

# Global High Conviction Unit Class

## TAMIM Fund

At 30 April 2020

### Global High Conviction Portfolio Update

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After the heavy falls seen in March following the growing covid-19 global pandemic, April saw a sharp bounce with MSCI World in USD up over 10%. Markets have been buoyed by the prospect of a re-opening of economies. However it is becoming clear that the return to normality is going to take some time and we may not be able to get back to a pre-covid world until we have a vaccine and for the vaccine to be made in sufficient quantities to immunise the world's population. Companies currently reporting on their activities and outlook are understandably cautious, and not making too many assumptions of what the "new normal" will look like. As such, many companies have suspended their dividend payments until greater visibility of the future arises.

The closing of most of the world's economy is unprecedented in human history and is causing great harm to people, companies and government finances. A number of areas in the economy will struggle to operate effectively for some time – airlines, hotels, restaurants, leisure, etc. Airlines are already suggesting that it may take till 2023 for them to be able to get back to 2019 levels, and this is likely to be the case for many other sectors of the world economy.

In the Global portfolio we held off investing cash that came into the portfolio earlier in the year and were able to deploy most of this in March. We are of the opinion that the economic recovery is going to take some time and is likely to be subdued as consumer confidence is likely to remain fragile. So we expect big ticket items like house purchases, auto sales, housing renovations, holidays (even if you can book one), are likely to remain weak. Companies with high debts/weak balance sheets may be forced to issue equity at depressed levels, so diluting existing shareholders. So we have been focusing on companies with more dependable earnings (low ticket items, healthcare, utilities, etc) and with strong balance sheets. We bought holdings in companies like Kroger (US supermarkets), Thermo Fisher, Bristol Myers, Amgen (US Healthcare stocks) and Kimberly Clark (US consumer staples). We think it is too early to be chasing the more cyclical stocks right now.

Of course, news and events can change rapidly at the moment. For example, we may have positive news that an existing treatment may be effective in reducing mortality rates in existing covid patients. One of the Trust's largest holdings is Gilead Sciences which has a treatment called Remdesivir, which was originally made for the Ebola virus, and this may

prove effective in current trials. On the other hand, we may find the relaxation of lockdown measures give rise to a second wave of covid cases, in which case more stringent lockdown measures may need to be reintroduced. So, events could well lead to a change in our current portfolio composition.

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

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### Overview

The TAMIM Global Equity 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

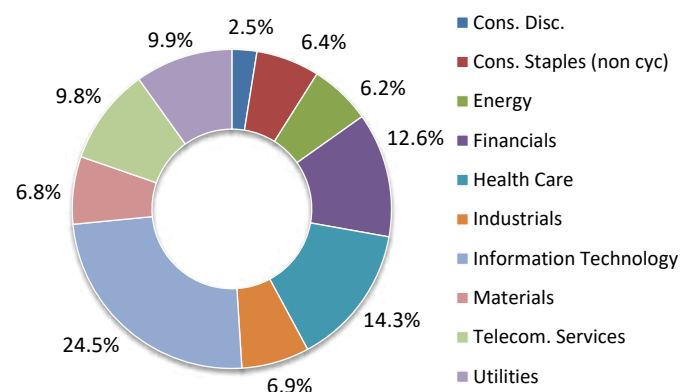
<b>Investment Structure:</b>	Unlisted Unit Trust
<b>Minimum investment:</b>	A\$100,000
<b>Management fee:</b>	1.00% p.a.
<b>Admin &amp; expense recovery fee:</b>	Up to 0.35%
<b>Performance fee:</b>	20% of performance in excess of hurdle
<b>Hurdle:</b>	MSCI World Net Total Return Index
<b>Exit fee:</b>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

### Selection of 5 Holdings

Stock	Country
Verizon Communications Inc	USA
Legal & General Group PLC	UK
China Mobile	China
Hoya Corporation	Japan
Ping An Insurance	China

### Portfolio Profile

<b>Equities</b>	96.15%
<b>Cash</b>	3.85%



### Monthly Return Stream

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2011	-	-	-	-	-	-	0.02%	0.24%	1.48%	1.75%	-0.24%	3.14%	<b>6.51%</b>
2012	0.67%	3.83%	8.03%	-3.05%	-1.56%	0.57%	-1.64%	4.74%	2.58%	-0.68%	-1.95%	2.92%	<b>14.78%</b>
2013	2.51%	1.29%	-0.03%	3.27%	11.01%	1.11%	7.27%	-1.75%	-3.65%	3.32%	8.56%	3.41%	<b>41.71%</b>
2014	-3.32%	0.56%	-0.97%	0.74%	0.80%	0.02%	1.34%	3.13%	6.43%	2.11%	5.75%	2.40%	<b>20.26%</b>
2015	1.32%	7.07%	-0.65%	-0.53%	4.95%	-2.87%	6.09%	-3.37%	-0.76%	7.00%	1.06%	-1.24%	<b>18.75%</b>
2016	-0.96%	-3.34%	-0.61%	0.68%	6.24%	-5.53%	1.38%	3.05%	-2.97%	-0.93%	4.37%	4.78%	<b>5.60%</b>
2017	-4.04%	0.78%	0.91%	2.53%	-1.14%	-1.29%	-0.73%	0.64%	4.22%	3.47%	2.99%	-1.79%	<b>6.41%</b>
2018	2.12%	0.54%	-0.80%	3.80%	-1.01%	-0.62%	2.01%	3.43%	-0.46%	-4.37%	-2.68%	-4.57%	<b>-2.99%</b>
2019	4.39%	5.55%	0.43%	3.29%	-6.28%	7.20%	2.26%	-3.75%	3.79%	1.37%	5.21%	-0.52%	<b>24.46%</b>
2020	0.19%	-4.45%	-4.08%	2.78%									<b>-5.62%</b>

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

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