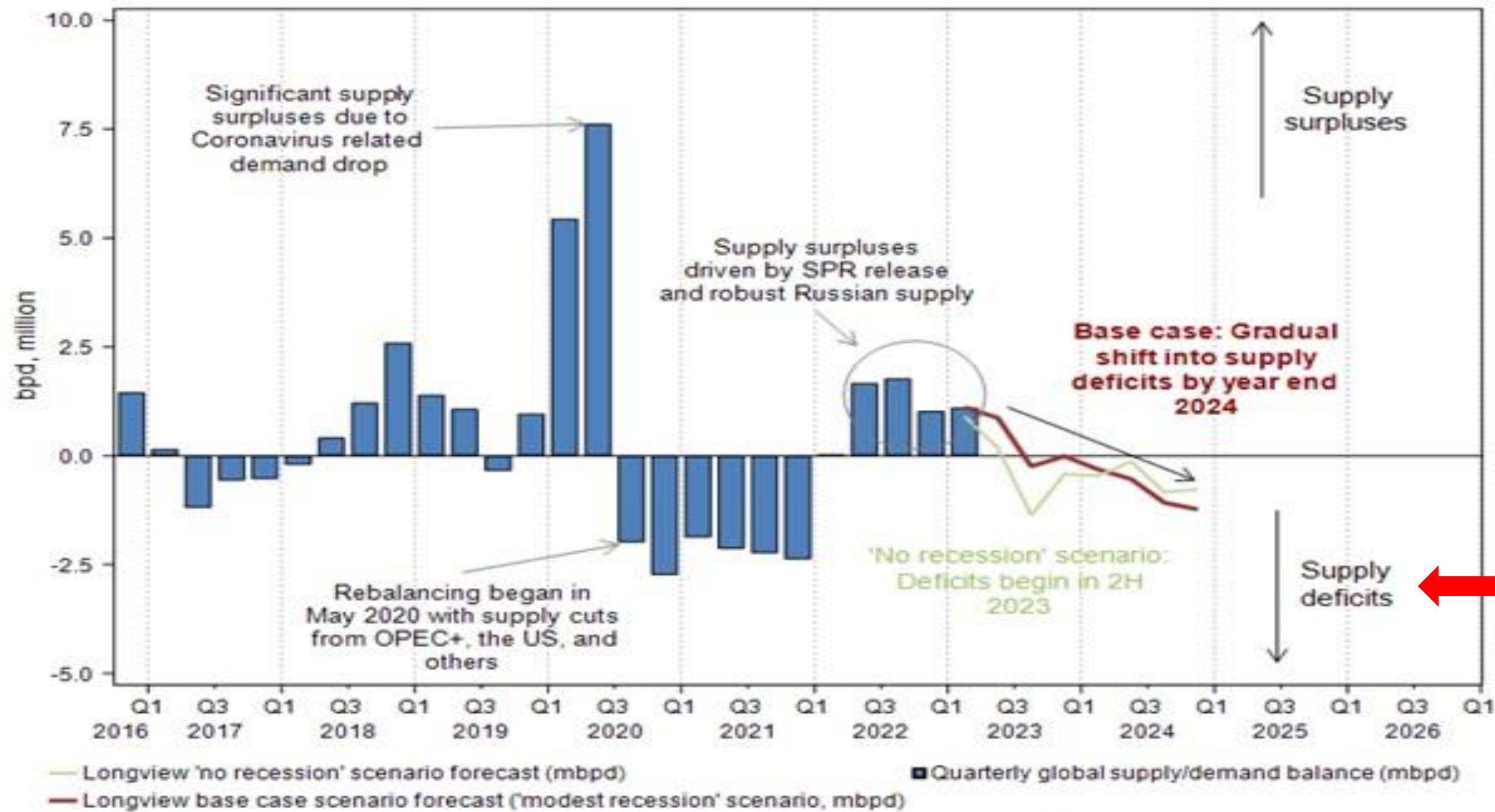
- Sterling Infrastructure
- EMCOR
- CEG
- Quanta
- NGK Insulators



Oil & Gas, Nuclear – Energy



FIG 5: Global supply & demand balance (mbpd), shown with Longview forecast



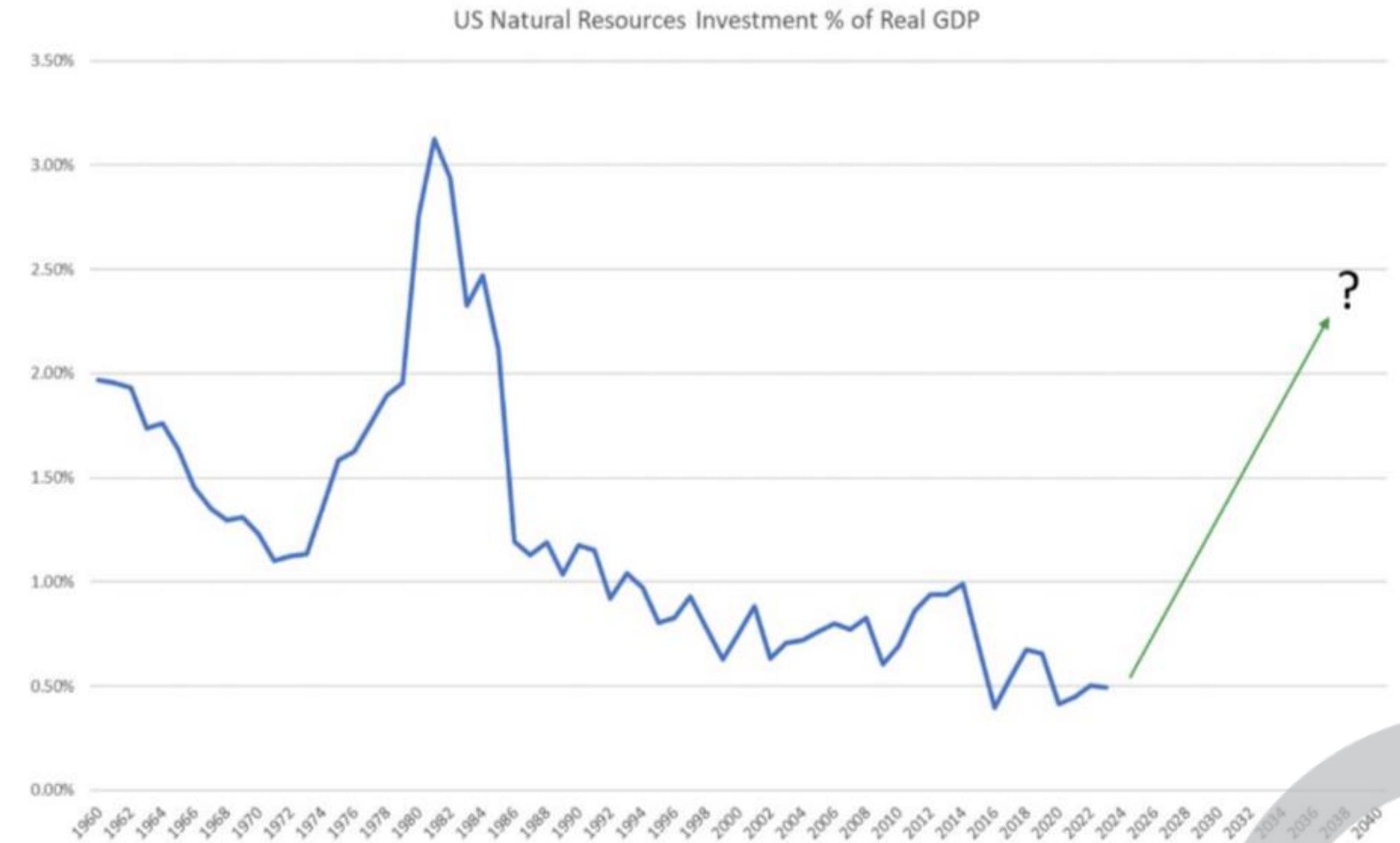
Source: Longview Economics, Macrobond

Guess what happens!

Picks and Shovels

Also, the energy transition isn't happening without more digging!
Check out the Copper price

Exhibit 60: Domestic investment in mining and exploration has declined ~4.0x from ~2.0% of GDP in 1960, and a peak of ~3.1% in 1981, to its current level of ~0.5% in 2022

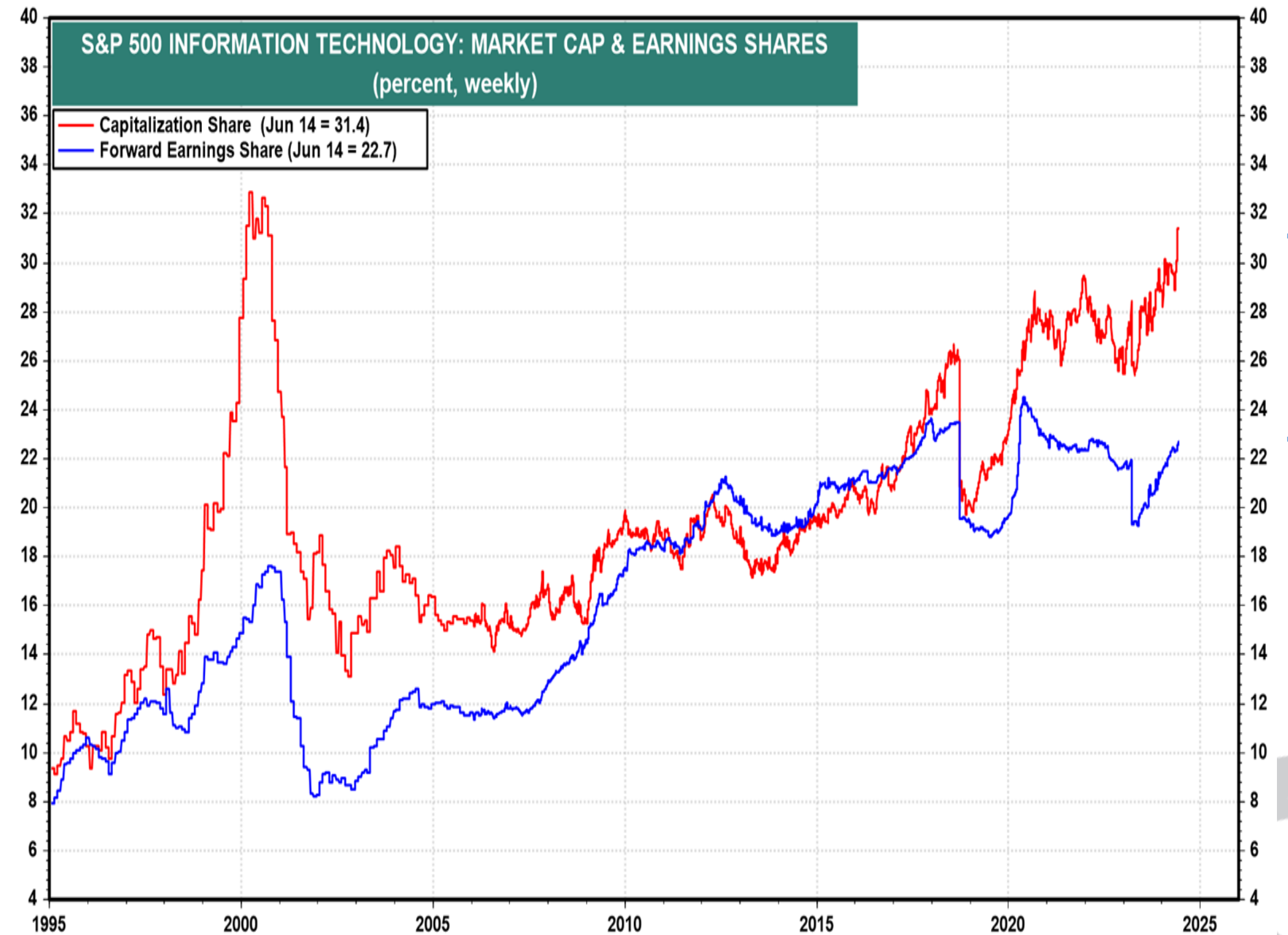


* Mining Investment as % of Real GDP = (Real Private Investment: Mining Exploration/Shafts/Wells)/Real US GDP
Source: Fred Economic Data



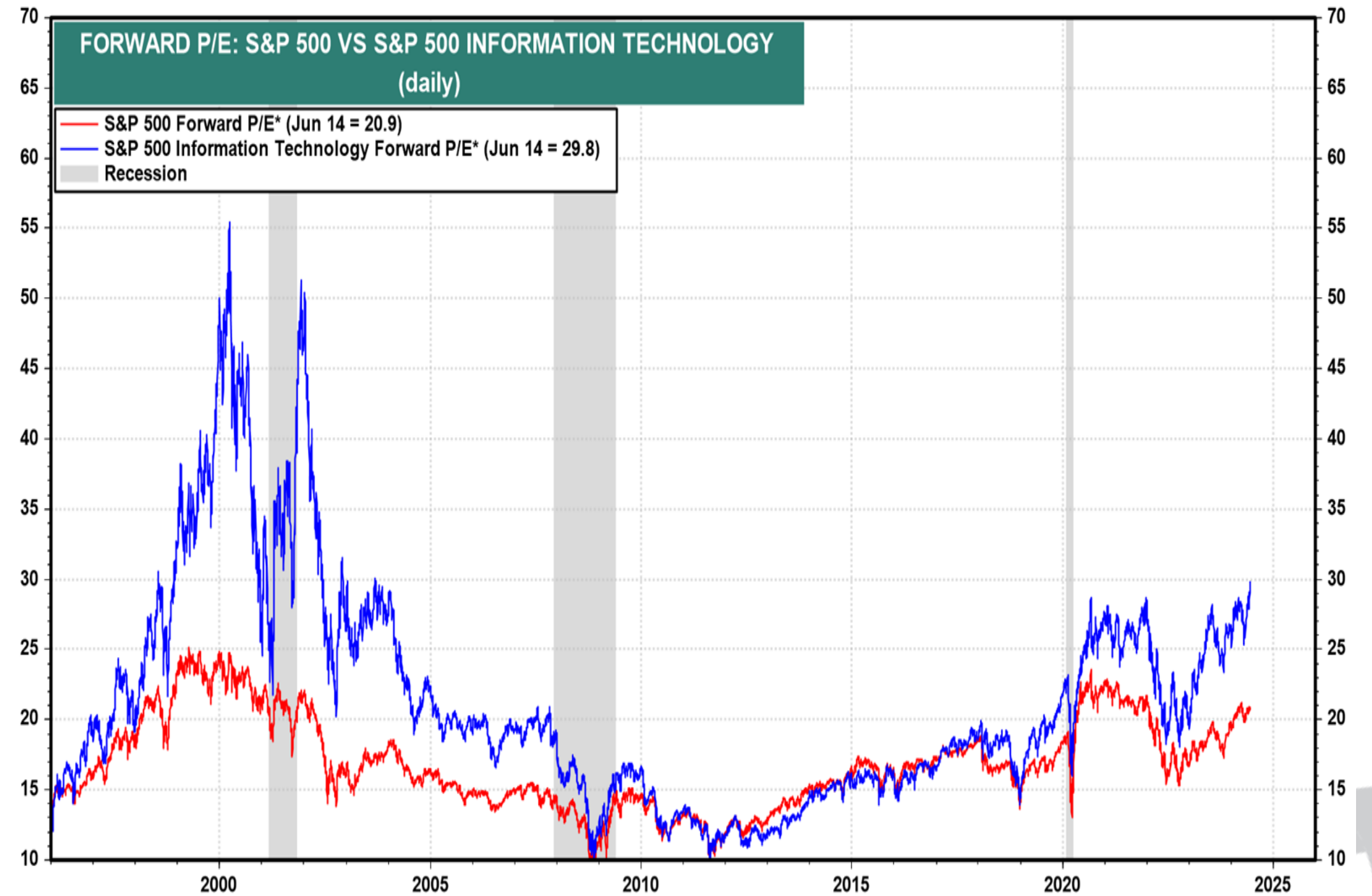
“You only need 7 stocks”

Are you sure?



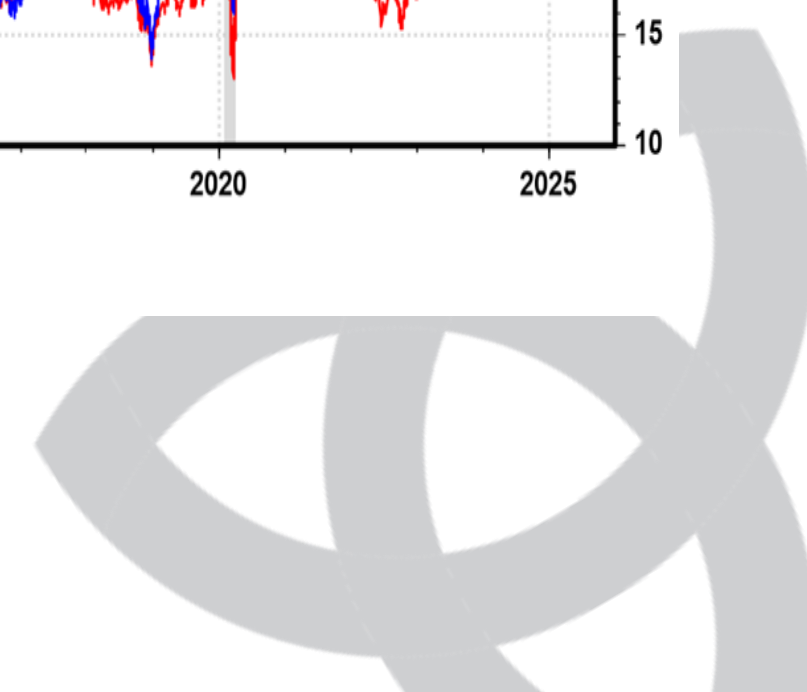
Source: LSEG Datastream and © Yardeni Research, and Standard & Poor's.

Really sure?!!

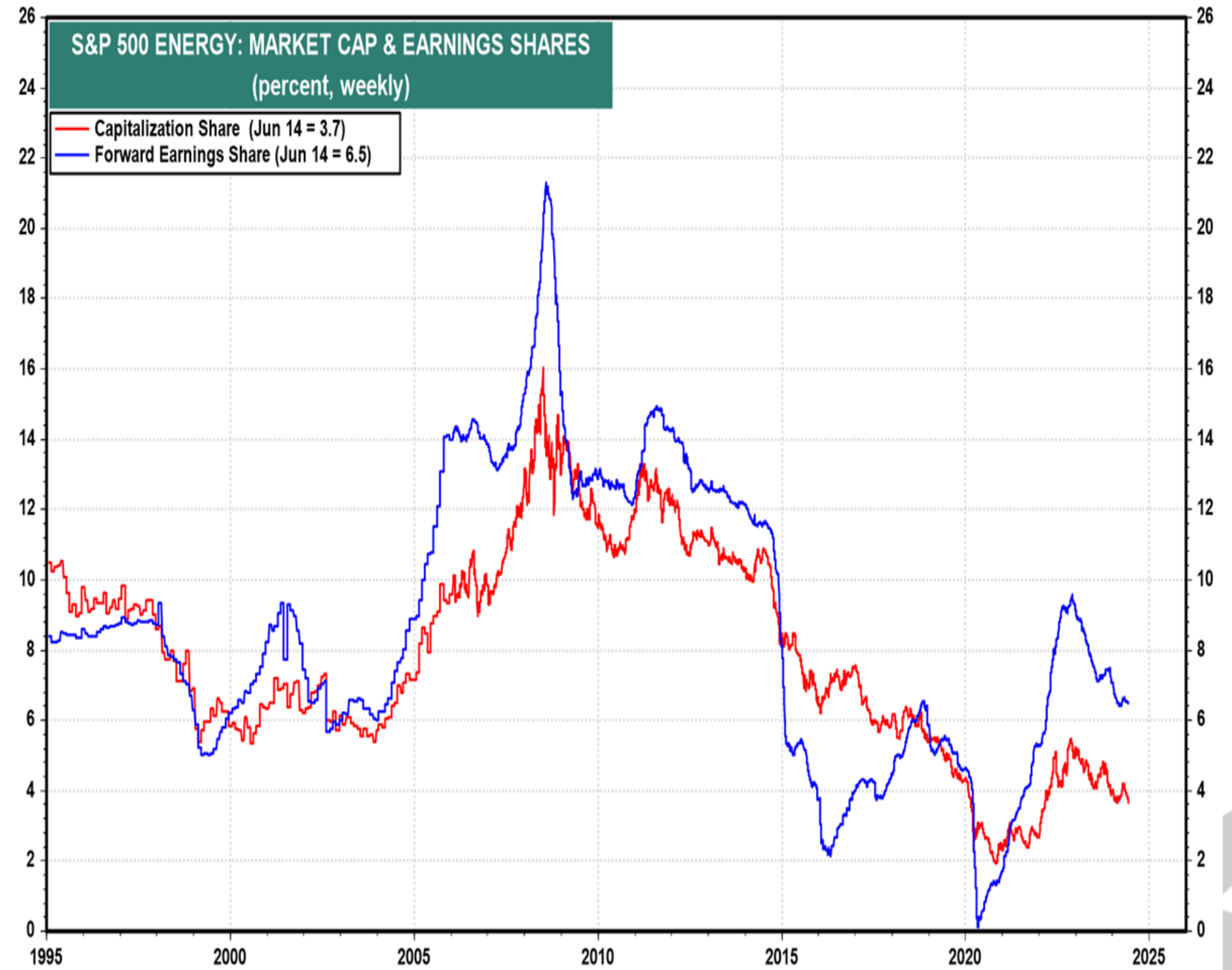


Source: LSEG Datastream and © Yardeni Research.

* Price divided by 12-month forward consensus expected operating earnings per share.



Really?!!

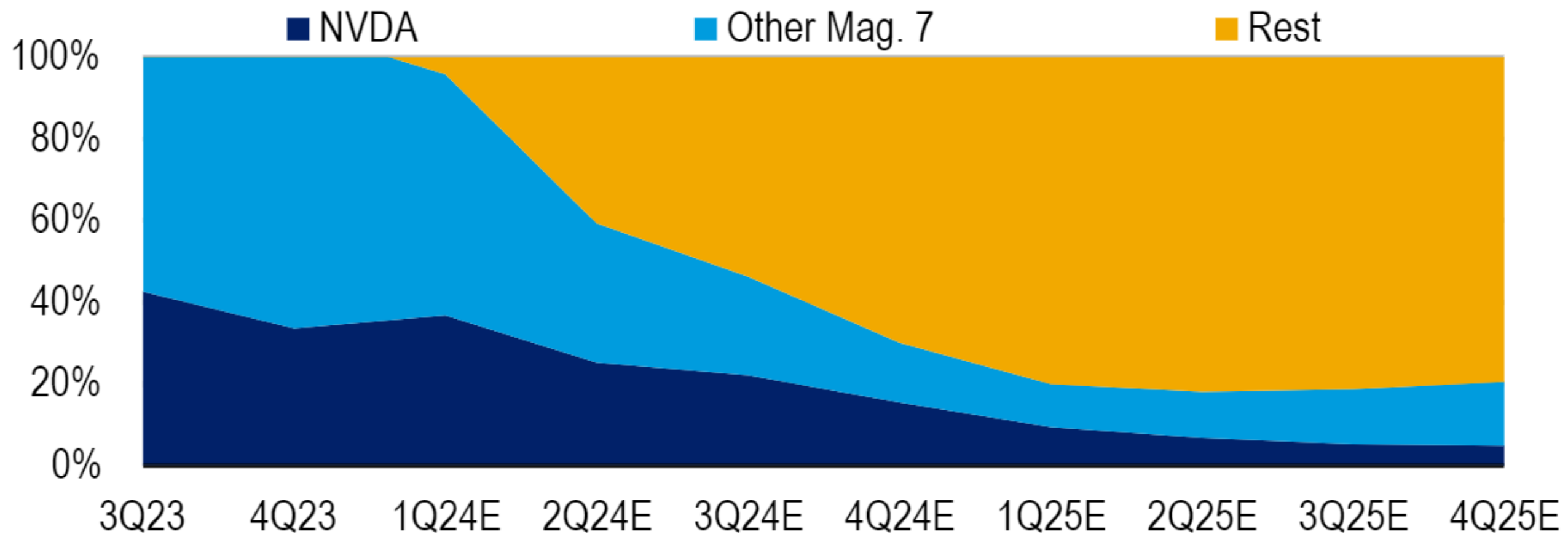


Source: LSEG Datastream and © Yardeni Research, and Standard & Poor's..

There are signs of a healthier (broader) market

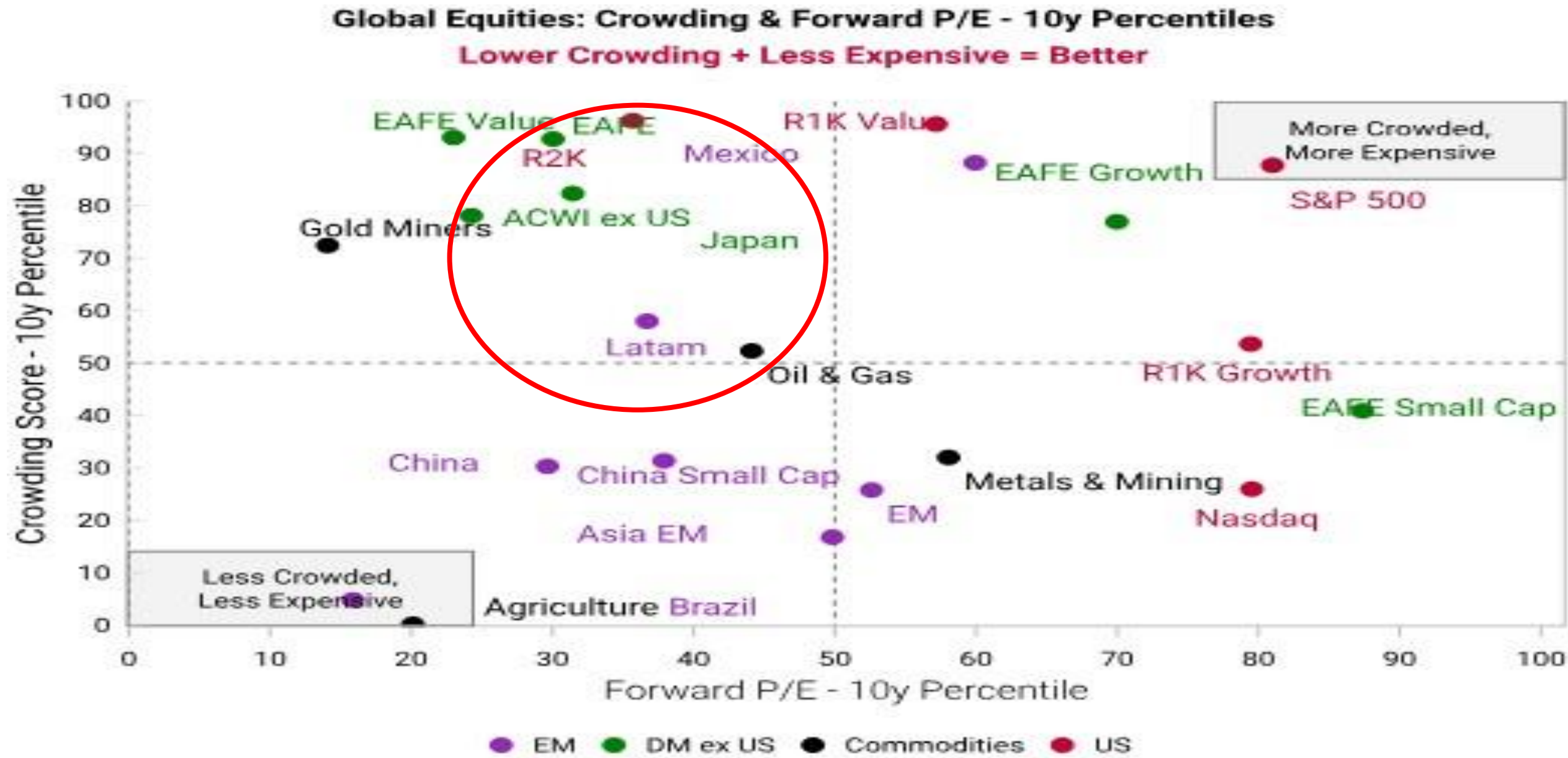
Chart of the week: It's not just about NVDA anymore. Growth is broadening out.

% contribution of S&P 500 earnings growth YoY (3Q23-4Q25E; as of 5/16/24)



Source: BofA Global Research, FactSet

Yet there is hope for a healthy market



Updated: May 29, 2024



Defence Spending

Japan's Diet has just approved defence spending to rise to 2% of GDP from 1.4% currently, by 2027.

Germany likely to follow and is debating voluntary conscription

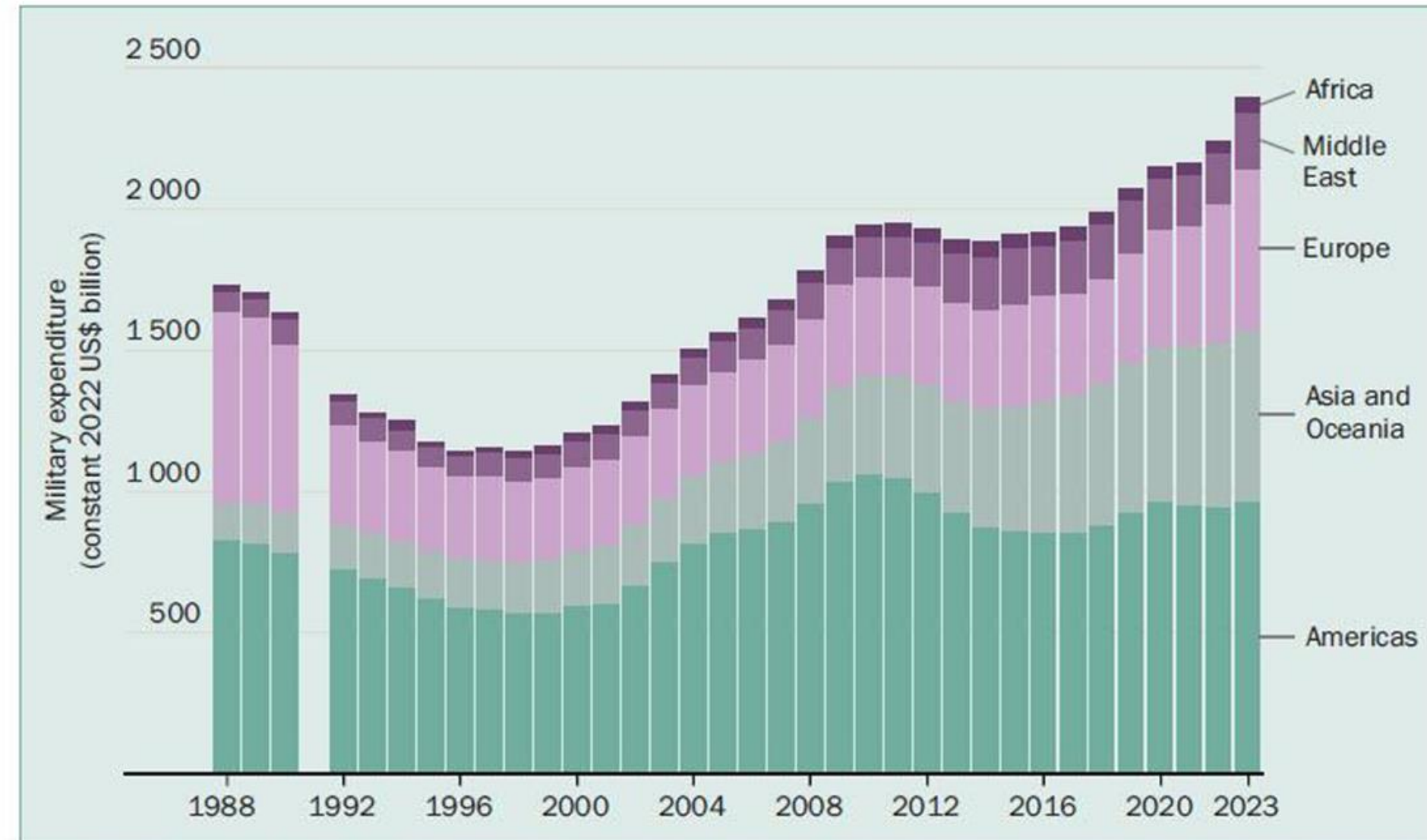
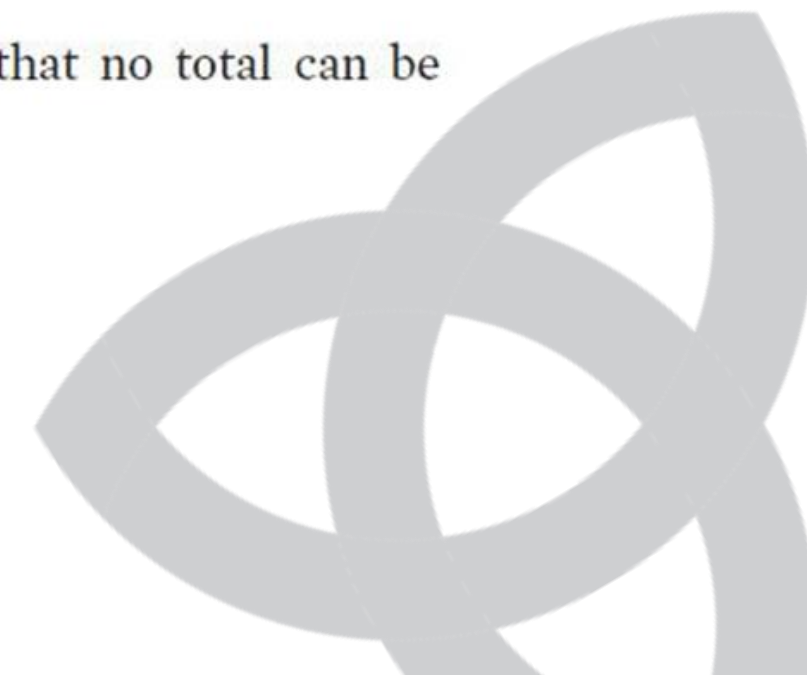


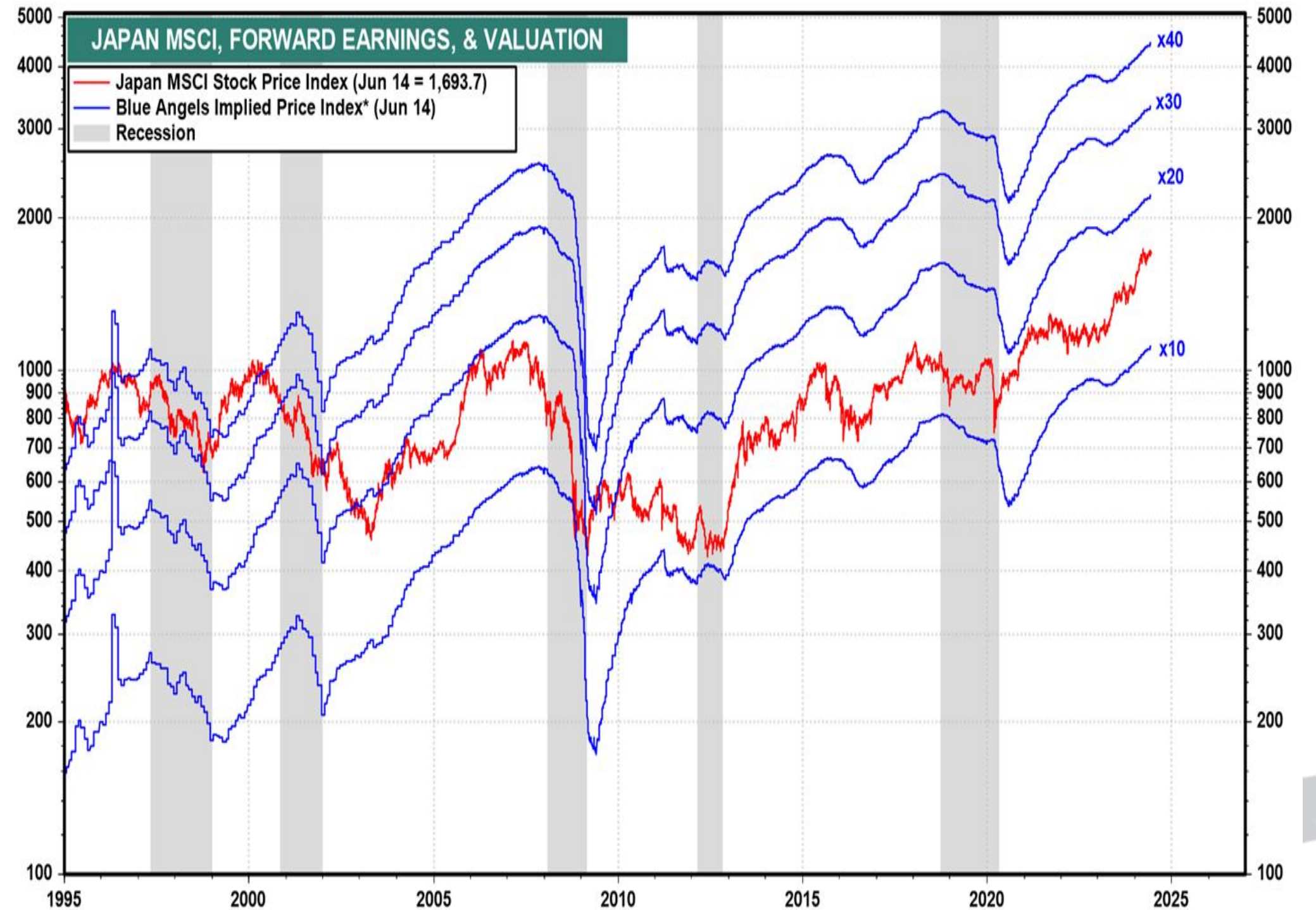
Figure 1. World military expenditure, by region, 1988–2023

Note: The absence of data for the Soviet Union in 1991 means that no total can be calculated for that year.



Japanese Equities

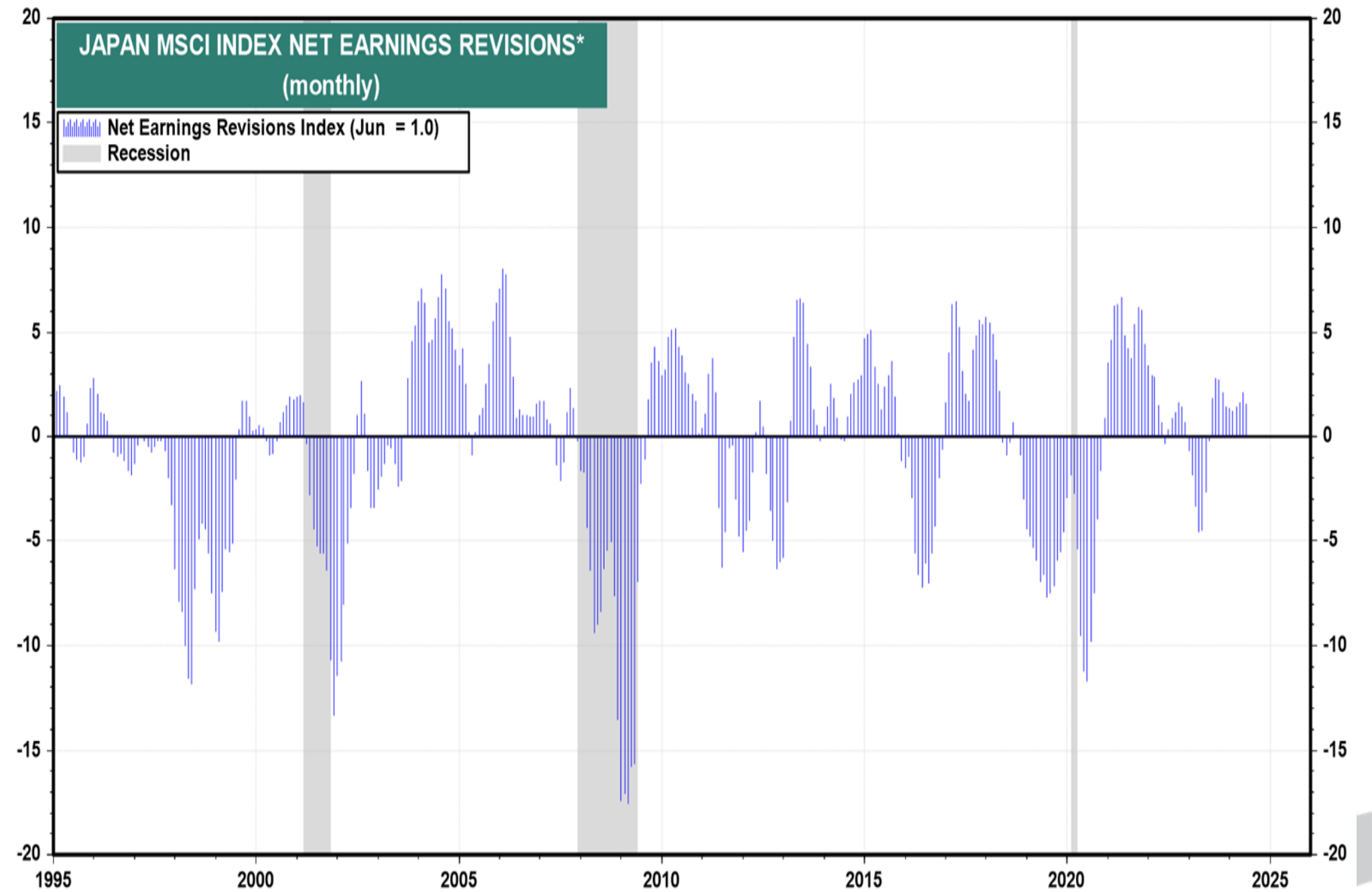
“Reculer pour mieux sauter”



Source: LSEG Datastream and © Yardeni Research.

* Implied price index calculated using forward earnings times forward P/Es.

Japanese Equities

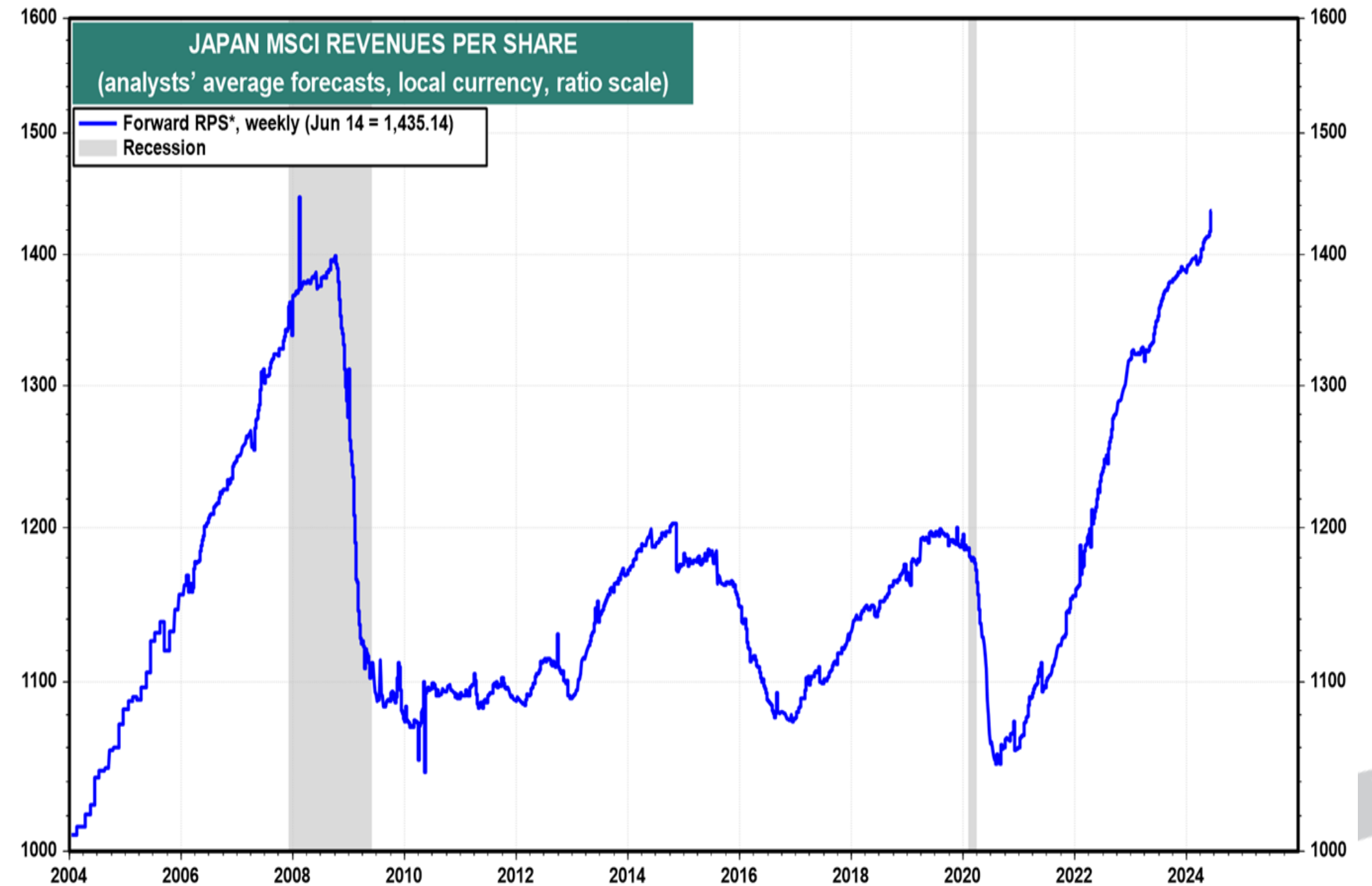


Source: LSEG Datastream and © Yardeni Research.

* Three-month moving average of the number of forward estimates up less number of estimates down, expressed as a percentage of the total number of forward estimates.

Japanese Equities

Revenue Growth & Share Buy-Backs



Source: LSEG Datastream and © Yardeni Research.

* Time-weighted average of consensus estimates for current year and next year.

What we own

 **ADVANTEST**[®]

HILLENBRAND

 **UBS** **Weyerhaeuser** **ShinEtsu** **SPROUTS**[®]
FARMERS MARKET **EMCOR** **KLA+** **SWIRE PACIFIC**



TAMIM

www.tamim.com.au

Q&A

TAMIM Global High Conviction All Cap Portfolio – Key Facts

Vehicle	Australian Unit Trust
Fees	1.0% management fee, 20% performance fee
Hurdle	MSCI World Net Total Return Index
Lock-up & Liquidity	Monthly liquidity on 30 days notice
Buy/Sell Spread	+0.25% / -0.25%
Minimum Investment	\$100,000
Administrator	William Buck Managed Funds Administration (SA) Pty Ltd
Custodian	Interactive Brokers LLC, CITI Bank, HSBC Bank, Leading Investment & Securities Co., Ltd. and Phillip Capital HK Ltd
Auditor	Crowe
Counsel	HWL Ebsworth

See the Fund's Information Memorandum for more information

PORTFOLIO MANAGER

Robert Swift



EXPERIENCE:

- Robert Swift | Global High Conviction Portfolio Manager
 - 35+ years industry experience
- Team of similar skills and experience
- Proven Portfolio Management:
 - Global High Conviction strategy
 - CYTD (31/05/2024) 13.26%
 - Last year (31/05/2024) 23.15% p.a.
 - Last 5 years (31/05/2024) 12.44% p.a.





TAMIM

www.tamim.com.au

INVESTOR ENQUIRIES – CONTACT DETAILS

Darren Katz

Managing Director

M: +61 405 147 230

E: darren@tamim.com.au

Ben Narcyz

Director of Distribution

M: +61 403 360 850

E: ben@tamim.com.au

Sid Ruttala

Client Executive

M: +61 482 097 758

E: sid@tamim.com.au