

Global High Conviction Unit Class

TAMIM Fund

At 30 September 2026



We provide this monthly report to you following conclusion of the month of September 2026.

The TAMIM Global High Conviction unit class was up 0.64% for the month of September 2026. The strategy has generated a return of +20.9% over the past 12 months and +21.57% p.a. over the past 3 years.

A quarter that ended quietly

September gave us a positive month in a rising market, which is an improvement on August but not a vindication. The portfolio was up 0.75 per cent against 1.87 per cent for the index. That makes two consecutive months of lagging, and a September quarter in which we returned 2.11%.

We have now had a full quarter of the positioning we spent the first half of the year putting in place, and it has cost us a little over one percentage point against the index. We think that is a reasonable price and we are not going to pretend otherwise by finding a more flattering comparison. Year to date the portfolio is up 18 per cent against

Where the month actually went

Technology was the largest positive contributor at 0.94 percentage points, with industrials adding 0.43 and health care 0.17. Financials were the main detractor at 0.67, with materials at 0.18 and consumer staples at 0.11. Energy, consumer cyclicals and utilities were all close to flat.

For the second month running, the sector we have spent the year reducing was the one that carried the month. We note the irony and we are not troubled by it. Microsoft, Taiwan Semiconductor, Murata, KLA, Qualcomm and Applied Materials are businesses we are happy to own at a sensible weight. What we reduced was the weight, not the conviction, and the distinction is the whole argument. A nineteen per cent technology weighting that contributes when technology runs is a feature of the portfolio. A twenty-four per cent weighting that would have us hostage to it is not.

Financials gave back a little of a very strong year. Orix is now our fourth largest holding and remains the clearest expression of what we like about Japan, a diversified capital business, sensibly managed, on a multiple that still does not reflect what it earns. Hong Kong Exchanges, Travelers, UBS, Sampo and T&D all remain core.

Consumer cyclicals fell from 9.5 to 8.0 per cent of the portfolio, the largest single sector move of the month. Energy eased from 9.4 to 8.7 per cent. Both deserve the manager's attention in the notes below, because the sector data alone cannot tell us how much of that is price and how much is activity.

Japan, again

Japan is now 26.8 per cent of the portfolio, up from 24.6 per cent, and the United States has fallen below half for the first time this year at 48.0 per cent. Murata and Marubeni both

entered the top twenty-five during the month, joining Orix, Misumi, NGK, Sampo and T&D.

We will repeat what we have said every time this comes up, because it continues to be true and continues to be misunderstood. We have not made a call on Japan. We have made a series of calls on individual businesses, and a disproportionate number of them are listed in Tokyo because that is where we keep finding companies with improving capital discipline trading on multiples that assume it will not continue. The corporate governance reform is slow, it is real, and it is still being priced as though it were neither.

If that changes, if the reform stalls or the multiples catch up, the weighting will come down, one business at a time, in the same way it went up.

What we are watching

Our position on the capital expenditure cycle is unchanged and we are conscious that we have now said so for the better part of a year without the market agreeing. That is uncomfortable but it is not a reason to stop. The spending commitments that have been applauded still have to be funded, and strong employment, sustained buybacks and investment on this scale still cannot all be delivered at once. The market has spent the September quarter declining to worry about it. We will not keep relitigating the point every month, but nor will we abandon the positioning because the argument has taken longer than we expected.

What we own in the meantime are businesses that do not depend on the resolution. Power generation, transmission and storage. Gas transport. Industrial capability. Exchanges and insurers. Diversified capital businesses on sensible multiples. These generate cash now, distribute a reasonable proportion of it now, and do not require the forecast to come good.

Finally, and we will keep saying it until it stops being true: the best hedge for your hard earned against rapacious, fiscally incontinent governments is to hold dividend paying equities with sensible multiples, with sensible management, operating in essential areas of the economy.

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Portfolio Highlights:

Valero Energy Corporation (NYSE: VLO)

Valero is one of the world's largest independent petroleum refiners. It operates 15 refineries across the United States, Canada and the United Kingdom with combined throughput capacity of about 3.2 million barrels a day, the majority of it on the US Gulf Coast. Alongside the refineries sit two businesses that surprise anyone who thinks of Valero purely as an oil company: Diamond Green Diesel, its renewable diesel joint venture with Darling Ingredients, with around 1.2 billion gallons a year of capacity, and 12 ethanol plants in the US Mid-Continent with combined capacity of about 1.7 billion gallons a year. The first thing to understand about any refiner is that it does not earn the oil price. It earns the spread between what it pays for crude and what it receives for diesel, petrol and jet fuel. The second thing to understand is that refiners are not interchangeable. A simple refinery can only run light, sweet crude, the expensive kind. A complex refinery, equipped with cokers and hydrocrackers, can take heavy, sour, sulphurous crude that trades at a discount precisely because few plants can handle it. Valero sits firmly in the second camp. Its Port Arthur refinery, the largest in the system at 435,000 barrels a day, processes heavy sour crude, as does its Wilmington plant in California, and the group ran around 514,000 barrels a day of heavy sour crude in the second quarter. In plain terms, Valero can refine almost anything, including the Venezuelan Orinoco crude whose consistency invites comparison with tar.



That capability has become considerably more valuable this year. Following the removal of Nicolas Maduro in January, Washington eased sanctions and issued general licences for Venezuelan oil exports. Valero moved quickly, with Reuters reporting in February that it planned to take up to 6.5 million barrels of Venezuelan crude in March alone, its largest intake since sanctions began in 2019. Management has since cited the outlook for heavy sour crude discounts as one reason the floor under refining margins may now sit higher than history suggests. Cheap feedstock run through equipment most competitors lack is a durable source of margin, not a lucky quarter. Geography and ownership complete the picture. Valero owns crude oil pipelines, product pipelines, terminals, storage tanks and marine docks which, in its own words, support its refining operations and export capabilities. In a world where supply chains have become instruments of policy, a refiner that controls its own access to crude cannot easily be blocked from getting it, and its position on the Gulf of America, as we must now learn to call it, places it beside the export docks. Management noted on its second quarter call that an arbitrage had opened to ship jet fuel to Europe, a continent that has lost Russian supply and closed refineries of its own. With the Strait of Hormuz disrupted since late February, Russia restricting diesel exports and US refinery utilisation running close to 98 per cent in late August, the average US diesel price reached a record US\$5.85 a gallon in early September. The second quarter results showed what the business can earn when conditions align. Net income was US\$3.72 billion, or US\$12.62 a share, against US\$2.28 a year earlier. The refining margin averaged US\$23.62 a barrel, almost double the prior year. Renewable diesel delivered US\$717 million of operating income against a loss a year earlier and ethanol contributed US\$318 million. The renewables arm is a policy business, dependent on fuel standards and credits, but it is also a hedge against a return to Wokeworld. Should the political pendulum swing back towards mandates and subsidies, Valero is one of the few refiners positioned to be paid on both sides of the argument. Capital allocation remains disciplined: US\$2.6 billion was returned to shareholders in the quarter, net debt to capitalisation was 11 per cent and cash of US\$7.9 billion sits well above management's long term target.

We have owned Valero for much of its run from a 52 week low of around US\$155 to roughly US\$457 today. At that price it trades at about 9 times consensus 2026 earnings and around 11 times the lower 2027 estimate, a multiple that tells you the market regards current margins as a peak. The average analyst price target sits below the share price, and the risks are obvious: refining margins have historically mean reverted, Goldman Sachs expects Brent to fall to around US\$85 by December and US\$80 in 2027, the Venezuelan licences can be withdrawn as quickly as they were granted, and record diesel prices invite windfall taxes. Our view is that more of today's advantage is structural than the market assumes, but after a move of this size we are watching the third quarter result on 22 October closely and will act on the numbers rather than the narrative.

Evonik Industries AG (XTRA: EVK)

We have made no secret of our distaste for the trajectory of European economic policy, and we remain underweight the region. But a global portfolio has to own something in Europe, and when we do we want businesses whose products, customers and production footprint are global rather than hostage to Brussels. Evonik, the Essen based specialty chemicals group with 2025 sales of €14.1 billion, fits that description better than its listing suggests. It operates through three segments, Advanced Technologies, Custom Solutions and Infrastructure, and it is a business whose chemistry is far more interesting than its share price has been for most of the last five years.



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The hidden technology in Evonik is that its chemistry does not make things so much as make things work better. Its additives make polyurethane foams, coatings and lubricants perform more efficiently, its silica improves tyres and coatings, its hydrogen peroxide is used to clean silicon wafers, and its methionine makes animal feed more productive. These are small quantities of specialised material on which the customer's product depends, which is the definition of pricing power in chemicals. Evonik holds the number one global position in lubricant additives, polyurethane additives, precipitated and fumed silica and methionine, and number two in coating additives and hydrogen peroxide. It spends close to €400 million a year on research and development, around 2.5 to 3 per cent of sales, which keeps the product pipeline relevant.

Evonik's production model is explicitly local for local, with a stated aim of generating around a third of sales in each of the Americas, Europe and Asia Pacific. Its Jurong Island site in Singapore is the world's largest methionine facility, with capacity of 340,000 tonnes a year, and in July it committed US\$100 million to modernise its pharmaceutical ingredients facilities in Lafayette, Indiana. In a world of tariffs and fractured supply chains, producing where you sell is not a slogan. It is a competitive advantage, and one that a purely German chemical producer exposed to German energy costs does not have.

The operating numbers have started to turn. Second quarter sales rose 11 per cent to €3.89 billion, with volumes and prices each up 7 per cent, and adjusted EBITDA rose 24 per cent to €630 million, a margin of 16.2 per cent. Part of that came from supply bottlenecks at Asian competitors, which will not last forever, but management raised full year adjusted EBITDA guidance to €2.0 to 2.2 billion from €1.7 to 2.0 billion. The self help is real: the Evonik Tailor Made efficiency programme has removed 2,800 roles over 2024 to 2026 with a further 3,200 planned for 2027 to 2029. The former chief executive described the quarter as a warm summer rain that does not change the fundamental challenges for the industry, which is about as honest as chemical company commentary gets.

Then things became more interesting. In late September BASF confirmed a non binding approach regarding a possible takeover, and Evonik's board reportedly rejected an initial offer of €22.15 a share, valuing the equity at around €10.3 billion. The RAG Foundation, which owns around 44 per cent, has confirmed it was approached and that its statutes would permit a sale of its entire stake, and BASF is reported to be willing to offer site and employment guarantees. All of this is happening with an interim chief executive: Christian Kullmann left by mutual agreement in August and Claus Rettig, a 30 year Evonik veteran who ran the Asian business from Singapore, is in the chair while a permanent successor is sought.

At around €21 the shares trade close to the rejected bid, on roughly 12 times current year earnings, 6 times EV/EBITDA and 1.2 times book, with a dividend yield of around 4.7 per cent. The risks are that the BASF approach comes to nothing and the bid premium evaporates, that the Asian supply disruption which flattered the second quarter reverses, that European energy costs and regulation continue to erode the domestic asset base, and that a leadership vacuum slows decision making. We are comfortable with those risks at this valuation. If BASF returns with a better price, our position close to the European entry is rewarded quickly. If it does not, we own a global leader in efficiency chemistry at a value multiple, with the restructuring benefits still to come.

Medtronic plc (NYSE: MDT)

Medtronic is one of the world's largest medical device companies, with fiscal 2026 revenue of US\$36.4 billion across its Cardiovascular, Neuroscience and Medical Surgical portfolios. It implants pacemakers and defibrillators, treats heart rhythm disorders, stimulates nerves and spines, and supplies the instruments used in a very large share of the world's operating theatres. It is not a fashionable company. It is, however, one where the demographic and epidemiological arithmetic is unusually clear.

That arithmetic is unkind but unambiguous. An ageing and increasingly overweight population produces more heart disease, and heart disease requires devices and procedures. Cardiovascular is Medtronic's largest portfolio, with first quarter fiscal 2027 revenue of US\$3.93 billion, up 19.5 per cent. The standout is pulsed field ablation, a newer and faster way of treating atrial fibrillation, where Medtronic's Cardiac Ablation Solutions business grew 88 per cent worldwide and 139 per cent in the United States, taking trailing twelve month revenue past US\$2 billion ahead of management's own timetable. Electrophysiology as a whole grew almost 30 per cent. This is a large company growing a large business at a rate normally associated with small ones.

The second leg is robotic assisted surgery. Medtronic's Hugo system received FDA clearance for urological procedures in December 2025, covering around 230,000 US surgeries a year, and in June the company filed for clearance in general surgery, including hernia repair, and in gynaecology. Hugo has been in commercial use in more than 35 countries and is on pace to pass 50,000 procedures by the end of the fiscal year. Management has

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also committed US\$700 million to a strategic investment and distribution agreement with Cornerstone Robotics for markets outside the United States. Intuitive Surgical's da Vinci remains the dominant platform and Medtronic is the challenger, but a modular, cart based system sold by a company already present in nearly every hospital is a credible way to compete.

The third leg is portfolio discipline. Medtronic has been separating lower margin and lower growth businesses, most notably its diabetes unit. MiniMed listed on Nasdaq in March, pricing at US\$20 a share, below its marketed range, and raising around US\$560 million. In October Medtronic completed the separation through an oversubscribed exchange offer, swapping its entire remaining stake of 252.8 million MiniMed shares for 55.0 million Medtronic shares. That removes a capital hungry business from the group and retires roughly 4 per cent of Medtronic's share count without spending any cash. It is, in effect, a share buyback paid for in kind.

The numbers support the thesis. First quarter fiscal 2027 revenue rose 13.7 per cent to US\$9.76 billion, although an extra week in the quarter contributed around US\$570 million, and non GAAP earnings per share rose 15.1 per cent to US\$1.45. Management raised full year organic growth guidance to 7.25 to 7.75 per cent and non GAAP earnings per share guidance to US\$5.94 to 6.00. The balance sheet carries an A credit rating, and the dividend has been raised for more than four decades in succession.

At around US\$88 the shares trade on roughly 15 times fiscal 2027 earnings guidance, with a dividend yield of around 3.2 per cent and a three year beta of 0.37, against a consensus analyst target of around US\$104. The risks are real: competition in pulsed field ablation is intense, Hugo is chasing an entrenched leader, tariffs and US healthcare policy could pressure margins, and if weight loss drugs deliver on their promise the long run cardiovascular arithmetic becomes less unkind. We also need to see how guidance is rebased once MiniMed is fully out of the numbers. But a defensive compounder with accelerating growth in its largest franchise, a credible robotics strategy and a management team actively pruning the portfolio, priced at 15 times earnings, looks like rather better value than much of what passes for healthcare growth elsewhere in the market.

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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

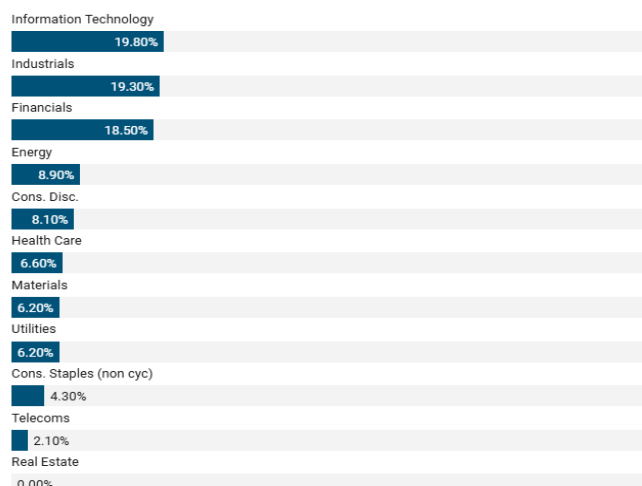
	Buy Price	Mid Price	Redemption Price
AU\$	\$1.7364	\$1.7321	\$1.7278

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	0.64%	20.90%	21.57%	14.53%	14.69%	699.77%
Cash	0.36%	4.02%	4.15%	3.31%	2.39%	43.08%

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.