

Global High Conviction Unit Class

TAMIM Fund

At 30 November 2020

Global High Conviction Portfolio Update

Global equity markets ended the month up by over 10.0% in USD terms and increased by over 5% in AUD terms. Value outperformed Growth quite significantly and small outperformed large. The US\$ was a weak currency against most of the majors.

Our global equity strategies rose in line with the market capitalisation indices.

The past month has seen a 37% increase in the official number of Covid-19 cases globally, a small acceleration from the 35% growth rate recorded in the month of October. We are beginning to learn to live with this and a vaccine is soon to be administered albeit on a limited basis.

The USA election remains officially undecided, since President Trump hasn't conceded, and the electoral college votes have yet to be cast, although the Democrats are starting to nominate for key positions in the Administration. We expect little foreign policy difference between this new Administration and President Trump's. Domestic policy is also likely to focus on job creation with Janet Yellen nominated as Treasury Secretary. This was one of the previous Administration's successes and is sorely needed. 'Build Back Better' may not be so different from "Make America Great Again"? In other words, we will have style but not substance change with which to deal.

We anticipate the continuation of a National Industrial Policy for the USA and China with a gradual rebuilding of domestic capital stock very necessary in the USA. This will be positive for infrastructure related companies.

Asia including Japan remains our key regional focus for Global Equities. Geopolitically the region is becoming more important and countries are beginning to develop better relationships with perhaps only one exception? Taiwan and China?

The Chinese foreign minister Wang Yi met Prime Minister Suga at the end of his two-day trip to Japan, a trip that marked the first high level visit since Mr Suga was elected party leader and Prime Minister in September. Prime Minister Suga stressed the need for a "stable relationship" between Japan and China. Some progress was made with the proposed resumption in business travel in December, together with positive comments regarding cooperation with respect to trade and fighting Covid-19. The long running territorial dispute regarding islands in the East China Sea will remain the subject of future talks. The prospect for a three-way trade deal including South Korea is being pursued by foreign minister Wang as he continues his travel around the region. If this trade deal can be secured, it would mark significant progress from the friction that has remained

in place between Japan and South Korea for the past eighteen months and would be taken very positively by markets.

Asia economies also continue to improve. China reported that the factory sector accelerated at the fastest pace in a decade with business survey data in November. Japan's industrial output increased for the fifth straight month rising by 3.8% in October with a recovery in the numbers for motor vehicles being most notable after an extended period of weakness. There was also encouraging news regarding retail sales which increased 6.4% in the year to October, the first time an increase has been recorded since February 2020. Prime Minister Suga has instructed his cabinet to compile a package of stimulus measures to reinforce the recovery that appears to be underway. The unemployment rate in Japan remains at 3.1% and the jobs to applicant's ratio increased for the first time since April 2019.

Invest in Japan – the market is cheap and there are clear signs of a better outcome or shareholders relative to management and employees. In other words, dividend increases, M&A and better capital allocation decisions which will increase return on capital.

Notable positive stock movements in the month came from Shin-Etsu Chemical, rising over 20%, Valero the USA refining company, rising almost 50%, Barratt Developments + 20%, Manulife Financial +30% and Orix in Japan + 25%. Chinese companies fell as the USA has proposed making it illegal for certain of them to raise capital from USA citizens. CNOOC and Baba both fell with the latter also hurt by the postponement or cancellation of its listing of Ant Financial. China runs a current account surplus, has substantial foreign exchange reserves, its own currency, and reasonably high savings rates. Funding for capital expenditures from domestic sources is therefore easy. The price falls are only news and sentiment related. USA investors will be replaced by others if they are forced to sell.

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

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%)

NAV

	Buy Price	Mid Price	Redemption Price
AU\$	\$1.0302	\$1.0276	\$1.0251

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%	6.51%
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%	14.78%
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%	41.71%
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%	20.26%
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%	18.75%
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%	5.60%
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%	6.41%
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%	-2.99%
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%	24.46%
2020	0.19%	-4.45%	-4.08%	2.78%	-0.15%	-1.22%	-0.88%	0.82%	0.15%	-0.32%	9.48%		1.66%

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.

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

Equities	99.60%
Cash	0.40%

