Global Tech and Innovation
TAMIM Fund

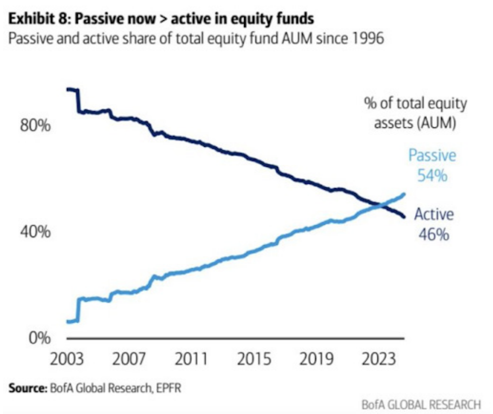
At 31 March 2025

Dear Investor,

We provide this monthly report to you following the conclusion of the month of March 2025.

For the month of March, the Global Technology & Innovation fund was down ~7.34%. For context, the Nasdaq (QQQ) was down 8.21%, the Semiconductor Index (SOXX) was down ~10%, and the ARKK Innovation ETF (ARKK) was down ~15% in March. Taking a step back, since the July 2024 peak*, the Semiconductor index is **down nearly 45%** and the Technology Index (XLK) is **down ~28%** – there has been an ongoing rotation underneath the surface. What we've seen over the last month or so is one of the **fastest momentum selloffs in history** – triggered by a multitude of factors (Tariffs, JPY/USD unwind, etc.) and indicative of a cascade of **forced selling** across the board.

These forced selloffs historically have generally **led to attractive (at least local) entry points** – particularly when underlying fundamentals are largely unchanged (e.g., August 2024 sharp sell-off). Given the market structure – assets increasingly concentrated in passive and low-volatility targeting strategies – any ***spike* in volatility tends to lead to significant (and increasingly dramatic) forced unwinds.**



Given our longer-term horizon, we view these **forced selling events as attractive buying opportunities.** On the weakness in early April, we fully increased our gross exposure – per our plan detailed in the April update. **Since launching, this is the best opportunity to add/invest we've seen yet – with positioning and sentiment both dramatically reset.** We believe Trump pulled forward a lot of the damage that we thought was likely to come in the Spring timeframe. While we have been a bit early in increasing our exposure, we see a potentially powerful rebound into May as tariff deals with Allies

Key Facts

Investment Structure:	Unlisted unit trust
Minimum investment:	A$150,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Annual
Management fee:	1.50% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater of: RBA Cash Rate + 2.5% or 4%
Lock up period:	Nil
Buy/Sell Spread:	+0.25%/-0.25%
Exit fee:	5% exit fee is payable on an exit from the investment in the unit class prior to the first year anniversary of the investors initial issue of units
Administration & expense recovery fee:	Up to 0.35%
APIR Code:	CTS9212AU

NAV

	Buy Price	Mid Price	Redemption Price
AU$	$0.8844	$0.8822	$0.8800

Portfolio Allocation

Equity	61%
Cash	39%

Portfolio Performance

Monthly Return Stream

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2024	-	-	-	-	-	-	-		0.07%	0.37%	8.76%	0.68%	9.98%
2025	-1.19%	-11.11	-7.34%										-18.62%

begin and clarity emerges around trade, monetary policy, etc. Further, we are already seeing signs of a (local) bottom emerging in early April:

- **Sentiment (AAII Bull vs. Bear) is at/near typical local market lows**

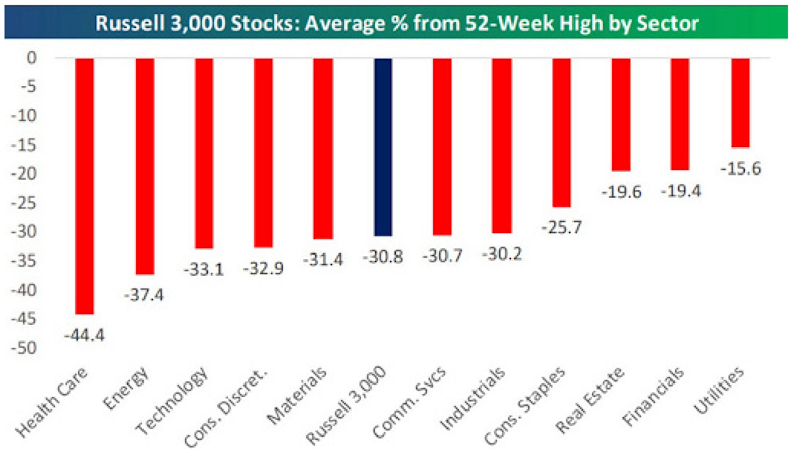
Source: Bloomberg

- **Systematic exposure is at/near typical local market lows**

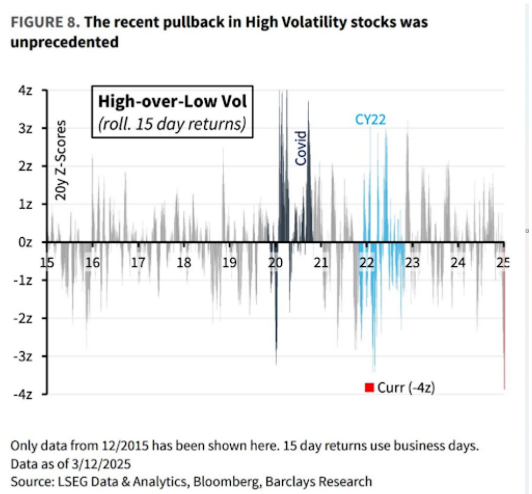
Source: Bloomberg

While generally *everything* has been indiscriminately sold over the last few weeks – with Technology being hit the worst – we continue to believe that there are opportunities emerging, notably underneath the surface of the concentrated indices. In addition to the above sentiment and positioning charts, several data points give us increased confidence in at least a near term move higher:

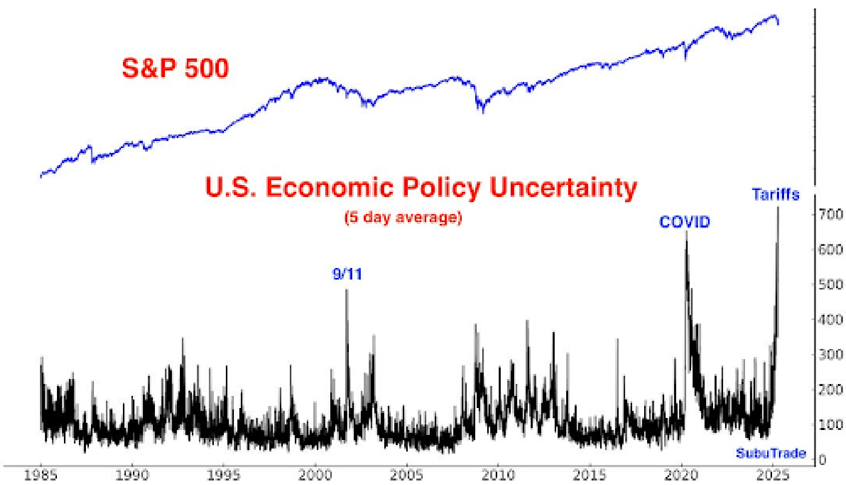
- The sell off has been far-reaching, highlighting a broader forced de-risking



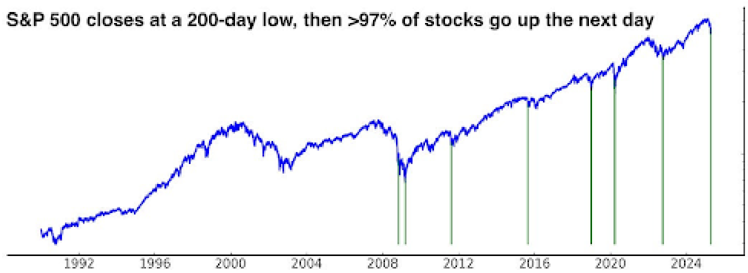
- High volatility stocks – typically in the Growth category – were hit the worst



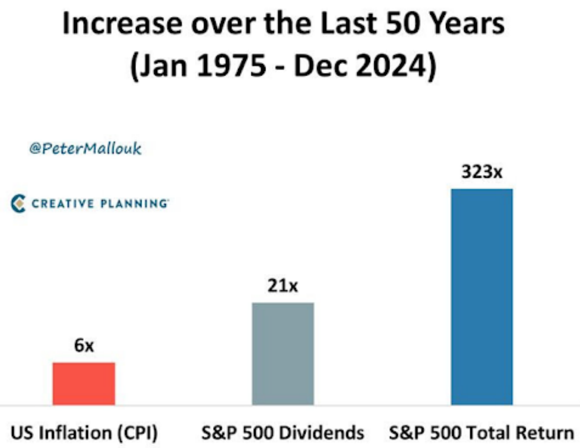
- Economic policy uncertainty is now higher than COVID



- And as it begins to ease, the market tends to surge (e.g., April 9th in the US) – sending a rare powerful technical signal



- Over time the US equity market has had powerful returns – particularly if you were able to scale up into relative weakness



We came into 2025 with a relatively low gross exposure and have increased it as the year has progressed – ideally we would have waited a bit longer to get to full exposure. We have used this sell-off to expand our exposure into new areas of focus – notably within our Technology bucket to include Phase 2 of the AI cycle, AI Applications (e.g., Software, Biotech), which we highlight with a few names below.

On the geopolitical front, this new administration in the US has hit the ground running with their executive orders, policies, and clear mandate – executing the Agenda 47. As expected there has already been a lot of volatility in the market in 2025 – the first bout of which is **now presenting many opportunities for active managers.** And we've **built this strategy to capitalise on the confluence of these massive, once-in-a-generation shifts** – which we have been studying and preparing for for years – **that are set to accelerate in 2025/2026.**

We reiterate that this current administration has provided both clarity to our focus areas (see our Trump Agenda piece) as well as accelerants to our thematic views – many of our expectations in our election video from November are coming to fruition. **We remain focused on investing in Artificial Intelligence (AI) – which is a critical area for both deterrence and productivity – as well as US onshoring and reindustrialisation – which Trump plans to incentivise via tariffs.** What is quite clear is the **focus on investing in productivity and efficiency** (i.e., Technology-first agenda, spearheaded by Elon Musk) and hitting the ground running – which we already see and expect more in his first 100 days. In the background, liquidity injections are picking up again via the TGA drawdown in the US, while China and Europe are both picking up fiscal spending (partially in response to Trump). We believe all of these policy actions are inter-linked and are being used for geopolitical negotiations which likely accelerate in April/May – this all foots with our broader holistic framework laid out in our fund docs.

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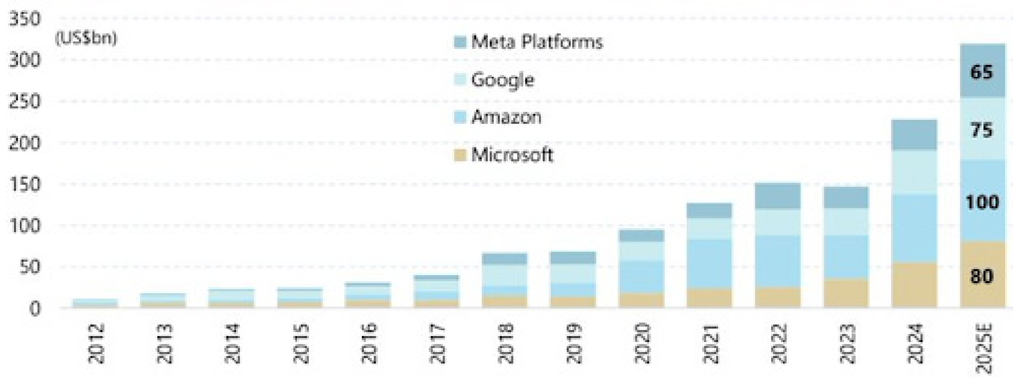
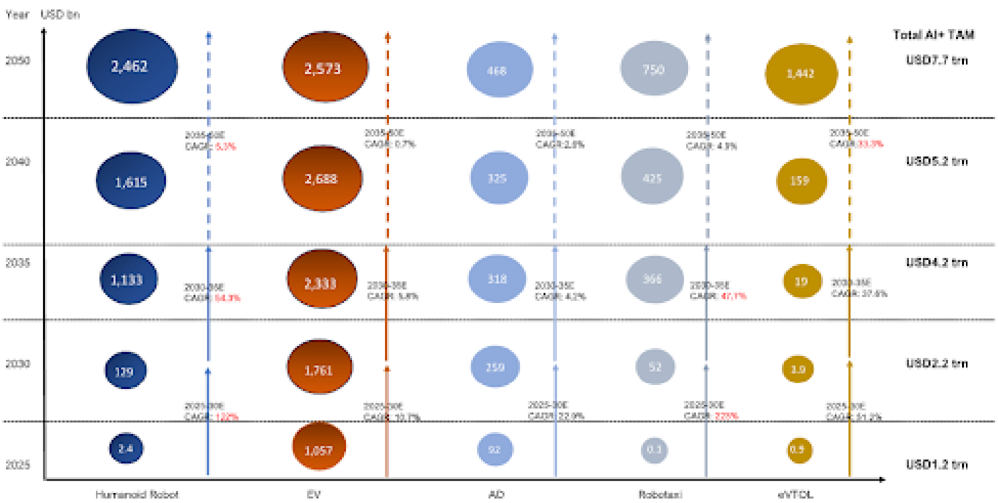
Delving into a quick update on the pillars of our strategy:

- **Technology** -- The DeepSeek news, which we will also cover in an upcoming video update on AI, signifies a few notable items: a Sputnik type moment in the ongoing US/China Cold War and a transition acceleration from Phase 1 to Phase 2 in the AI cycle. As a reminder, Phase 1A (our labelling) was the base **compute** layer build out for AI – essentially rearchitecting data centers compute layer away from CPU toward GPU for AI applications; Nvidia was by far the biggest winner here. We noted the peak of that portion of the cycle back in ~June/July 2024 – **since that peak, NVDA is down 45%**. This does ***not*** mean that Phase 1A is over – the build will continue for years – but rather that the growth will continue to decelerate, and the focus has shifted to the next 'bottleneck' area – networking, Phase 1B. That shift toward 1B began to pick-up steam in the 2H24 – mentioned in our updates throughout and our call in November. **We now believe phase 1B is in the process of peaking, with a shift toward phase 2** – AI applications, which should benefit the users of AI (notably the application builders/layers). On the technological front, DeepSeek's main innovation is around unique implementations of reinforcement learning and mixture of experts – with the simple summary being **AI costs should go down, which likely means usage will go up**. Known as Jevons Paradox, this is typical behavior in commoditised areas, notably energy – **and we believe we are getting closer to commoditising base AI, similar to the Internet, which will enable a Cambrian explosion of companies built on top.** This is already beginning – with [AI start-ups growing faster than Cloud start-ups] ever did. All of the Western players (OpenAI, Anthropic, etc.) have or will release similar models in the coming months that implement these learnings (all **open-sourced**), which should further accelerate cost declines and expand the AI application market (Phase 2) – starting on the software side then eventually moving to robotics/hardware (Phase 3). Cloud players' capital expenditure plans (below) on AI also hint that they believe lower AI costs will likely lead to more demand.



We have shifted our portfolio toward Phase 2 winners, while maintaining some Phase 1B exposure. **The TAM of AI applications – ranging from full-self driving vehicles to humanoid robotics – is truly massive – measured in the trillions of dollars** (see graphic below). On the geopolitical front, DeepSeek was likely purposefully timed around the inauguration as a show of Power by China – we are in Space Race 2.0 which ***forces*** an acceleration of investment toward asymmetric technology. Once again, our Pillars of Power framework at work. For our bigger picture views on AI – the primary focus of our Technology pillar – check out prior updates.

Figure 1 - Global TAM for AI+ applications to reach USD7.7 tn by 2050



Source: Jefferies, Note: Our TAM forecasts are based on our comprehensive industry model, which we plan to detail in subsequent reports.

- **Energy,** another major pillar of power, is a critical input into any system -- the base layer for both Technology and Money. In order to power the AI data center demand + reshoring in the US + electric vehicle proliferation, we need to both increase reliable base load power (i.e., nuclear and natural gas) and upgrade the grid. We are beginning to see signs of this cycle emerging in the US: Amazon buys nuclear powered data center to accelerate AI, Microsoft partnering to re-open the 'infamous' 3-mile island nuclear power plant to power its AI data center, Google to buy power from small modular reactor company, Palisades Michigan nuclear power plant potentially reopening supported by the Department of Energy. And under the Trump administration we expect ensuring cheap, reliable energy will be a key focus – as they fully understand that without reliable, inexpensive energy, you cannot have industry. His selection for the Department of Energy – Chris Wright – is an excellent sign; we finally **expect US innovation and creativity to infiltrate the energy space, creating *huge opportunities* for our sub-universe.** Further, we expect energy supply chains to decentralise – meaning, a lot of these large data centers will be off-grid, utilising their own separate power sources (likely natural gas and some nuclear) so as to not strain the public grid.

- **Money** - the final pillar of power - is critical but often overlooked, as it helps store energy and finance Technological progress. The US is in a uniquely powerful position with the US dollar as the global reserve currency -- which is the foundation of the current interconnected global system. And to better leverage the system, the US is contemplating launching its own Sovereign Wealth Fund -- which would potentially be a massive boon for Tech and Energy investment and progress. This is the base premise of our Fund and our three pillars of power – **the West needs to accelerate investment (Money) in critical areas (notably key Technology and Energy) to maintain and/or expand its Power, which is being directly challenged by China.** From the National Security strategy report (US):

  *"We must complement the innovative power of the private sector with a modern industrial strategy that makes strategic public investments in America's workforce, and in strategic sectors and supply chains, especially critical and emerging technologies, such as **microelectronics, advanced computing, biotechnologies, clean energy technologies, and advanced telecommunications."***

Overall, the above are positive signposts for our thesis and should provide further tailwinds for our themes and universe – and we believe the Trump administration will likely accelerate essentially all of these themes (notably, US reshoring and AI) as they are deeply focused on the Pillars of Power we've created. Check out our recently launched newsletter and our latest webcast for a refresher on the global backdrop, the Pillars of Power, and the path ahead. We are optimistic **about the opportunity set that lies ahead given where we are within this technological innovation wave, and what must happen on the global landscape front.**

Further tying this back to the Technology (AI) cycle, given the significant value and market capitalisation generated by Phase 1 (most notably in NVDA and other Mag-7), there is risk that money rotates quickly out of those areas and into Phase 2 as we progress through this year – which would pose a risk to the market, but opportunity under the surface. This is partially what we are already beginning to see.

Overall, we have concerns around the broader market entering the 2H25 due to a confluence of items – from market concentration risks, to tariffs, to an air pocket between Phase 1 and Phase 2 of AI. **We believe active management, notably with a framework like the Pillars of Power to contextualise events, will be key.**

In summary:
- **Market-capitalised weighted US indices are increasingly risky given the highest ever concentration levels**
- **We've already begun to see the unwind of this risk start to manifest; unfortunately dragging most things with it**
- **There are plenty of opportunities underneath the surface, notably in areas that have been depressed by higher interest rates as well as in the emerging Phase 2 of AI**
- **Stock-selection and active management will likely be a lot more important over the years ahead**
- **We are extremely excited about our strategy over the coming years**

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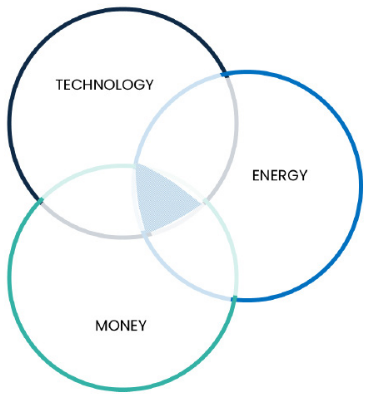
The Three Pillars



These are our three Pillars of Power and the core focus areas of the Global Technology & Innovation Fund. The pillars are synergistic, self-reinforcing, and collectively construct the foundations of geostrategic Power.

The goal is to capitalise on the growth and transformation of these pillars of Power – Technology, Energy, and Money – and the ultimate end state system that is built. Just as there were several building blocks that enabled the mobile Internet and related app ecosystem – from cables, to computers, to cloud infrastructure, to smartphones, and then to software – we expect a similar process for these pillars, with opportunities along the path.

- advanced computing
- artificial intelligence (“AI”)
- automation & robotics
- enabling hardware and software,
- sensor technology
- cybersecurity
- logistics-related technology

- electrical systems
- communication infrastructure
- communication platforms
- space & satellite technology
- energy creation & battery storage
- basic materials
- monetary debasement hedges

Why Now?

The Age of AI has Begun
Semiconductors are the foundational enabling Technology. Artificial Intelligence is the next Revolution

Its EARLY
"Over time, AI will be the biggest technological shift we see in our lifetimes. It’s bigger than the shift from desktop computing to mobile, and it may be bigger than the internet itself. It’s a fundamental rewiring of technology and an incredible accelerant of human ingenuity," Sundar Pichai (CEO of Google)

Its BIG
"The development of AI is as fundamental as the creation of the microprocessor, the personal computer, the Internet, and the mobile phone. It will change the way people work, learn, travel, get health care, and communicate with each other," Bill Gates (Founder of Microsoft)

Its GROWING
Technological progress is cumulative – current technologies build upon prior technologies and their networks. The result is explosive exponential growth – it took ChatGPT 5 days to reach 1 million users; it took Netflix 3.5 years.