

Global High Conviction Unit Class

TAMIM Fund

At 31 December 2021



World markets rose almost 6% during the quarter, as investors judged that flagged interest rate increases would be insufficient to slow profits growth. Equities are the best inflation hedge as long as inflation remains 'under control' and increased regulation is

ineffective. For the moment both appear to be the case even though both are increasing. The USA, Europe and China all introduced or signalled more regulation, although China is likely to ease policy as the other regions tighten, albeit to a miniscule degree.

Portfolio

The unit class returned 2.60% in December. Pleasingly, the overall return for the 2021 calendar year was 27.20%. This continues the strong performance of the strategy, delivering a 14.94% p.a. return since inception.

We remain invested in companies benefitting from increased industrial activity, productivity enhancing investment (true technology, infrastructure), useful companies that make life better, and those with a margin of balance sheet safety.

We like Japan. Shareholder activism is on the rise in Japan which will help continue the trend toward better treatment of shareholders. Negative news flow from the continued Covid induced lock downs is the headwind to a higher market rating. These will cease and the market is likely to return to the uptrend.

Notable positive contributors came from Japan despite a lacklustre market overall. Sony (6758.TYO) and Canon (7751.TYO), a recent purchase, rose over 10%. Our focus on 'true technology' paid off in the USA where Seagate (STX.NASDAQ) rose over 30%, KLA (KLAC.NASDAQ) over 25% and Johnson Controls (JCI.NASDAQ) over 15%. Kroger (KR.NYSE), the food retailer, flagged price increases for most products and the shares rose over 10% in the quarter. See comment above on inflation and equities! Alibaba (9988.HKG) remains a conundrum although we are tempted to follow Charlie Munger in buying more.

We added a little to China Construction Bank (601939.SHA) late in the quarter. It is now a top 10 holding. We made no other trades in the quarter. We remain fully invested, massively prefer dividend paying stocks, and don't 'market time'.

Markets

Chinese interest rate cuts and various other liquidity injections are likely to assuage the impact of the Evergrande failure which rumbles on. Other Chinese property companies will follow. We believe this can be managed but followers of GDP will be disappointed.

Profit taking from bubble stocks has already started in the USA. More than 200 US listed companies above \$10bn in market cap are down at least 20% from their highs. Almost 40% of NASDAQ stocks have fallen by at least 50% from their highs. In asset allocation terms, we prefer US value and Chinese growth given the relative earnings multiples.

The US yield curve continues to steepen and rise. German government issued bunds turned positive again. Monetary conditions are being tightened regardless of what central banks want, and they are behind the curve. Loss making companies such as Peloton and other favourites are consequently dangerous for investors. We have made many comments on this.

We like listed global infrastructure companies for their exposure to the forthcoming fiscal programme to repair and provide essential facilities to grow economies, and for their stability of revenue and profits. With an average Beta of 0.8 to the global equity market, they represent a lower risk way to generate income and provide some inflation protection. Cash will remain a place in which to lose purchasing power in the long run.

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Overview

The TAMIM Global High Conviction strategy is a portfolio of global equities from major developed global exchanges. The portfolio holds approximately 60 of the best ideas from around the globe. The portfolio uses a systematic and consistent approach to stock selection and portfolio construction to deliver strong risk adjusted returns to our clients while focusing on attempting to preserve their wealth.

Key Facts

Investment Structure:	Unlisted Unit Trust
Minimum investment:	A\$100,000
Management fee:	1.00% p.a.
Admin & expense recovery fee:	Up to 0.35%
Performance fee:	20% of performance in excess of hurdle
Hurdle:	MSCI World Net Total Return Index
Exit fee:	Nil
Single security limit:	+/- 5% relative to Benchmark
Country/Sector limit:	+/- 10% relative to Benchmark
Target number of holdings:	50-80
Portfolio turnover:	Typically < 25% p.a.
Investable universe:	MSCI World Net Total Return Index
Cash level (typical):	0-100% (0-10%)
APIR code:	CTS5590AU

NAV

	Buy Price	Mid Price	Redemption Price
AU\$	\$1.2420	\$1.2389	\$1.2358

Portfolio Performance

<i>Inception: 15/07/2011</i>	1 month	3 months	6 months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)	Since inception (total)
Global High Conviction	2.60%	5.78%	7.91%	27.20%	16.76%	10.44%	14.94%	329.31%
MSCI World	1.69%	7.07%	11.27%	29.29%	20.40%	14.94%	15.38%	346.92%
Cash	0.01%	0.02%	0.05%	0.10%	0.51%	0.91%	1.89%	21.62%

Strategy inception: 15/07/2011 | TAMIM Fund: Global High Conviction unit class inception: 31 December 2019

Returns prior to 31 December 2019 reflect the Individually Managed Account (IMA) underlying portfolio returns. IMA returns reflect a higher fee structure. Individually Managed Account (IMA) returns will, by their nature, vary from the underlying portfolio and TAMIM Fund portfolio. Should you wish to see your individual return, please log in to your account online. Returns are quoted net of fees and assume dividends/distributions are reinvested. Past performance is no guarantee of future performance. The information provided should not be considered financial or investment advice and is general information intended only for wholesale clients (as defined in the Corporations Act). 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. You should seek personal financial advice before making any financial or investment decisions. The value of an investment may rise or fall with the changes in the market. Past performance is no guarantee of future returns. Investment returns are not guaranteed as all investments carry risk. This statement relates to any claims made regarding past performance of any Tamim (or associated companies) products. Tamim does not guarantee the accuracy of any information in this document, including information provided by third parties. Information can change without notice and Tamim will endeavour to update this document as soon as practicable after changes. Tamim Funds Management Pty Limited and CTSP Funds Management Pty Ltd trading as Tamim Asset Management and its related entities do not accept responsibility for any inaccuracy or any actions taken in reliance upon this advice. All information provided in this document is correct at the time of writing and is subject to change due to changes in legislation. Please contact Tamim if you wish to confirm the currency of any information in the document. The MSCI World refers to the MSCI World Index in AUD. Returns shown for longer than 1 year (other than Inception) are annualised. All returns shown are AUD denominated.

Selection of 5 Holdings

Stock	Country
Verizon Communications Inc	USA
Euronext N.C.	France
Quest Diagnostics	USA
Kurita Water Corporation	Japan
Sony Corporation	Japan

Portfolio Profile

Equities	96.83%
Cash	3.17%

