Global High Conviction Unit Class
TAMIM Fund

At 28 February 2026

The TAMIM Global High Conviction unit class was up +4.22% for the month of February 2026. The strategy has generated a return of +21.87% over the past 12 months and 20.94% p.a. over the past 3 years.

HALO HALO HALO what's going on 'ere then?

So much is happening, it's best to be very brief. First, the performance in February was pleasing.

The market continues to see the recovery of the 'other stocks'.

From October 2025 *"...Our biggest concern remains the concentration of the market in just a few stocks. Despite a sell-off in April, the concentration ratio of the 7 stocks (possibly some of them not so magnificent now?) has gone up again and it approaches 25% of the S&P 500. To be fair they also represent a disproportionate percentage of the profits. However, it is not a healthy market and for the run to continue, it has to broaden out. Hence the title of this update. Can the market broaden while these stocks mark time, or will these stocks sell off with less damage done to the prices of the others? Either way the outlook for a cap weighted passive return is less stellar than the general level of expectation."*

Value has beaten growth by about 700 basis points in the last year and has, of course, been driven by relative outperformance of stocks outside the MAG7. This has given rise to a **new acronym HALO or Heavy Asset Low Obsolescence.** (someone out there is very good at making these acronyms up)

We've had exposure to these for a while and it's not so much spotting their undervaluation which was 'easy', it's the 'having the nerve' to sit through the periods when everyone told us we 'didn't get it', and that investing usual traditional valuation techniques was dead. In that sense it's not our models that is the competitive advantage, it's the nerve to apply them consistently and persistently. The performance of Japan is especially pleasing as is the newly discovered enthusiasm for it by the investment community. The Yen remains very undervalued which helps the relative export performance of Japanese companies. The Japanese Prime Minister was resoundingly re-elected on a JIB (Japan is Back) policy.

Claude continued to report that every human being would soon be irrelevant. This would be good news in some places, but there is always room (we think) for the Eurekas and the Poincarés. The US administration sensibly announced that A.I. companies and their Data Centres would be responsible for finding their own power sources. This might avoid the Ouroboros problem we highlighted?

At some point we'd expect utility companies to receive bids and an attempt made to siphon off some of the power plants into independent entities, freed from their regulated obligations to supply the grid. We made significant profit in Constellation Energy which was spun out of Exelon to become an IPP. We suspect more of these to follow. Meantime as we have written before, the suppliers of picks and shovels made more money than the prospectors, or for every action, there is an equal and opposite reaction.

Tariffs are now illegal under some parts of the US Constitution but they're here to stay anyway. How long before Europe decides to place tariffs on the importation of Chinese EVs, imports which are killing their car industries, burdened by lunatic and random requirements to meet EV production?

From October 2025 - *"...The automobile sector was hurt by write downs by VW and Porsche on their Electric Vehicle production assets. It seems clear that Net Zero targets are unlikely to be met and even scrapped? Chinese EVs are technologically competitive and cheaper. Their energy costs are significantly lower than Europe's. We wonder whether Australia can have a European approach to its economy (subsidies and net zero) while competing economically in Asia which has none of the accompanying inefficiencies."*

A.I. companies continue to insist they will spend the money required and this will have implications for share buyback programmes which have supported share prices. Be wary of high levels of capital investment combined with continued share buybacks because good balance sheets will quickly become levered. Be also wary of the off-balance sheet financing of these committed investment programmes, and believing lazy analysis which will look at cash flow and say "no problem', while failing to account for the real cash cost of share option programmes. Meta anyone?

Banks got hit as worries increase around their exposure to private credit, and companies exposed to A.I. adoption. It pains us to write this, but equity investors are always very late to realise what credit investors see early - deteriorating conditions of revenue shortfalls and debt burdens. Liquidity (aka that provided by **listed** equities), is worth having because we have a paradox of innovation - fast change is good because it drives productivity and growth but requires depreciation and scrapping rates to be increased.

Notable price moves were enjoyed in Hirose, Amada, Mabuchi (all in Japan) +35%, +32%, + 26%; and in the USA Verizon +27%, Tenet Healthcare + 26% and Arrow Electronics + 25%. We sold Corning at the end of February after a rise of 40% IN THE MONTH.

We've held this for a few years - there is a lot of technology in many companies classified as 'Industrials'!

As we stated late last year, the active risk in the portfolios has risen to uncomfortable levels driven by price momentum, the downside to outperformance. Put another way, high exposure to price momentum is great until it isn't and so we made many more trades than usual in February to reduce this oversized risk.

We sold or trimmed amongst others, from our strategies:

Best Buy, Mitsubishi Chemical, Sumitomo Electric, KDDI, Cummins, Smiths Industries, Freenet, Mizuho, Johnson and Johnson.

We purchased new or added To:

Misumi, Japan Airport Terminals, Union Pacific, Vistra, Travellers' Insurance, Orix, Kinder Morgan, London Stock Exchange, Toll Brothers

Portfolio Highlights:

London Stock Exchange Group (LSEG)

London Stock Exchange Group is undergoing a structural transition from a traditional exchange operator into a global financial data and analytics provider. While historically associated with listings and trading activity, the business now derives an increasing proportion of its earnings from recurring, subscription-based data, index and risk solutions, which offer higher margins, stronger pricing power and greater earnings visibility. This shift is reflected in improving profitability metrics and expanding operating leverage, with margins trending materially higher as the business mix evolves

Despite this transformation, LSEG continues to be partially valued on legacy exchange characteristics, creating a disconnect between perception and underlying economics. The presence of share buybacks, continued integration benefits and a focus on capital efficiency provide additional support to earnings growth. As the contribution from data and analytics continues to increase, the business should increasingly resemble global peers such as Bloomberg and S&P Global, which trade on structurally higher multiples.

Orix Corporation (8591 JP)

Orix is a diversified financial services and investment platform with exposure across leasing, private equity, infrastructure and real assets, operating across Japan and internationally. While often categorised as a leasing company, the business functions more broadly as a capital allocator, positioned to benefit from increased private sector investment and global capital expenditure trends. Its diversified model enables it to recycle capital through asset sales and reinvestment into higher-return opportunities, supporting earnings growth and improving return metrics.

Recent results highlight this evolution, with the company delivering a significant uplift in profitability driven by portfolio optimisation and asset realisations. Management has subsequently upgraded earnings guidance and outlined a pathway to improved return on equity, supported by increased buybacks and expansion of private equity initiatives. Despite these positive developments, the stock continues to trade at relatively modest valuation levels, not fully reflecting its improving capital allocation discipline or growing exposure to higher-return investment segments.

Dai Nippon Printing (7912 JP)

Dai Nippon Printing is widely perceived as a traditional printing business, however a growing portion of its value is derived from its role within the semiconductor supply chain, particularly through the production of photomask blanks used in advanced lithography processes. These components are critical for manufacturing next-generation semiconductors at increasingly complex nodes, including 3nm and 2nm, where precision requirements and barriers to entry are exceptionally high. The company is actively developing advanced technologies and collaborating with industry participants to support future semiconductor production capacity.

Despite this exposure to a structurally growing and strategically important industry, DNP continues to be valued in line with legacy industrial peers, with modest growth expectations and relatively low valuation multiples . This reflects a classification mismatch, where the market has yet to fully recognise the significance of its semiconductor-related activities. As demand for advanced computing continues to expand, the company's positioning within this ecosystem provides potential for earnings growth and re-rating over time.

Global High Conviction Unit Class
TAMIM Fund

At 28 February 2026

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

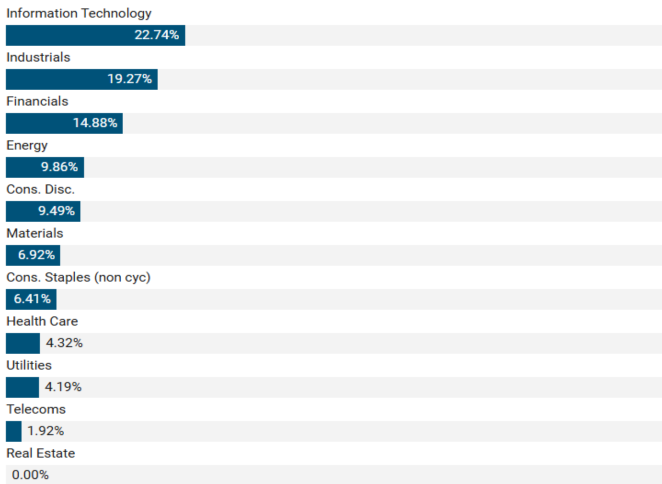
	Buy Price	Mid Price	Redemption Price
AU$	$1.8410	$1.8364	$1.8318

Selection of 5 Holdings

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

Portfolio Profile

Equities	96.30%
Cash	3.70%



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	4.22%	21.87%	20.94%	15.46%	14.52%	621.75%
Cash	0.32%	3.81%	4.08%	2.82%	2.32%	39.63%

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.