

Global High Conviction Unit Class TAMIM Fund

At 30 January 2021

Global High Conviction Portfolio Update

January saw profit taking in global equities. The Global strategy rose 1.97%. The value weighted benchmark rose by 0.4% in A\$ terms in January.

Returns since inception are 13.82% p.a.

It is clear that a targeted fiscal programme is now being deployed to supplement the policy of zero interest rates. Finally! Promises to repair and expand infrastructure are cheap to make but are essential to keep, if economic growth rates are to be improved. Recent signs are encouraging that 'the lightbulb' has gone on.

It is also likely that 'National Industrial Policies' will be reintroduced in an effort to target unemployment, reduce reliance on single source supply chains, and to pursue geopolitical aims. In January more evidence came to the fore with "Build Back Better" now emphasising "Buy American". The Chinese have a similar plan called 'Made in China 2025'.

These two trends will be beneficial to companies skilled in renewable energy generation and transmission, mass transit and logistics. It is also very likely that year on year economic growth rates in 2021 will look strong since prior year comparisons will be so weak. In such a 'strong growth' scenario basic materials, Industrials and energy stocks have typically outperformed.

Corporate results from US companies were quite good. Profits beat or marginally beat (lowered) expectations and dividend increases came from AES, Anthem, Intel, Kimberley Clark, Kroger, and General Dynamics. Dividend increases often signify management and board confidence about longer term profitability.

Asia including Japan was weaker but longer term we believe well placed. China rose despite signs of (sensible) monetary policy tightening.

We made minimal changes to the global portfolios in January. We remain unhedged and overweight Asia, Japan and industrials and cyclicals and underweight Europe.



Source: Bloomberg, CCBIS estimates

We are overweight industrials and materials but given the clear pivot to 'cleaner energy' in the US where President Biden issued executive orders blocking the Keystone XL pipeline project and preventing further oil and gas drilling on Federal Lands, we are not (yet?) overweight oil stocks. We continue to hold Valero one of the world's most cost efficient and sophisticated refiners and AES the utility company rapidly pursuing the generation transmission of renewable energy. Since we invested in AES almost 3 years ago, its share price rise has outperformed that of Facebook and Google. Boring can be good. We wrote more on this [recently](#).

Global High Conviction Unit Class TAMIM Fund

At 30 January 2021

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
Hurdle:	MSCI World Net Total Return Index
Exit fee:	Nil
Single security limit:	+/- 5% relative to Benchmark
Country/Sector limit:	+/- 10% relative to Benchmark
Target number of holdings:	50-80
Portfolio turnover:	Typically < 25% p.a.
Investable universe:	MSCI World Net Total Return Index
Cash level (typical):	0-100% (0-10%)

NAV

	Buy Price	Mid Price	Redemption Price
AU\$	\$1.0392	\$1.0366	\$1.0340

Monthly Return Stream

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2011	-	-	-	-	-	-	0.02%	0.24%	1.48%	1.75%	-0.24%	3.14%	6.51%
2012	0.67%	3.83%	8.03%	-3.05%	-1.56%	0.57%	-1.64%	4.74%	2.58%	-0.68%	-1.95%	2.92%	14.78%
2013	2.51%	1.29%	-0.03%	3.27%	11.01%	1.11%	7.27%	-1.75%	-3.65%	3.32%	8.56%	3.41%	41.71%
2014	-3.32%	0.56%	-0.97%	0.74%	0.80%	0.02%	1.34%	3.13%	6.43%	2.11%	5.75%	2.40%	20.26%
2015	1.32%	7.07%	-0.65%	-0.53%	4.95%	-2.87%	6.09%	-3.37%	-0.76%	7.00%	1.06%	-1.24%	18.75%
2016	-0.96%	-3.34%	-0.61%	0.68%	6.24%	-5.53%	1.38%	3.05%	-2.97%	-0.93%	4.37%	4.78%	5.60%
2017	-4.04%	0.78%	0.91%	2.53%	-1.14%	-1.29%	-0.73%	0.64%	4.22%	3.47%	2.99%	-1.79%	6.41%
2018	2.12%	0.54%	-0.80%	3.80%	-1.01%	-0.62%	2.01%	3.43%	-0.46%	-4.37%	-2.68%	-4.57%	-2.99%
2019	4.39%	5.55%	0.43%	3.29%	-6.28%	7.20%	2.26%	-3.75%	3.79%	1.37%	5.21%	-0.52%	24.46%
2020	0.19%	-4.45%	-4.08%	2.78%	-0.15%	-1.22%	-0.88%	0.82%	0.15%	-0.32%	9.48%	-1.08%	0.56%
2021	1.97%												1.97%

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.



Selection of 5 Holdings

Stock	Country
Verizon Communications Inc	USA
Legal & General Group PLC	UK
China Mobile	China
Hoya Corporation	Japan
Ping An Insurance	China

Portfolio Profile

Equities	99.77%
Cash	0.23%

