Global High Conviction Unit Class
TAMIM Fund



At 31 October 2026

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

The TAMIM Global High Conviction unit class was down -1.44% for the month of October 2026. The strategy has generated a return of +16.2% over the past 12 months and +21.71% p.a. over the past 3 years.

Reculer pour Mieux Sauter?

Or put another way, 'It's just October, don't panic'. Global equity markets had a typical October as investor sentiment shifted and the voting machine or momentum market became a weighing machine or value market very rapidly. The high concentration of the US indices in a few mega cap stocks, highly exposed to falling A.I. sentiment, disguised the fact that while the market capitalisation weighted indices fell, the equal weighted returns were positive. Japan and surprisingly the UK performed the best. The UK budget provided the expected tax raid on banks, from our September update "The UK will probably impose a windfall (confiscatory) tax on oil and banks quite soon. Both sectors already face higher taxes than they would in other jurisdictions." And strangely, UK policy looks deliberately designed to reduce living standards, and risk asset returns.

Investors finally decided to focus on returns on capital investment, and the dwindling free cash flows, debt, and equity issuance to fund capital expenditures, and the rising cost of capital sobered up the party. This realisation that not all companies are going to make a fortune, nor that growth can be achieved without investment which might not pay off, hit major tech stocks severely, dragging the S&P 500 information technology sector down by 6.8% in US$ terms. Some industrial stocks, especially in Japan were victims of collateral damage.

Our amateur psychology approach argued that A.I. capital spending would continue longer than financially sensible because the last I.T. boom, the widespread adoption of the internet and the advertising dollars to be had, rewarded those companies that hung on. Those that capitulated shouldn't have, and the employees from those capitulating companies would now be senior and scarred and this time keep going until the markets refused. It looks like they have just refused to fund anything and everything if the CDS prices of CoreWeave and even Oracle mean anything. We are now in phase 2 where the frenzy to build and invest in the builders will give way to searching for the winners in the 'Monetisers' of the build; maybe even the service companies that will sell the higher productivity enhancement of their 'A.I. enabled platform'?

Hence 'Reculer Pour Mieux Sauter'? This is not over and the most money is often made after a panic.

We entered October underweight the I.T. sector with a weight of 16% using the strict GICS classification but nearer 18% including Alphabet (Google) which has been reclassified as a Communication Services company. To put that weighting in context, the standard global cap weighted benchmarks started October with a >31% weight in I.T. We made some trades into market weakness to reduce that risk, some of which were premature. The reaction to Alphabet's results, a >10% price fall was instructive in so far as the shortfall was in the advertising segment and thus investors are aware of its major cash cow which is not 'technology', at least not like NVIDIA or TSMC.

Georgia on my mind?

Meanwhile in the 'physical' economy, Audi a flagship brand of VW, (they also own Porsche, Bentley, Lamborghini) announced a major factory plan in Macon, Georgia, United States. This structural move underlines a broader corporate push towards localising manufacturing and securing regional supply chains within the American market. Whisper it, but incentives to onshore production (aka tariffs), wealth creation in the US, and lunatic industrial policy in Europe 'may' have contributed to the decision. We have decided to use the acronym 'Accelerating US Domestic Industry' for Audi, in contrast to Be More Worried or Very Worried. Unless something dramatic goes wrong the US is very much open to business and inward capital investment.

Mostly Peaceful

Violent riots swept across Europe over consecutive weekends in late October. "Mostly peaceful" (eh, really?!) and driven by youths allegedly protesting the rising cost of living, housing crises, and public spending cuts, (huh?!!) major civil disruptions broke out across France, Germany, Spain, and Italy. The severe violence and theft in major cities like Paris, Frankfurt, and Barcelona further depressed European equities, making Europe one of the month's worst-performing regions. It's not yet the darkest hour but it sure as heck is getting interesting in so far as the inevitable U turn from 'Big Government Regulation and Taxation' will trigger a serious reappraisal. We remain underweight Europe and the UK with a combined weighting of c.8% compared to an index weight of 14%. We own no European banks fearing even soggier OATS which would cause knock-on effects elsewhere in the region; but German banking profitability and net inflows look sound. We have owned DWS an asset manager in Germany and probably expect continued capital flight into the German Euro. The EURO STOXX Banks Index declined over 11% in October.

Christine Lagarde resigned early as head of the ECB which allows her to a) get a pro EU successor in place before Marine Le Pen is elected in France b) walk away from the inevitable French bailout of their precarious debt situation thereby avoiding a conflict of interest, and c) find a political role post Macron's inevitable departure. Democracy in action.

Central Bank Policy

Finally, the US Federal Reserve delivered its interest rate decision, choosing to hold benchmark rates steady in a target range of 3.75% to 4%.

While the Fed acknowledged that inflation remains stubbornly elevated, the central bank opted for 'wait and see'. Given that money supply growth has NOT been expansionary the inflation problem will abate.

If only they had listened; price levels would not be where they are now?!

What it does mean in the meantime though is a shift in consumer preferences such that rising gasoline and electricity expenditure will reduce discretionary spending on other items. The advertising 'shortfall' for Alphabet, the squeeze on drinks companies Campari and Diageo, and shoe brands Nike, and Adidas, and the bellwether Amazon which experienced the slowest on-line retail growth in 3 years, all point to a constrained consumer and thus excluding oil, a likely drop in price rises and of course, sluggish revenue growth in the consumer discretionary segments.

On to November

The future looks choppy, but it always should. The mid-terms in the US are upon us and the probability of Democrats taking the House is high. Whether this reduces the number of Executive Orders issued or results in gridlock, is unknowable. Invest as if valuation matters, that the US is finally mobilising private sector capital to grow the economy, that Japan is both technologically advanced, and rewarding shareholders better, and that European politics is likely to shift away from turgid economic policy at some point. There are many ways to enjoy decent returns over and above cash or even bonds.

We added Murata, Sumitomo Electric, and Mitsubishi Estate in Japan and Medtronic, CSX, and Union Pacific in the US. We reduced Valero after a period of massive outperformance as the market realised that refining is quite important (duh) and that the Nelson Complexity Index of the Valero asset base is the best. Valero has outperformed the S&P 500 by over 350% in the last 5 years, a period commencing with peak 'Just Stop Oil'. Never wrong to take a profit and find some other deeply unpopular part of the market? We also reduced Quanta, AECOM, and Tokyo Gas.

Global High Conviction Unit Class
TAMIM Fund

At 31 October 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

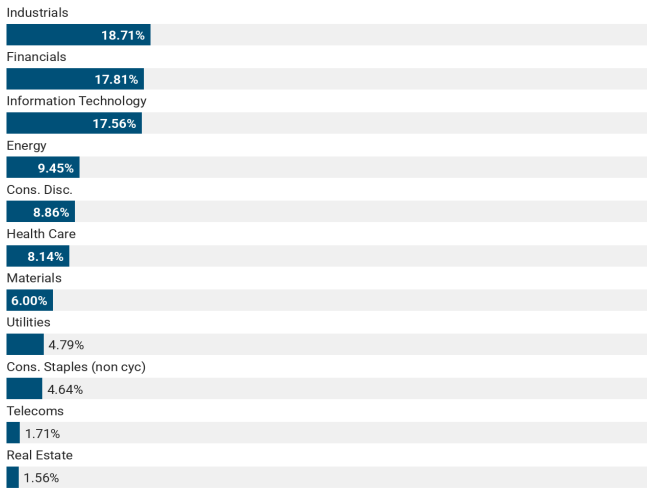
	Buy Price	Mid Price	Redemption Price
AU$	$1.7114	$1.7071	$1.7028

Selection of 5 Holdings

Stock	Country
Microsoft	USA
Taiwan Semiconductor	TW
ORIX	JP
Cheniere Energy	USA
Valero Energy	USA

Portfolio Profile

Equities	99.23%
Cash	0.77%



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	-1.44%	16.20%	21.71%	14.47%	14.49%	688.21%
Cash	0.38%	4.10%	4.16%	3.39%	2.40%	43.62%

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.