

Asia Small Companies Unit Class

TAMIM Fund



At 31 October 2021



The past month has seen a 5% increase in the official number of Covid-19 cases globally, a deceleration from the 7% growth rate recorded in the month of September.

Asian equity markets for small to mid-sized stocks in October ended the month down 1.3% in USD terms and down 5.1% in AUD terms. In the year to date the index has increased by 6.7% in USD terms and up 9.6% in AUD terms. The key elements behind the weak month was uncertainty in Japan ahead of the general election and some poor economic numbers reports across various locations in the region.

Japan

Japan was the weakest market in our region declining by 3.7% for the month ahead of the general election called by recently appointed Prime Minister Kishida. There were fears that the ruling LDP would lose their majority in parliament, however, this fear proved unfounded as results announced on 1st November indicated a clear single party majority for the LDP. Prime Minister Kishida now has a mandate to push ahead with the additional budget spending that was promised during the campaign. This will include increased military spending to counter a more assertive China. The market responded positively to the election result. The election could be seen as the beginning of a change of generations within the LDP, having seen several senior lawmakers losing their long held seats while younger lawmakers including Taro Kono and Shinjiro Koizumi achieved emphatic victories. The equity market should enjoy better returns now that this major period of uncertainty is out of the way.

Japan reported a 40% fall in car exports in the year to September due to the ongoing shortage in semiconductors and other supply chain disruptions caused by Covid-19 restrictions. This is the first decline reported in seven months. Overall exports of goods increased by 13% in September versus the previous year. For the first half of the fiscal year Japan recorded a trade deficit of 389.79 billion yen with imports up 30.3% and exports up 34.2%.

Singapore

Singapore delivered a 3.0% positive return during October after announcing plans for relaxing international travel restrictions and a preliminary 6.5% GDP number for the September quarter. There was also a move by the central bank to tighten monetary policy for the first time in three years. The Singapore central bank expresses the stance of monetary policy by indicating a direction of their currency versus a basket of major trading partners' currencies. The indication has changed from a flat Singapore dollar to modest appreciation. The semi-annual monetary policy statement indicated in the absence of "tail risks such as the emergence of a vaccine-resistant virus strain or severe global economic stresses, the Singapore economy should remain broadly on an expansion path."

Taiwan

The market in Taiwan had a positive month with a return of 3.8% despite ongoing political tension with China. US Secretary of State Blinken delivered a warning to China's Foreign Minister Wang at the G20 Summit making it clear that Washington opposes any unilateral changes by Beijing to the status quo with Taiwan. China has continued with escalated military harassment with multiple incursions into Taiwan's airspace in the past month. US President Biden recently indicated that the United States would defend Taiwan if that became necessary which is somewhat at odds with the official line that respects the "One China" policy. As a result of that policy, Taiwan has been excluded from the United Nations since 1971 when the People's Republic of China replaced it. China maintains a position that Taiwan is one of its provinces. During the month officials from Taiwan met virtually with the US State Department to discuss meaningful participation for Taiwan in the United Nations and World Health Organisation. Taiwan's President Tsai Ing-wen confirmed that there are a small number of US forces located in Taiwan to help with training of Taiwanese soldiers, an admission that annoyed Beijing with a call for the United States to immediately cease military and other official interactions with Taiwan.

South Korea

The market in South Korea fell 0.7% in October, the economic growth data reported for the September quarter was slower than expected at +0.3%, much lower than the +0.6% consensus growth expectation. Industrial production fell 1.8% in the year to September versus consensus expectations of 1.4% growth. Like Japan, the shortage of semiconductors is the main cause of disappointing numbers in the short-term.

We have seventy-five companies in the portfolio and the equivalent of 2% cash. We will continue to invest in Asian small to mid-sized companies with strong value, momentum and quality attributes together with accounting, strategy and governance standards that meet our requirements. Long-term returns will be generated by the ability of our companies to deliver growing profits and dividends.

Note: Returns are quoted net of fees. Past performance is no guarantee of future performance.

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Fund Overview

The TAMIM Fund Asia Small Companies unit class seeks to achieve a high real rate of return over the long-term within defined risk parameters acceptable to the Investment Manager through a diversified portfolio of Asian small and mid-cap shares.

Key Facts

Investment Structure:	Unlisted unit trust
Minimum investment:	A\$100,000
Applications:	Processed monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Annually
Management fee:	1.00% p.a.
Expense recovery fee:	Up to 0.35%
Performance fee:	20% of performance in excess of hurdle
Hurdle:	MSCI AC Asia Small & Mid Cap Index
Buy/Sell Spread:	+0.30%/-0.30%
Exit fee:	Nil
Single security limit:	+/- 5% relative to Benchmark
Country/Sector limit:	+/- 10% relative to Benchmark
Target number of holdings:	60-80
Portfolio turnover:	< 30-40% p.a.
Investable universe:	MSCI AC Asia Small & Mid Cap (US\$ 500m - 10bn)
Cash level (typical):	0-100% (0-5%)
APIR Code:	CTS7571AU

NAV

	Buy Price	Mid Price	Redemption Price
AU\$	\$8.9115	\$8.8848	\$8.8581

Returns

	1 month	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	Since inception (p.a.)
TAMIM Asia Small Comp.	-5.94%	-5.05%	-0.82%	11.08%	5.99%	7.07%	3.79%
MSCI AC Asia SMID	-5.12%	-1.95%	2.43%	15.23%	7.15%	8.87%	5.50%

Note: Returns are quoted net of fees and assume distributions are reinvested. Past performance is no guarantee of future performance. MSCI AC Asia SMID refers to the MSCI AC Asia Small & Mid Cap Index in AUD. Inception 1 October 2018.

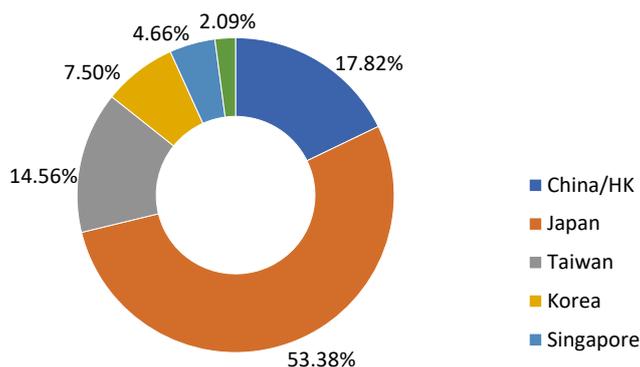
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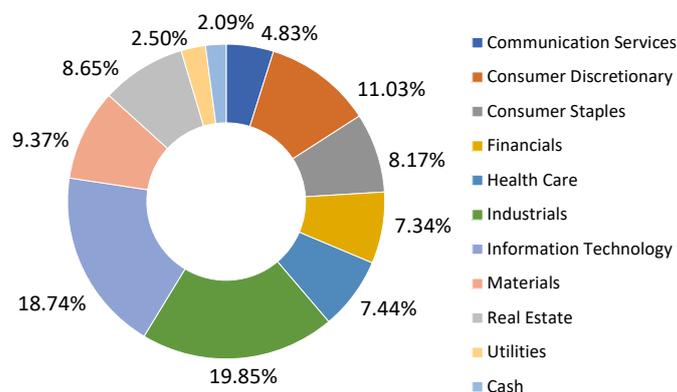
Portfolio Profile

Equity	97.91%
Cash	2.09%

Regional Allocation



Sector Allocation



Selection of 5 Holdings

Stock	Code	Country
Open House Co. Ltd.	3288.T	Japan
Sheng Siong Group Ltd	OV8.SI	Singapore
Novatek Microelectronics Corp	3034.TWO	Taiwan
China Lesso Group Holdings Ltd.	2128.HK	China/HK
SFA Engineering Corp.	056190.KS	South Korea