Global High Conviction Unit Class
TAMIM Fund

At 31 July 2026

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

The TAMIM Global High Conviction unit class was up +2.41% for the month of July 2026. The strategy has generated a return of +26.77% over the past 12 months and +21.65% p.a. over the past 3 years.

This is what it was for

We have spent the better part of eight months explaining, at some length and no doubt to the mild irritation of readers who would prefer we simply owned whatever was going up, why we were taking Momentum price risk out of this portfolio. In July the global index fell. The portfolio rose. That is the whole argument in two sentences. We take no pleasure in a falling index and we do not claim to have predicted the month. What we do claim is that a portfolio deliberately built out of businesses that are not the index, priced on multiples the index has not paid attention to, will behave differently from the index when the index has a difficult month. That was the entire point of the exercise. July is the first month in a while that has bothered to demonstrate it.

Technology detracted 1.07 percentage points from the month's return. Had we still been carrying the 23.2% technology weighting we held in May, rather than the 18.0% we hold now, the arithmetic would have been considerably less comfortable. We reduced that exposure into strength, in a rising market, for what we said at the time were valuation and capital-cycle reasons rather than timing reasons. We would rather be early than clever.

Financials are now the largest sector in the portfolio

Financials finished July at 19.3%, ahead of industrials at 18.4% and technology at 18.0%. Health care rose to 6.4%. We would make one observation about the financials exposure, because it is not what people assume when they hear the word. This is not a leveraged bet on credit spreads or on a steep yield curve. It is exchanges, insurers and diversified capital businesses such as Orix, Hong Kong Exchanges, Travelers, UBS, Sompo, T&D. These are businesses that earn from transaction volume, from underwriting discipline, and from being paid interest on float. They tend to do rather well in exactly the environment we have been describing: elevated rates, higher volatility, and a market with more activity in it than direction. If the long end of the curve keeps misbehaving, we would rather own the people who collect the premium than the people who pay it.

Japan is now 24.8% of the portfolio and the United States 49.5%. We did not set out to make a country call. We set out to buy sensibly priced businesses with sensible management and rising distributions, and a disproportionate number of them happen to be listed in Tokyo. The corporate governance reform in Japan is real, it is slow, and it is being ignored by roughly the same people who are certain that a fixed-price technology listing is a bargain.

From our June ramblings

Last quarter we said we were entirely comfortable trailing the index in a quarter when the index outperformed because its largest constituents outperformed. We said it because we believed the reverse would eventually be true, not because it made for a graceful excuse. One month is not a vindication and we are not going to treat it as one. But it is a data point, and it is the data point we were waiting for.

What we are watching

The question remains whether the market will fund the capital expenditure it has already applauded. Nothing about July changes our view that it cannot do all three of maintaining employment, sustaining buybacks, and financing this scale of investment. One of them gives. We continue to favour the picks and shovels: power generation, transmission, storage, industrial capability, over the promoters of the frenzy, and the portfolio is now positioned that way in fact rather than in intention.

Energy deserves a mention. It contributed strongly in July and we have been reshaping the exposure rather than reducing it, with more weight toward the transport and infrastructure end: Cheniere, Gaztransport, and less toward pure refining beta. The demand case for gas is not a story about the next quarter's spot price. It is a story about what happens when everyone who has promised a data centre discovers they also need something to power it.

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. July was a month in which the index fell and those businesses did not. That is not a coincidence, and it is not luck. It is what you are paying us for.

Portfolio Highlights:

Murata Manufacturing (TSE: 6981)

Murata Manufacturing (TSE: 6981) makes the components that make everything else work. Its speciality is the multilayer ceramic capacitor, the tiny passive part that regulates power inside almost every electronic device on earth, of which a modern smartphone contains around a thousand, a high-end car many thousands, and an AI server board more still. The Kyoto company, founded in 1944, is the largest producer in the world, with a share of the multilayer ceramic capacitor market often put at around 40 per cent, alongside a broad range of inductors, filters, sensors and communication modules. It is the definition of a picks-and-shovels business: unglamorous, indispensable, and largely invisible to the people who depend on it.

This is also a quieter way to own the theme the whole market is chasing. Everyone wants exposure to the compute build-out through the chip designers and the hyperscalers. Murata offers the same structural tailwind one layer down, through the componentry. An AI server carries far more capacitor content than a handset, and the electrification of the car multiplies the content per vehicle again. You do not need to pick the winning model or the winning accelerator to benefit; you simply need the number of sophisticated electronic devices in the world to keep rising, which is about as close to a certainty as this industry offers.

The numbers are turning up accordingly. Revenue reached ¥1.83 trillion in the year to March 2026 and ¥1.92 trillion on a trailing basis, up more than 10 per cent, and consensus has it climbing to ¥2.08 trillion and then ¥2.41 trillion as the cycle recovers, growth of 13.6 and 15.8 per cent. Margins are expanding with volume: the EBITDA margin is forecast to move from around 27 per cent to 35 per cent, and the net margin from 13 to 20 per cent, over the same span. Earnings per share roughly double, from ¥128 to a forecast ¥271. That is meaningful operating leverage from a business many investors still think of as a sleepy component maker.

The balance sheet is what you would hope for from a Japanese quality industrial: net cash, with roughly ¥557 billion of cash against ¥55 billion of debt. It sits in a consolidated oligopoly with real pricing power, which is precisely what allows a component supplier to hold margin through a downturn rather than surrender it.

On valuation, the shares trade at close to 37 times earnings for the year to March 2027, falling to 26 times the year after as profits accelerate. That is not obviously cheap, but the price-earnings-to-growth ratio sits below one, at 0.97 and then 0.69, which is the rare case where the growth pays for the multiple. The risk is the cycle, and it is not a small one: capacitor demand is famously boom and bust, tied to smartphone units, automotive production and the inventory swings of the supply chain, and a destocking wave can take the earnings momentum away quickly. The yen and China exposure add their usual translation and demand noise, and the dividend is modest at 1 per cent. But for an investor who wants to own the electronics and artificial intelligence build-out through the parts that every one of those systems requires, rather than through the names on the conference stage, Murata is a serious way to do it, at a price the growth can justify.

ENAV (BIT: ENAV)

ENAV (BIT: ENAV) is a toll booth on the Italian sky. It provides air traffic control and air navigation services across Italian airspace, which means no aircraft flies over or into one of Europe's busiest tourist destinations without paying it. It is a regulated monopoly, majority owned by the Italian Treasury, which holds 53 per cent, and it is about as far from the fashionable end of the market as a listed business can get. It is also, for that reason, worth understanding.

The appeal is not growth; it is behaviour. This is close to a bond in equity form. The beta is 0.60, revenue of around €1 billion is tied to flight volumes rather than the economic cycle in the ordinary sense, and returns are set within a regulated framework that trues up over- and under-recovery against an allowed base. The point of owning it is the dividend, a yield of 5.8 per cent, paid out of monopoly cash flows and underwritten in effect by a government shareholder that wants the income as much as any minority holder does.

The headline financials are steady rather than exciting. Revenue dipped 1.7 per cent to €983 million in 2025, recovered to €1,016 million on a trailing basis, and is forecast to reach €1,081 million and then €1,120 million as European traffic keeps normalising. The EBITDA margin runs at around 26 per cent. Earnings per share are lumpy, moving between €0.17 and €0.24, which is a feature of the regulatory balancing mechanism rather than a sign of an unstable business.

We should be honest about what this is and is not. It is not a compounder. Growth is low single digit, the average analyst target of about €5.19 sits barely above the current price, and the consensus recommendation is a Hold. At roughly 26 times earnings it looks optically full for the growth on offer, but that is the wrong lens; a regulated toll booth on the sky with a covered 5.8 per cent yield is priced on income, not on expansion. The risks are the mirror image of the attractions. Regulation caps the upside as firmly as it protects the downside; traffic is cyclical and vulnerable to shocks, from pandemics to fuel prices to conflicts that close airspace; and a state majority owner can be a source of both stability and political complication. You buy ENAV for the yield and the defensiveness, as a deliberately dull holding that behaves unlike almost everything else in a growth portfolio, and on that basis it earns its place.

Danaher Corporation (NYSE: DHR)

Danaher (NYSE: DHR) is the compounding machine of the three. It designs and sells life sciences tools, diagnostics and bioprocessing equipment, and it is run on the Danaher Business System, the lean, continuous-improvement operating model a good part of corporate America has spent two decades trying to copy. Over recent years it has spun off its industrial and water businesses, Fortive and Veralto, to become a focused life sciences and diagnostics company, with a razor-and-blade profile in which the consumables recur with every batch a customer runs.

DANAHER

The near-term story is a recovery. The post-pandemic destocking that flattened bioprocessing demand and left revenue essentially flat in 2024 has been working its way out, and growth is reaccelerating: up 2.9 per cent in 2025, 4.6 per cent on a trailing basis, and forecast at 7.2 and then 8.1 per cent. This is a high-quality revenue base, with gross margins near 59 per cent and an EBITDA margin around 32 per cent, and as volumes recover the operating leverage comes with them.

The ownership and the culture are the quiet part of the case. The founding Rales brothers still hold roughly 11 per cent between them, the company carries an A- credit rating, and the serial-acquirer discipline that built Danaher over forty years is still intact. That combination of aligned ownership, balance-sheet strength and an operating system that actually works is the sort of thing that tends to compound without drama.

On valuation, none of this is a secret, and it is not priced as one. The shares trade at around 25 times earnings for 2026, falling to 23 times for 2027, on a price-earnings-to-growth ratio of 2.78. That is a full multiple, and it always is with Danaher; you pay up for quality and for the compounding, and you rarely get the chance to buy it cheaply. The Street rates it a Buy, with a target around $228 against a price near $215 and a long-term growth expectation of about 9 per cent. The risks are real enough: meaningful exposure to China across both diagnostics and bioprocessing, a serious funding squeeze on the academic and government research budgets that buy a slice of life sciences tools, and a high multiple that leaves little room for a stumble. But this is the quality anchor of the three. You are not being handed a bargain, but a well-run compounder with reaccelerating growth is exactly the kind of business that rewards patience, and it offers a very different profile from the artificial intelligence names, where we continue to own almost nothing on valuation grounds.

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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

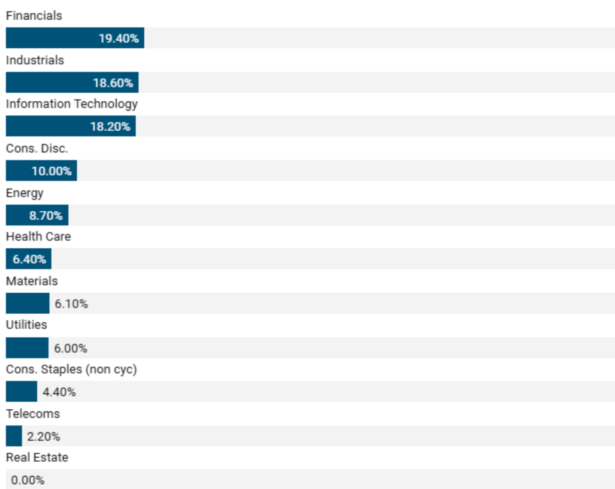
	Buy Price	Mid Price	Redemption Price
AU$	$1.7308	$1.7264	$1.7221

Selection of 5 Holdings

Stock	Country
Microsoft	USA
Orix	JP
Hong Kong Exchanges & Clearing	HK
Magna International	Canada
Rio Tinto	UK

Portfolio Profile

Equities	99.10%
Cash	0.90%



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	2.41%	26.77%	21.65%	14.57%	14.91%	704.65%
Cash	0.36%	3.89%	4.13%	3.17%	2.37%	42.07%

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.