

Global High Conviction Unit Class

TAMIM Fund

At 30 April 2026



The TAMIM Global High Conviction unit class was up +3.34% for the month of April 2026. The strategy has generated a return of +29.24% over the past 12 months and +20.36% p.a. over the past 3 years.

Sell in May and Go Away?

Equity markets rose strongly in US\$ terms in April despite an absence of agreement in Islamabad between Iran and the USA. The A\$ strengthened (finally) and so unhedged returns were 'only' just over +4% in A\$ for the global strategies.

In the last 12 months the indices biased to Value have beaten those biased to Growth by about 5%.

The US equity market is up close to 13% from its end-March low, with gains concentrated almost entirely in two sectors: Technology and Energy. That narrow leadership is itself a signal. Higher first round effects on inflation from oil price increases will erode household spending power; slower consumption growth, layered onto the prospect of structurally higher long-term interest rates, might weigh on the broader market.

Stocks that were helpful in April included Qualcomm up 40%, Alphabet + 39%, Misumi Group + 37% and Jabil + 36%. More stocks fell than rose which speaks to the narrowness and risk of the market.

Macro comments - unusually important

The macro backdrop (which we seldom use to drive capital allocation) is 'challenging' and indulge us as we occasionally like to pontificate a little.

Core inflation, at 2.6%, remains above the FOMC's target (inflation almost everywhere is above the randomly chosen 2% p.a. figure that is deemed 'sensible'). The Hormuz (partial?) closure, which has restricted approximately one-fifth of global oil trade, is a supply shock, not a demand-driven price event. Thus, even assuming we get rate cuts in the USA and Europe, these do not reopen shipping lanes, restore refinery throughput, or repair the insurance markets that are currently pricing existential risk into every tanker in the region. A complete inflation picture will take four to six months to emerge as supply chain pass-through works its way into the data.

The FOMC, with the 1970s firmly in mind, should not be rushed. As a reminder, those countries which accommodated the oil price shocks in the 1970s by loosening monetary policy (UK and USA) saw the worst inflation experience and those that didn't (Japan and Germany) contained inflation which set their economies up for years of competitive gains.

The Bank of England is arguably the most precariously positioned: the UK has European-scale energy exposure, a weaker currency buffer, massive increases in taxation and regulation which increase costs, and four rate cuts already delivered in 2025. The BoE now faces the prospect of holding - or reversing - rates precisely when the domestic economy needs relief most. That contradiction will define the May 9th MPC meeting as will local

elections before then. As an exercise in further crushing an economy the UK policy makers must be awarded 5 stars.

Kevin Warsh: Confirmation Clears Its Biggest Hurdle: but what changes to the paradigm are afoot?

The path to confirmation as the Fed Chairman for Kevin Warsh, Trump's nominee to replace Jerome Powell, has cleared a material obstacle. The DOJ dropped its criminal probe against Powell - the sole condition Senator Thom Tillis had placed on releasing his hold on Warsh's nomination. The White House is confident that confirmation will be completed before Powell's term expires in May.

The 21st of April hearing delivered two market-relevant headlines on the Fed's independence and framework.

On the institution's independence, Warsh stated unequivocally that no commitment on rates had been sought or given by the White House. Echoes of Mandy Rice Davies?

On framework, Warsh called explicitly for a "regime change in the conduct of policy" - a clear signal that the Fed's inflation mandate will be reset, in both substance and communication. Hints have been given to the effect that the Treasury and the Fed will work more closely; essentially causing some to fear a reversal of the Fed Independence. It is not worth exploring this here but there IS a valid question to ask of fiscal and monetary policy makers, which is **"would explicit fiscal and monetary policy coordination be more effective in driving non-inflationary growth through productivity gains?"** Central bank independence adopted by almost every western country has hardly produced stable non-inflationary growth with minimal financial shocks/events. Watch this space but there may be a seismic shift occurring here. Note how in Australia the RBA and Treasurer are engaging in some sort of push me pull you game. If Chalmers were honest, he would agree that monetary policy should be tightened given the large increase in government spending on essentially unproductive assets; energy subsidies to prevent price rises don't reduce inflation they remove the price signal that something is wrong with policy. As always maybe the USA will move first? It'll be fun to read the hysteria.

Onto the oil market

The United Arab Emirates was involved in two, almost certainly connected, news events at the end of April, both of which we think have longer term implications beyond the short-term headlines.

The first was the request, granted by the US, for the UAE to access to US\$ swap lines, in effect asking for access to US \$ to meet its short-term liabilities, its cash flows having obviously been heavily impaired by its inability to export since the Straits were closed. These swap lines were promoted by the Treasury and not the Fed - so are implications for Warsh's idea of coordination at play? The USA needs a steady flow of investment from recycled petro dollars and can now secure these independently of any Fed decision. These Treasury lines also provide liquidity to Gulf States which would otherwise be thinking about offloading some illiquid US\$ assets (private credit, real estate) into a fragile market, to cover Hormuz induced financial stress.

The second was the announcement that the UAE was going to leave

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OPEC, with effect from May 1st. While a surprise, this is something that has been brewing for quite some time, as the UAE has been fighting against the OPEC cap on its production at a little over 3m bpd, whereas it has the ability - and the ambition - to sell almost 5m bpd. Ultimately the fracturing of OPEC means more supply and lower oil prices. Outside of the big oil and gas interests, this is certainly what the US wants as well, so we would not be surprised if the two announcements were a form of 'deal'.

There was a third, largely overlooked, announcement, which is for a long-term lease deal with Jordan for the Port of Aqaba on the Red Sea. This is from the UAE perspective about securing supply lines for imports from Europe that reduce exposure to the Straits in the other direction. meeting as will local elections before then. As an exercise in further crushing an economy the UK policy makers must be awarded 5 stars.

Surprisingly despite the chaos caused by the 2021 Suez Canal blockage by Ever Given a container ship, there has been little global trade supply chain contingency investment. In April the Malacca Straits were posited as a new supply choke point which the USA and Singapore were quick to refute. We'd hope that overland energy pipelines and new canals are on the agenda otherwise we're all going to be periodically held to ransom. Our expectation remains that private sector capital investment will increase further from here. Our hope is that the private sector is mobilised to do it. As an example of government efficiency (sic) the California High Speed Railway Project is now estimated to cost \$120+ billion from an original estimate of \$33 billion. Not one mile of track has been yet laid.

The View from Here

The hope for eventual normalisation is not irrational - it is the desired long-run positioning in most environments. What makes relying on hope over experience dangerously prone to error is the timing. The data that will define this cycle - Q2 CPI readings, shipping insurance trends, tanker utilisation through alternative routes, supply chain pass-through into core goods - does not yet exist but is likely to deteriorate. Central banks know this but may cut anyway which we think ceteris paribus makes inflation worse. Investors who have already priced in rate cuts should ask themselves whether they are discounting a resolution that is months, not weeks, away. Note how much of the valuation of the equity markets relies on the long term 'residual' value as opposed to the here and now dividend stream. Some equities are now an unprecedentedly very long duration asset. As we wrote in March, companies will struggle to keep the trifecta of buy backs, capital investment and employment going. Our guess is that headcounts are cut before capital expenditures, and executive buy backs are sanctified (morally wrong but that's the Zeitgeist?). Way back we noted that head count reductions tend to lead to share price underperformance as a quant factor. Just saying.

Patience is not pessimism. In this market, it is the only defensible analytical position.

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Portfolio Highlights:

ORIX Corporation (8591 JP)

ORIX is a diversified Japanese financial services group with operating businesses spanning leasing, banking, life insurance, asset management, private equity, real estate, renewable energy and concessions. The breadth of the model is sometimes treated as a weakness by investors who prefer simpler business descriptions, but in practice it is one of the reasons the group has been able to compound returns through different parts of the cycle. Earnings are not dependent on any single product line, geography or interest rate environment, and the group has a long track record of recycling capital from mature assets into newer growth platforms.

The economic driver for ORIX is the combination of disciplined capital allocation and improving return on equity in an environment of normalising Japanese interest rates. For most of the last two decades, Japanese financials operated under a zero rate ceiling that compressed margins and discouraged active capital management. That backdrop has changed. The Bank of Japan has moved away from negative rates, corporate governance reform has strengthened, and shareholder returns are now a much more central part of how Japanese boards think about capital. ORIX has been ahead of this shift, paying a meaningful dividend, conducting share buybacks, and selling non core assets at attractive multiples to fund higher returning opportunities. Recent results have shown revenue growth approaching the mid teens and double digit growth in earnings per share, which is not the profile typically associated with a Japanese financial conglomerate.

The investment case rests on the gap between perception and reality. The shares trade on a price to earnings multiple in the mid teens and a price to book of around 1.5 times, with a dividend yield close to 2.6 percent and an investment grade credit rating. That is not a demanding valuation for a business with this level of diversification, this quality of capital management, and this degree of exposure to the structural improvement in Japanese corporate behaviour. The risks are real and worth respecting. Conglomerate earnings quality is uneven, currency moves can affect translated results, and private equity and real estate exposures will remain cyclical. However, at the multiple now on offer, the business does not need to deliver heroic growth to be a sensible holding. It simply needs to keep doing what it has been doing, which is exactly the kind of unspectacular compounding that long term portfolios are built around.

eBay Inc. (EBAY US)

eBay operates one of the longest established global online marketplaces, connecting buyers and sellers across the United States, the United Kingdom, Germany and a broad set of international markets. The business is often dismissed as a legacy internet company that has been overtaken by larger general purpose ecommerce platforms, but that characterisation misses what eBay has quietly become. The platform now focuses heavily on categories where authentication, verification and buyer trust are central to the transaction. These include collectibles, refurbished electronics, luxury goods, sneakers, trading cards and automotive parts. In each of these areas, the depth of buyer and seller history on the platform creates a durable network advantage that newer entrants find difficult to replicate.

The economic engine of the business is increasingly about take rate and margin expansion rather than headline gross merchandise volume growth. Revenue for the full year reached around 11.1 billion dollars, with EBITDA margins above 25 percent and forward estimates pointing to further margin expansion as the business shifts toward higher value categories and embeds payments, advertising and authentication services more deeply into the transaction. The company is also a long standing and disciplined user of machine learning, applying it to listing quality, fraud detection, product matching and increasingly to the authentication of physical items. These investments support the take rate, improve buyer experience and reinforce the categories where eBay is genuinely differentiated, rather than simply marketing a generic technology theme.

From a portfolio perspective, the attraction is the combination of a strong cash flow profile, a sound investment grade balance sheet and a valuation that does not appear to reflect the structural quality of the business. The shares trade on a forward price to earnings multiple in the high teens and a forward EBITDA multiple in the mid teens, while the company continues to buy back shares and pay a modest dividend. The risks are well known. Gross merchandise volume growth remains modest, the business faces competition in some categories from larger general purpose platforms, and capital allocation discipline matters at this stage of the company's life. However, the market appears to be pricing eBay as a slowly declining business when the underlying evidence points to a profitable, defensible platform that is being managed for cash generation and shareholder returns rather than narrative.



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Adobe Inc. (ADBE US)

Adobe is one of the highest quality software businesses in the world. The Digital Media segment, which includes Creative Cloud and Document Cloud, provides the design, video, photography, document workflow and increasingly the generative content tools used by the global creative and marketing industry. The Digital Experience segment provides the analytics, customer data and marketing automation platforms used by large enterprises to manage digital customer journeys. Together these segments produce close to 24 billion dollars of revenue, growing at around 10 percent per annum, with gross margins close to 90 percent, EBITDA margins in the high 30s and an A+ credit rating. There are very few software franchises at this scale that combine this level of growth, profitability and balance sheet strength.



The reason Adobe sits in the portfolio today is that the market has decided, on relatively short notice, that the rise of generative artificial intelligence has structurally damaged the franchise. The shares have re-rated sharply from above 420 dollars over the past 12 months to around 255 dollars, a move which prices in a level of disruption that is not yet visible in the underlying financials. The disruption argument is that newer AI tools will commoditise creative work, undercut Adobe's pricing and erode customer loyalty. There is some truth at the edges of this argument, particularly for the simplest consumer use cases. However, professional creative and enterprise marketing workflows depend on a great deal more than image generation. They involve project files, version control, asset libraries, brand governance, regulatory compliance, video editing, document workflows and integration with enterprise systems. Adobe has spent decades becoming the default infrastructure of that workflow, and is also integrating generative AI into its own platforms through Firefly and other tools.

The valuation is the central point. A business with mid double digit revenue growth, near 90 percent gross margins, very strong free cash flow and an A+ balance sheet, now trading on a forward price to earnings multiple of around 11 times, is not a typical software valuation. It is closer to how the market prices structurally challenged businesses than to how it normally prices durable quality compounders. The risks deserve respect. Generative AI is a genuine competitive force, enterprise software pricing is under more scrutiny than at any point in the past decade, and the failed Figma acquisition demonstrated that regulators are watching consolidation in this part of the market. However, at the current multiple, the share price already reflects a meaningful degree of these concerns. For long term investors, Adobe represents the kind of quality at a reasonable price that is usually only available when sentiment, rather than fundamentals, has moved.

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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

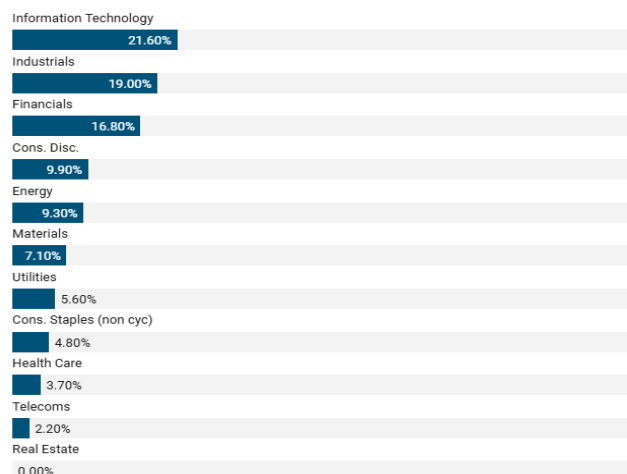
	Buy Price	Mid Price	Redemption Price
AU\$	\$1.8715	\$1.8669	\$1.8622

Selection of 5 Holdings

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

Portfolio Profile

Equities	99.00%
Cash	1.00%



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	3.34%	29.24%	20.36%	14.02%	14.47%	633.72%
Cash	0.34%	3.79%	4.11%	2.95%	2.34%	40.57%

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.