

Global Mobility Unit Class

TAMIM Fund

At 31 March 2022

Why Mobility? Why Now?



\$7-10 Trillion Revolution: That's right, trillion with a "T." We believe this is going to be the biggest technological revolution of our lifetime... and very few are paying attention.



It's Happening Now: EV adoption is inflecting, and autonomous vehicles are already on the road today across the US. Google's Waymo division has over 600 self-driving cars (no safety drivers!) that have collectively driven over 20 million miles (32 million kilometres). In the Phoenix area, consumers can hail one today with a simple click in the app.



Every Industry Will Be Affected: We believe there will be massive winners and significant losers – given our structure, we plan to make money on both. On the winner side, think about: semiconductors (digital and electric vehicle content), cloud software & infrastructure, and autonomous technologies. On the loser side, think about the industries that will disappear: car rental companies, internal combustion engine (ICE) components, and Big Oil...



Multiple Ways to Win: While the end state is already coming into view, there are multiple building block evolutions that we are actively seeking to capitalize on – namely, Sharing/Connectivity, Electrification, and Autonomy.

Key Facts

Investment Structure:	Unlisted Unit Trust
Minimum investment:	A\$250,000
Management fee:	1.50% p.a.
Admin & expense recovery fee:	Up to 0.35%
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater of: RBA Cash Rate + 2.50% OR 4%

Exit fee:	Nil
Buy/Sell Spread:	+0.35% / -0.35%
Management style:	Active - Long/Short
Target number of holdings:	45-70
Investable universe:	MSCI ('mobility' universe)
Cash level (typical):	0-100% (0-10%)
Lock up:	12 months
APIR Code:	CTS3757AU

Commentary

For the first quarter of 2022, the fund was down -15.49%. This compares to the S&P Kensho Transportation Index, which was down -15.11%. Trading conditions have been extremely difficult in this sector. The ARKK Innovation ETF, which many may follow, was down in excess of -25% in the first quarter. This is a good indication of how many companies have fared.

We are not worried. We have always tried to position this fund as one aiming to produce a 5-10x return on your investment. Remember, we are chasing what we believe to be the biggest technological innovation of our lifetime, including the internet. We believe it's an opportunity in excess of \$10tn. These are multitrillion-dollar industries, energy and transportation, that really haven't changed in a hundred years. We think that we are going to see more change in the next five to ten years than we have seen in past hundred. This is a volatile fund and it's not fun at times but it's something that goes with the territory.

Macro Update

Touching on what has happened since our last update; inflation hit a new multi-decade high in March as expected. The Russia-Ukraine war officially began, exacerbating supply chain issues and likely kicking off the unfortunate kinetic portion of the "Cold War" that has been going on between the East (China, Russia etc.) and the West (the US, Europe etc.). In response, the reactive Fed has accelerated its plans to tighten policy by both raising short-term rates and now beginning to reduce the balance sheet. Overall, we believe rates and inflation are now in the process of peaking but this war further solidifies our view that, over the medium term, inflation and rate levels are going to be higher than the previous decade. We also believe that the Russia-Ukraine conflict potentially accelerates further the mobility trends that we've highlighted previously; notably deglobalisation and supply chain reshoring, as well as the alternative energy ecosystem and energy independence build

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out. These trends were already in place and we think they've now been pulled forward meaningfully. This macro backdrop, coupled with difficult Covid-induced fundamental comparisons, has led the broader tech landscape to sell off. At time of writing, the Nasdaq is off about -16% from its peak in November and many small and mid-cap constituents off a lot more.

Industry/Sector Update

Tying this more to the mobility space, we've seen an absolute decimation of the stock universe over the last year or so. Many companies are off 50-90%. The simple example is the ARK Innovation ETF (ARKK.NYSE), an ETF focused on growth and innovation. ARKK is down around -65% since February 2021 and roughly flat compared to the beginning of 2020. We don't completely agree with all of ARKK's holdings but it provides a good barometer for what is going on in the growth, innovation, and mobility space. Interestingly, this is eerily similar to what we saw in the internet/dot-com bubble. It is following a very typical hype cycle path, which isn't all that surprising as innovation tends to follow a similar cycle and human nature does not really change.

We hit the peak of inflated expectations for the broader mobility universe in February 2021. That was at a time when people were buying equities with no thought given to valuation. Using ARKK as a proxy, that universe is down -65%-plus since. Looking at ARKK recently against the Nasdaq from 1999 to 2002, it shows a very similar path and highlights that we're probably in about the seventh inning (forgive the baseball reference) of the repricing. This took about eighteen months and, in terms of the mobility universe, suggests a bottoming out of the winners between now and the next six months. Similar to the internet bubble, everything mobility-related was slammed at the same time. Correlation went to one. Amazon (AMZN.NASDAQ) stock went down -95% just the same as other companies like Pets.com. The difference, Amazon proceeded to then go up 600x while frauds like Pets.com went to zero. We believe that we are entering the same landscape right now. The winners now have incredible risk-reward profiles, whereas the losers are still going to zero. The Global Mobility portfolio is in an incredible position to capitalise on this environment as the underlying trends have not changed. In fact, we believe they have accelerated while prices have come down materially. As mentioned, the market has gone from pricing in the peak of inflated expectations (again, basically buy at any cost) to now pricing in a trough of disillusionment (basically, sell at any cost). This is classic with innovation cycles as well as human nature.

Tying this back to what's going on in the real world, Russia's aggression has, unfortunately, accelerated these mobility trends. Change is now no longer an option. It's a necessity. To give examples; on electrification, the alternative energy ecosystem is the next energy system. Energy independence in wartime is critical. The re-shoring of semiconductors, rare earth minerals, and battery materials is now more of a national security imperative than ever. Semiconductors, as we've mentioned, are the new oil. We think EV is the next fossil fuel. That broader build out is going to create significant opportunities. On the automation side of things, re-shoring of supply chains is incredibly labour intensive. Moving low-cost

into higher-cost labour areas like the West will be incredibly expensive, inflationary, and it will hurt corporate margins. This is driving an acceleration of automation investment, as you will likely replace some of these lower-cost repetitive jobs with automation. We are also starting to see things like autonomous trucking pick up as we're running into issues around truck driver shortages in the US while e-commerce adoption continues to accelerate.



Swedish startup Einride's prototype self-driving truck

We are starting to see a number of these trends materialise already. Europe is ramping up its energy, infrastructure, and defense budgets in response to the Russia-Ukraine conflict and the risk of potentially being shut off from Russian oil and energy. The US is already starting to see increased investment on the semiconductor side with TSMC building in Arizona, Samsung in Texas, Global Foundries in New York, and more to come. This is just the beginning. We are in a multiyear, multibillion-dollar rebuild of critical supply chains. We think the next response to a downturn will likely be something comparable to the Interstate Highway Act of the 1950s and/or the Railroad Act of the 1860s, both of which were highly productive with huge multipliers. Rather than a fiscal response like we saw to Covid-19 (which was primarily sending checks to people directly), we think that the next response will be focused on transportation and energy infrastructure, with EV as the next fossil fuel and autonomy as the next railroad and highway.

In summary, we expect the biggest capex boom of our lifetime over the next five years. This all looks very similar to both the stock action and build out of the internet in the early 2000s.

Portfolio Update

On the portfolio side, we have been positioned considerably more defensively than our universe. We have had this broader macro view and expected the first half of this year in particular to be difficult. As a result, we have yet to take any big swings over the last 12-15 months. In terms of the broader structure, we have a barbell; some defensive exposures on the underlying equity side of things while having a significant chunk of cash-collateralised put sales on the "growthier" names that we think are in the process of bottoming between now and the next six months.

Rivian (RIVN.NASDAQ), for example, is a company that we think

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has the opportunity to challenge Tesla over the next several years. They have the right strategy, vision, infrastructure, and products; all similar to what Tesla looked like seven years ago. The main question here is scaling. This is a company that went from a \$180bn market cap three to four months ago to a \$30bn market cap company now. We've sold puts 50% lower than that. So, we basically become a buyer of the company as it gets closer to a \$15bn market cap. We think that this is a company that could be a \$500bn company over the next five years. These opportunities are presenting themselves and Rivian looks a lot like an Amazon in 2001, a down -95% and proceeds to go up 600x situation. If you can actually pick the winners and separate those from the losers in this broader mobility revolution, there's the opportunity to make significant gains.

Also on the long side of the portfolio is Cerence (CRNC.NASDAQ), an AI software company that is embedded in all vehicles (or is set to be), electric, autonomous, etc. The main use case is initially voice assistance but they have broader visions beyond that. This is a company that has gone from a \$5bn market cap to \$1bn over the last twelve months. Again, we've sold puts 30% lower than where it is today. These are positions in companies that we think are in the process of bottoming, and these cash-collateralized put sales are providing significant yields, anywhere from 20-30%+. This allows for a nice dollar-cost averaging into positions that we think are incredibly well-positioned as we exit this difficult first half and enter the second half of the year and beyond. This is a company that we think can be a \$10bn+ company. On the flip side, it's also trading at under 10x EBITDA, so is a likely take-out candidate.

On the short side, there are several legacy industries that are over earning, from legacy auto OEMs to legacy auto dealers or legacy retailers. These stocks haven't even started their descent. Similar to the internet bubble, it was growth in tech that got hit and bottomed first. Now we're starting to see larger cap tech stocks get hit. We think that the next leg will likely be the earlier cycle legacy names that have held up surprisingly well in this inflationary environment. These are likely to go a lot lower, while at the same time, the higher growth is likely to bottom and improve as we exit the first half of this year.

Overall, these are just a few of many ideas. There are opportunities on the supply chain build out side of things. We think this capex boom is going to be incredibly positive for semiconductors, rare earth minerals, as well as battery materials. We're primarily focused on investing in the nuts and bolts of what is going to go up no matter what. Similar to investing in semiconductors that went into smartphones in the early 2000s, we're focused on investing in semiconductors and other components that go into electric and autonomous vehicles today. The opportunities there have expanded dramatically.

In closing, right now might be a good time to add to and/or invest in this thematic. The trends are all accelerating, now out of necessity. Our conviction has increased dramatically, and the universe is now 60%+ cheaper. The risk-reward profile is skewed significantly toward the positive. Ultimately, we believe the volatility that we're seeing today, while not fun now, is our friend. We will use it to our advantage and, with patience, vision

and the framework that we have laid out, we think we have a significant opportunity set for growth ahead.

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Overview

The TAMIM Global Mobility portfolio is a global long/short strategy that seeks to invest in companies which benefit from the ongoing \$7-10 trillion autonomous and electric vehicle revolution while shorting those that will suffer.

Portfolio Performance | TAMIM Fund: Global Mobility

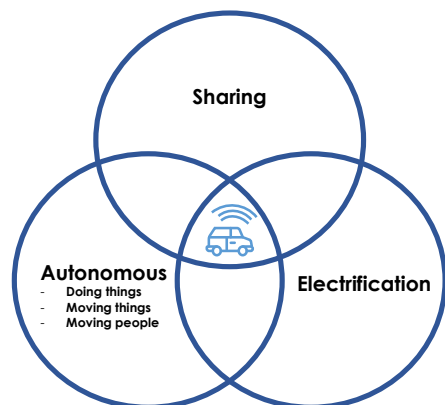
Inception: 8 February 2021

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2021	-	-3.70%	-0.71%	-0.54%	-2.71%	2.98%	1.52%	2.03%	-1.50%	-0.08%	2.25%	-5.87%	-6.51%
2022	-3.86%	-6.80%	-5.69%										-15.49%

NAV

	Buy Price	Mid Price	Redemption Price		
AU\$	\$0.7956	\$0.7928	\$0.7900	Equities (long)	25.40%
				Equities (short)	-17.89%
				Equities (net)	7.51%
				Cash	92.49%

The Three Pillars



These three pillars are the building blocks for the future of mobility. The pillars are not mutually exclusive, but overlapping, synergistic, and collectively “constructing” the \$7 - 10 trillion revolution.

Autonomous, connected, and electrified vehicles are likely to have profound effects on various industries and geographies. The strategy is focused on taking advantage of these changes by initiating long and short positions related to these overarching themes. Thematic focuses include, but are not limited to:

- artificial intelligence (“AI”),
- enabling hardware and software,
- sensor technology,
- cyber security,
- logistics-related technology,
- fleet management,
- electrical systems,
- safety systems,
- communication infrastructure,
- communication platforms,
- data monetisation, and
- basic materials.

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