

# Australia All Cap Unit Class

## TAMIM Fund

At 31 December 2019

The month of December saw the market take a breather after what was mostly a fantastic year to be invested in equities. 2019 saw the best returns the Australian market has had for a decade and one of the best overall in a broader historic sense.

During December the ASX Small Ords was down -0.29% while the ASX300 was down -2.02%. After such a strong year it seems fatigue set in and investors signed off for an early holiday period.

The TAMIM Australia All Cap portfolio closed out the year well with a slightly positive return of +0.71% in December.

**We are pleased to have delivered our investors a fantastic +55.78% return in the 2019 calendar year.**

**This is approximately 2.3x the index return this year (the ASX 300 was +23.77%) and makes this one of the best performing funds in Australia in 2019.**

When we went through the portfolio management change in January 2019 we told our investors that we see significant value emerging across the broader market after what was one of the worst quarterly market corrections in recent memory. At that stage we were tentatively bullish.

As we went through the year Australians voted in what was a more stable federal government (on regulatory and tax policies at least) and our reserve bank cut interest rates to historic lows, signalling the willingness to support the economy at all cost. This resulted in our tune changing to a very bullish one.

**Since mid-last year we have regularly stated that we believe the Australian markets (after a lost decade since the markets peaked in 2007) are at the onset of a multi-year bull market for equities.** As we explained on numerous occasions, interest rates at close to zero and a loose monetary policy by the RBA will continue to drive equities higher as investors look for better returns outside property and cash.

So far, our conviction has been vindicated and, as we go through the first month of 2020, the Australian market is already hitting record highs on a daily basis.

While all this is happening it is important to block out the noise coming from media commentators and headline seekers alike. Just

### Monthly Return Stream

Note: Individually Managed Account (IMA) returns will, by their nature, vary from the underlying portfolio. Should you wish to see your individual return, please log in to your account online.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2016	-	-	-	-	-	-	-	-	-	-	-	0.07%	<b>0.07%</b>
2017	0.37%	-0.94%	1.46%	2.04%	0.43%	1.46%	0.17%	-0.15%	1.58%	3.21%	3.01%	1.20%	<b>14.66%</b>
2018	-2.12%	1.98%	0.60%	1.50%	1.13%	-1.40%	-0.70%	-0.10%	0.61%	-4.23%	-1.67%	-2.72%	<b>-7.08%</b>
2019	-0.52%	4.45%	0.44%	3.26%	6.17%	1.44%	5.66%	4.55%	11.79%	0.68%	7.19%	0.71%	<b>55.78%</b>
2020													

Monthly Return Stream refers to the aggregated cumulative performance of all TAMIM Australian All Cap individually managed account portfolios since inception (31 Dec 2016) in AUD net of fees up to 31 October 2019. From 1 November 2019 the Monthly Return Stream reflects the return on the TAMIM Fund: Australia All Cap unit class.  
 Note: Portfolio returns are quoted net of fees. Returns shown for longer than 1 year (other than Inception) are annualised. Year to date (YTD) figures are accumulative. The information provided in this factsheet is intended for general use only. The information presented does not take into account the investment objectives, financial situation and advisory needs of any particular person nor does the information provided constitute investment advice. Under no circumstances should investments be based solely on the information herein. Please consider our Information Memorandum and Services Guide before investing in any of our products. Past performance is no guarantee of future returns. Returns displayed in this document are unaudited. For wholesale and sophisticated investors only.

### Key Facts

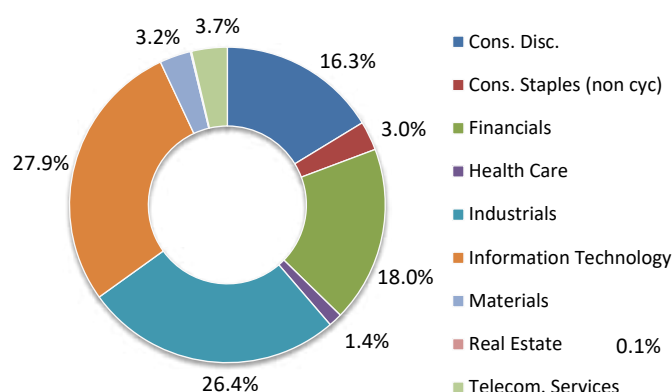
<b>Investment Structure:</b>	Unlisted unit trust
<b>Minimum investment:</b>	A\$100,000
<b>Applications:</b>	Monthly
<b>Redemptions:</b>	Monthly, with 30 days notice
<b>Unit pricing frequency:</b>	Monthly
<b>Distribution frequency:</b>	Semi-annual
<b>Management fee:</b>	1.25% p.a.
<b>Performance fee:</b>	20% of performance in excess of hurdle
<b>Hurdle:</b>	RBA Cash Rate + 2.5%
<b>Lock up period:</b>	Nil
<b>Buy/Sell Spread:</b>	+0.25%/-0.25%
<b>Exit fee:</b>	Nil
<b>Administration &amp; expense recovery fee:</b>	Up to 0.35%

### NAV

	Buy Price	Mid Price	Redemption Price
<b>AU\$</b>	\$1.0873	\$1.07955	\$1.0769

### Portfolio Allocation

<b>Equity</b>	94.87%
<b>Cash</b>	5.13%



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because we are finally hitting record highs, that doesn't mean it's the end of the party.

### ***In fact, this is just the beginning!***

We believe that the next three to five years will be a golden era for Australian equities with our markets reaching new highs along the way. ***We would not be surprised to see our index reach the magical 10,000 number in five years' time.***

All that being said, investors should also be reminded that equities never go up in a straight line. ***We will have plenty of corrections and negative months along the way.*** Investors in general tend to get distracted from time to time and forget about fundamentals, they will always come back to front of mind soon enough though.

A good example of the above was last year. On more than one occasion markets sold off aggressively as investor concerns focussed on a potential hard landing economic impact from Brexit and the risk of a prolonged US/China trade war. In both instances we always insisted that these issues would resolve themselves in time and this has turned out to be the case.

The key, as always, is to ***block out the noise and stay disciplined by sticking to fundamentals.*** We will keep searching for great businesses that are growing, operate in industries with tailwinds, and (more importantly) are run by management teams we can trust and value. ***From time to time, we will get one wrong.*** This is exactly why we are always diversified across 30 or so companies.

There is a significant amount of cash still sitting on the sidelines looking for a home and ***we are confident that we can continue to outperform for our investors in 2020 and beyond.*** Investors will seek better returns than what are essentially negative real returns from cash in a bank account.

There wasn't much by the way of portfolio holdings news flow this month so we will keep this report shorter than usual. The only meaningful news came from our holding in ***CML Finance Group (CGR.ASX).***

CGR is currently under a friendly takeover offer from Consolidated Operations Group (COG.ASX) which is mostly script based. While we believe that, as previously highlighted, the combination of both companies makes sense and offers upside, we feel the offer of about 52 cents significantly undervalues CGR.

***This view was validated in December as CGR's largest competitor, Scottish Pacific Group (SCO), made a superior bid at a combined cash value of 61 cents.*** The bid is conditional on due diligence. We feel that the SCO bid is still undervaluing CGR but is at least more realistic and fairer compared to the offer made by COG. We will retain our holding and let this play out as, in both cases, we feel there is still upside from the current share price.

We will provide further updates and commentary in our next monthly report.

We would also like to take this opportunity to once again wish our investors a happy new year and a prosperous and healthy new decade.

Sincerely yours,

Ron Shamgar and the TAMIM Team.

Note: Returns are quoted net of fees. Past performance is no guarantee of future performance.

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