

Global High Conviction Unit Class

TAMIM Fund

At 30 April 2025



The TAMIM Global High Conviction unit class was down -2.50% for the month of April 2025. The strategy has generated a return of +10.98% over the past 12 months.

Of Tariffs and Turbulence

Markets had another wild ride but squeezed out gains as Microsoft (owned) and Meta (not owned) produced good results and share prices rose. The market capitalisation global index rose about 0.9% in US\$. The Value weighted index was flat so Growth outperformed Value driven by a bounce in the largest companies. The Global Infrastructure index rose over 3% in US\$.

Many CEOs used the tariffs' threat as a reason to pull guidance. We think that companies will next use the excuse to lower eps guidance. Profitability has been very high in the last few years and possibly enhanced with non-sustainable methods, so any externally provided excuse to re-set is tempting. We try to avoid these potential land mines with a Quality or Resilience quantitative factor which assesses the quality of profit growth and the balance sheet.

Much more will be written on tariffs, from all perspectives, by many fund managers. We're compelled to comment but it's brief.

Think of tariffs as an oil price shock a la 1973 and 1979. Those countries that accommodated this increase in input prices with monetary easing had nasty inflation - eg the UK especially, and the USA. Those that didn't, such as Japan and Germany, didn't. Consumers in those countries had to switch preferences due to relative price changes; the general price level did not rise, and the private sector produced products for the new environment - eg the auto industries designed much more fuel efficient cars. Nuclear Power was also built out heavily in Japan and France to reduce the oil dependency in those countries.

Allowing demand destruction, private sector innovation, and price changes as a signal to suppliers to invest or not invest has to be allowed to return if we are to escape the very low growth and persistent inflation scenario. This will occur by not accommodating the tariff/tax increases with monetary easing. Fed Chairman Powell is correct in not cutting rates until he sees the end game from suppliers, investors, consumers, lenders, but he is misleading us with his rhetoric. It's not the tariffs that are inflationary it would be his accommodating of them through monetary easing that would be so.

If we were asked our opinions on re-setting Western economies, which the USA administration at least has indicated it wishes to do, we would actually start with the premise that cutting wages to better raise productivity and allocation of capital is pretty hard to do or allow politically. So, to encourage private investment and allow the market to work, you have to allow workers to be sacked rather than cut wages, BUT have much better re-training labour at free or low cost so frictional unemployment is kept to a minimum. It is somewhat crazy that a society that believes it is in the 4th economic/industrial revolution and therefore will see rapid rates of job obsolescence, doesn't have a support

mechanism to re-train their people at low or no cost so the pain of job loss is kept to a minimum.

Some small tweaks to the strategies were made but nothing significant. The chances of a recession are high if you believe the Kalecki equation holds (we do).

Significant gains were seen in Andritz, Kajima, Kroger and Emcor. Oil companies Schlumberger, Chevron fell by over 15%. We remain overweight as recent power cuts in Spain and cancellation of wind power projects in the English Channel indicate that the 'renewable' technology is not yet competitive.

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Portfolio Highlights:

Engie SA

Engie SA is a global energy powerhouse operating across renewables, nuclear, flexible generation, and infrastructure. In a world grappling with the flaws of a fully renewables-dependent system—as highlighted by grid failures in Spain and Orsted's wind investment setbacks—Engie's diversified approach provides resilience. With operations spanning hydro, solar, wind, gas, and battery storage, the company is well-positioned for a more balanced energy transition. Recent developments include a €1 billion investment into UK pumped hydro projects and a 2.4GW battery storage partnership in the U.S., enhancing grid flexibility. Financially, Engie delivered €4.1B in net income in 2024, with a strong 7.83% dividend yield and improving return on equity (12.9%). As OPEC supply comes back online and oil prices stabilise, mixed-energy firms like Engie gain strategic relevance. The company also maintains an excellent ESG standing (score: 73/100), and France's recent pro-nuclear stance supports its growing nuclear segment. Trading at under 10x forward earnings and a modest 1.29x P/B, the stock offers value and defensive energy exposure. The dual exposure to base-load and intermittent energy positions Engie as a long-term winner in a pragmatic energy reset.



A2A S.p.A.

A2A is a leading Italian utility with a uniquely integrated model, spanning clean energy, waste-to-energy, water management, and power grid services. Amid growing recognition that renewables alone cannot guarantee reliability, A2A's hybrid portfolio of hydro, solar, thermoelectric, biomass, and wind plants allows it to adapt to changing policy environments. The company is benefitting from regulatory shifts, like the EU's acceptance of nuclear as green energy, which de-emphasises an overreliance on renewables. In recent quarters, A2A posted robust results, with Q1 2025 EBITDA rising to €2.07B and net income of €827M. Recent acquisitions—such as Enel's electricity distribution assets in Milan and Brescia—expand its grid control and infrastructure base, vital for balancing intermittent and baseload supply. Capital investment is growing, with €1.1B in capex reinforcing future returns. Its 4.46% dividend yield and a 10.2x forward P/E provide a solid income/value mix. ESG metrics remain strong, and a Paris alignment target of 2–2.7°C reflects decarbonisation progress. A2A's local dominance and diversified model make it a rare European utility able to navigate both the energy transition and the reality of fossil fuel resurgence.



Quanta Services, Inc.

Quanta Services is the unsung hero of the energy transition, building, maintaining, and upgrading the very infrastructure required to accommodate both renewable and traditional energy sources. As global grids evolve to support mixed power inputs—balancing solar, wind, nuclear, and fossil fuel—Quanta's engineering and grid services become essential. The U.S. energy system, especially with its aging grid and increasing weather-related disruptions, is in desperate need of investment, a trend Quanta directly benefits from. Financially, the company is thriving: FY24 revenue hit \$21.5B with adjusted EBITDA of \$2.1B, while its backlog reached a record \$29.3B, reflecting strong visibility. Its strategic expansion into renewable infrastructure (EV charging, transmission, battery storage) aligns with federal stimulus programs. With utilities like A2A and Engie investing in hybrid grids, Quanta stands to gain as their go-to partner for grid integration and reliability. A disciplined balance sheet, strong free cash flow, and robust ROIC support long-term value creation. In an uncertain energy world, Quanta is a shovel-to-the-gold play—pivotal, scalable, and often overlooked.



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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

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
Exit fee:	Nil
Single security limit:	+/- 5% relative to Investable Universe
Country/Sector limit:	+/- 10% relative to Investable Universe
Target number of holdings:	80-110
Portfolio turnover:	Typically < 25% p.a.
Cash level (typical):	0-100% (0-10%)
APIR code:	CTS5590AU

NAV

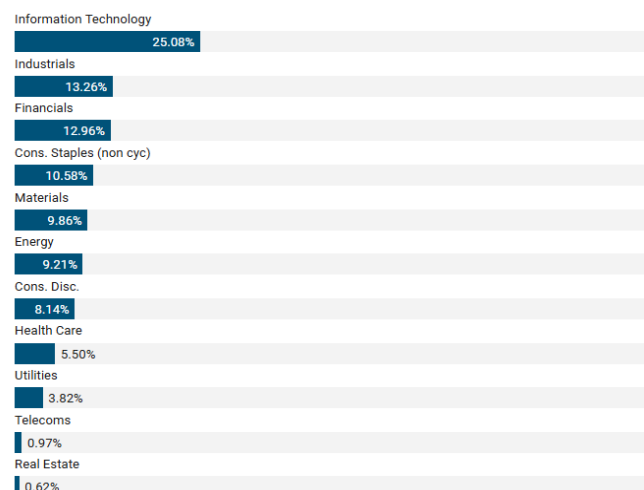
	Buy Price	Mid Price	Redemption Price
AU\$	\$1.5182	\$1.5145	\$1.5107

Selection of 5 Holdings

Stock	Country
Hitachi	JP
Schlumberger	USA
Corning	USA
Cummins	USA
Ebara	JP

Portfolio Profile

Equities	97.35%
Cash	2.65%



Portfolio Performance

Inception: 15/07/2011	1 month	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)	Since inception (total)
Global High Conviction	-2.50%	10.98%	13.01%	12.40%	13.47%	468.20%
Cash	0.34%	4.33%	3.64%	2.23%	2.23%	35.44%

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. Returns shown for longer than 1 year (other than Inception) are annualised. All returns shown are AUD denominated.