

# Global High Conviction Unit Class TAMIM Fund

At 31 March 2021

## Global High Conviction Portfolio Update

World markets rose during the quarter, but there has been a significant shift in the shape of the US yield curve which has driven a major sectoral rotation globally.

We anticipated this and remain focussed on companies exposed to industrial activity, productivity enhancing investment and the switch to fiscal policy, after years of frankly fruitless ZIRP.

In addition, National Industrial Policy is returning, and companies and investors will have to adapt to new supply chains, different regulations, and taxation.

The portfolio remains diversified with underweight positions in European banks and oil companies generally. We have overweight positions in 'true technology' companies, Industrials and Healthcare. We like Japan and Asia on valuation, fiscal resilience and improving governance. The outlook remains poor for European profits notwithstanding the 'cheap' market.

Notable performers included KLA, a US metrology equipment manufacturer, Valero, the USA based oil refining company, and Intel as the new CEO reaffirmed profit guidance and a route map for improvement. Most Japanese companies in the portfolio marched higher.

There was an increased level of portfolio turnover in the March period.

We sold Discovery A shares after they almost tripled despite not knowing what was to come as a result of the Archegos situation. Let this be a lesson in portfolio management. We held the company on the back of a specific thesis, it reached price targets early but for a reason we could not determine. We therefore decided to close the position and realise profits.

We also sold Hong Kong Exchanges after a rise of almost 50%. We took profits in Orix Holdings and Nomura Holdings in Japan. We sold Legal and General in the UK. We trimmed Shin-Etsu Chemical in Japan which had reached almost 6% of the portfolio due to relative price performance. We purchased China Construction Bank which appears fully provisioned for bad debts, and in a position to expand its loan book; we bought Ebara and Kajima in Japan and Euronext in Europe as we anticipate continued financial services friction post Brexit and stock market trades will increase on Euronext relative to the LSE. We bought Emerson Electric in North America.

Discovery, Inc. (DISCA.NASDAQ) - 1 Year (to 21 April 2021)



**We purchased Discovery A shares in the TAMIM Fund: Global High Conviction unit class at an average entry price of \$26.10. With the shares peaking at \$75.95 in March 19, our average exit price was \$74.69.**

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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

<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%)
<b>APIR code:</b>	CTS5590AU

## NAV

	Buy Price	Mid Price	Redemption Price
<b>AU\$</b>	\$1.1292	\$1.1264	\$1.1236

## Portfolio Performance

Inception: 15/07/2011	1 month	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)	Since inception (total)
<b>Global High Conviction</b>	6.32%	10.81%	19.62%	21.34%	11.95%	9.72%	9.70%	14.55%	273.99%
<b>MSCI World</b>	5.03%	6.30%	12.52%	23.78%	13.46%	13.08%	13.53%	14.34%	267.44%
<b>Cash</b>	0.01%	0.02%	0.06%	0.19%	0.54%	0.86%	1.14%	2.03%	21.53%

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

<b>Equities</b>	99.42%
<b>Cash</b>	0.58%

