

Global High Conviction Unit Class TAMIM Fund

At 31 March 2026



The TAMIM Global High Conviction unit class was down -1.63% for the month of March 2026. The strategy has generated a return of +21.94% over the past 12 months and 18.99% p.a. over the past 3 years.

March Madness?

Not the NCAA but another Middle East 'adventure' which creates perhaps more problems than it solves? Oil and other commodities rose strongly in March, and the extended equity markets saw the perfect excuse to sell-off. Is this worse than the first and second oil shocks of the 1970s? No. Does this show the vulnerability of economies which have failed to secure energy security and the importance of uninterrupted and affordability of oil and gas? Yes. European 'think' tanks and even politicians are beginning to walk back on the "All Renewables" policy. Europe is now buying Russian gas, has promised Euro billions in support to the Ukraine, and thus appears to be paying Peter and Paul and robbing itself.

Our central case remains that a structural dash for energy and material security and a re-industrialisation will drive a re-appraisal of the very stocks which have been out of favour for many years. Add in the balance sheet constraints (and increasingly obvious creative accounting?) of the tech darlings such as Meta and Oracle and the 'maximum pain to the maximum number of investors' role of the market will have been again realised. We have pointed out that with \$1 trillion of buybacks supporting share prices, particularly of the heavily favoured stocks, but now a promised surge in capital investment, that the "free" cashflow of many of these largest companies will become er...'constrained'. If buybacks cease, then share market support is removed. If capital investment fails to meet promises, then analysts will question the growth rate and there will be downstream implications for the A.I. ecosystem. No surprise then that head count is being rapidly and massively reduced in many companies? Way back we did use headcount changes in a quantitative model as indication of management confidence in their companies' prospects. Time to revisit?

As per the last few commentaries we have been positioned for realisation of the value of HALO companies and so outperformed handily this quarter.

Having traded heavily at end February to reduce Momentum exposure we did little in March apart from take profits on some oil stocks such as CNOOC and Inpex.

Our Momentum risk exposure remains very elevated due to sheer outperformance. Many stocks, relative to others look stretched on price momentum and valuation. At some point we may take a deep breath and invest more heavily in banks. We'd just like to see a serious clear out of the private credit (and equity) carrying values.

Sell in May and go away?

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Portfolio Highlights:

CF Industries (CF US)

CF Industries is the largest North American producer of nitrogen fertiliser, manufacturing ammonia, urea and UAN solutions sold into agricultural markets across North America and internationally. The business sits in a structurally important part of the global food supply chain. Crop yields depend on nitrogen application, and nitrogen fertiliser is not a discretionary input for farmers in the way that many other industrial products are. This gives the company a useful degree of through cycle demand resilience, even though pricing remains cyclical.



The key economic driver for CF Industries is the spread between nitrogen fertiliser selling prices and natural gas input costs. This is where the company enjoys a meaningful regional advantage. North American natural gas remains relatively low cost compared with many international production regions, particularly Europe, where energy costs have been more volatile and structurally higher. This cost advantage allows CF to remain cash generative through the cycle and, when nitrogen markets tighten, to generate very attractive margins.

While fertiliser pricing has normalised from the exceptional levels reached during the energy shock, the investment case is not dependent on a return to those extremes. The more interesting point is that global nitrogen supply remains capital intensive, energy dependent and geopolitically sensitive. CF combines scale, cost advantage and strong cash generation in an industry that is essential, but often poorly loved by equity markets. That combination of real asset scarcity, food security relevance and disciplined capital allocation makes the company a useful holding within a portfolio looking for durable industrial cash flows rather than fashionable narratives.

London Stock Exchange Group (LSEG LN)

London Stock Exchange Group was discussed last month as a business in transition from a traditional exchange operator into a global financial data and analytics company. That transition remains the central point. The market continues to associate the name with listings and trading activity, but the economics of the group are increasingly driven by recurring revenue from data, analytics, index, risk and workflow solutions following the Refinitiv acquisition. The progress since last month is in the continuing evidence that LSEG is becoming a higher quality, more repeatable earnings business. Integration benefits, cost discipline and operating leverage are gradually improving the shape of the income statement, while the recurring nature of the data and analytics revenue base supports greater earnings visibility. Capital markets activity will always be cyclical, but it is no longer the only lens through which the company should be assessed.



This creates a useful valuation tension. LSEG is still partly valued as an exchange and market infrastructure company, while its improving revenue mix increasingly resembles global financial information peers with stronger margins, higher retention and better pricing power. Continued buybacks, integration execution and incremental margin improvement should help close that perception gap over time. In a market often willing to pay very high multiples for fashionable recurring revenue, LSEG remains an unusually grounded example of the same economic idea, subscription style revenue, high switching costs and embedded customer workflows, but attached to a more sober valuation.

Valero Energy (VLO US)

Valero Energy is the largest independent petroleum refiner in the world, operating 15 refineries across the United States, Canada and the United Kingdom with approximately 3.2 million barrels per day of throughput capacity. The company converts crude oil into gasoline, diesel and jet fuel, with earnings driven primarily by refining margins, commonly referred to as crack spreads, and by the cost and quality of crude feedstock available to its system.



The important point with Valero is not just scale, but sophistication. Its refining system is highly complex as measured by the Nelson Complexity Index, meaning it can process heavier and more difficult crude streams that simpler refineries cannot handle as efficiently. This matters because complex refiners can often buy discounted feedstocks and convert them into higher value refined products. The potential return of heavier Venezuelan crude into global markets is therefore relevant, as Valero is well placed to benefit from crude quality differentials where its system complexity becomes an advantage rather than an accounting footnote.

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Refining is cyclical, and the market is well aware of that. However, the sector has changed. Years of underinvestment, tighter environmental permitting and rationalisation of older capacity have made high quality refining assets harder to replicate. At the same time, demand for transport fuels has proven more durable than many energy transition forecasts assumed, while aviation and diesel demand remain tied to real economic activity. Valero also has a growing renewable diesel exposure through its Diamond Green Diesel joint venture, which provides optionality without diluting the core cash generation of the refining business. The result is a company exposed to the old economy reality that the world still runs on refined products, but with enough asset quality, complexity and capital discipline to make that exposure investable.

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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\$	\$1.8110	\$1.8065	\$1.8020

Selection of 5 Holdings

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

Portfolio Profile

Equities	98.10%
Cash	1.90%



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	-1.63%	21.94%	18.99%	13.68%	14.30%	609.99%
Cash	0.34%	3.79%	4.09%	2.88%	2.33%	40.10%

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.