



TAMIM

AUSTRALIAN EQUITIES

PRESENTED BY RON SHAMGAR
Head of Australian Equity Strategy
JUNE 2024






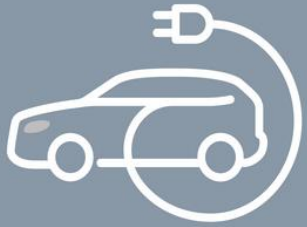



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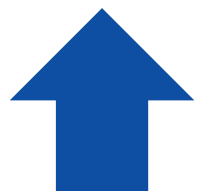
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Our Investment Platform

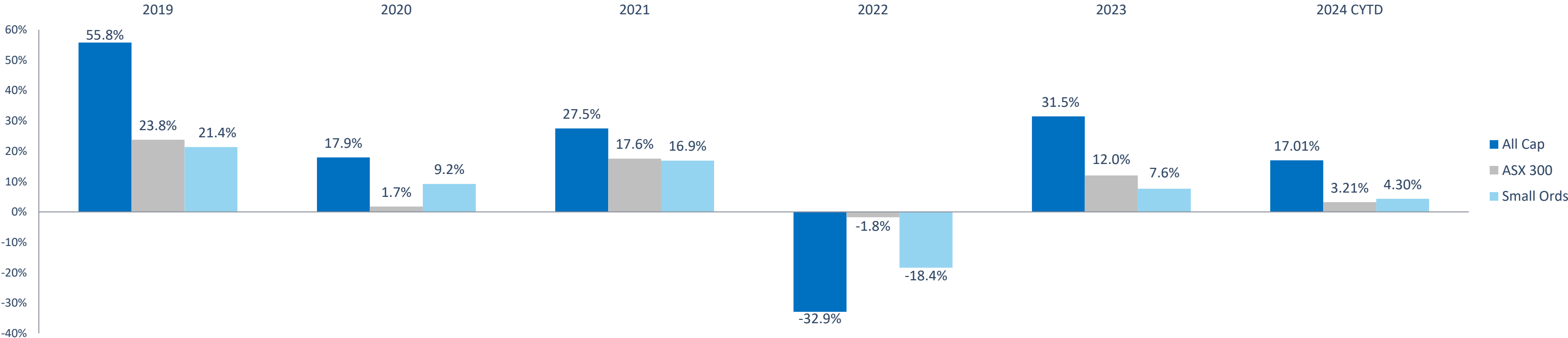
EQUITIES				OTHER ASSET CLASSES		
AUSTRALIAN		GLOBAL		PROPERTY		PRIVATE DEBT
 AUSTRALIA ALL CAP	 SMALL CAP INCOME	 GLOBAL HIGH CONVICTION	 GLOBAL MOBILITY	 TAMIM PROPERTY	 LISTED PROPERTY	 TAMIM CREDIT FUND



Our Track Record



Calendar Year Returns

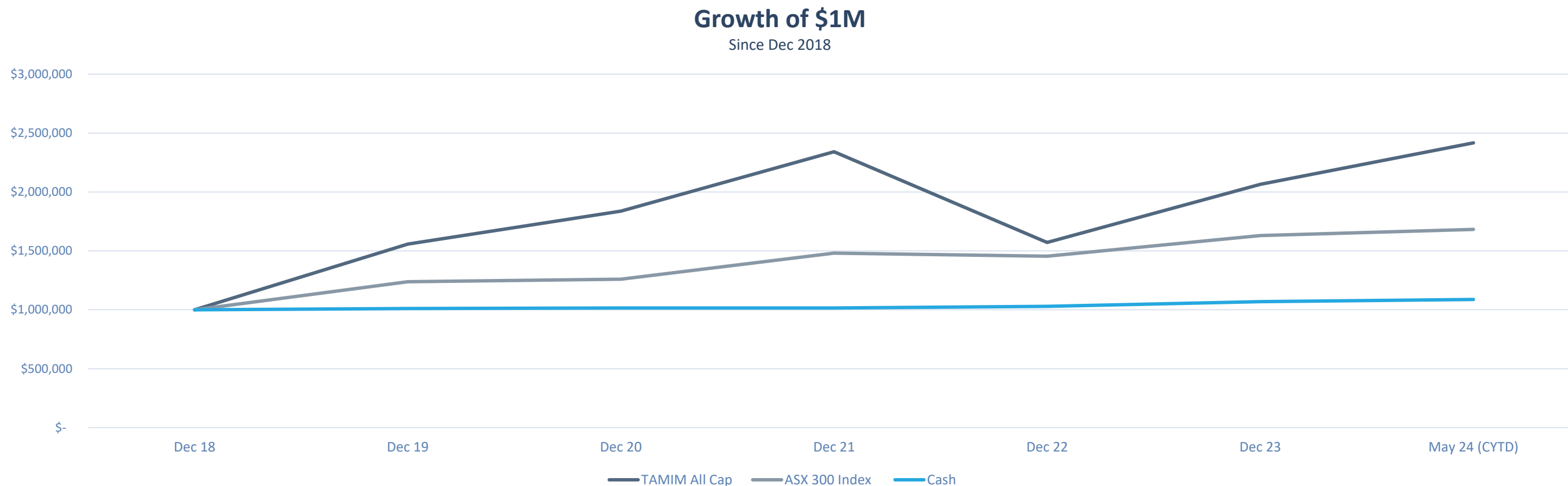


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Our Track Record – Growth of \$1M

If you had invested \$1 million in the TAMIM Australia All Cap fund when Ron Shamgar took over management in December 2018, your investment would have grown to \$2,417,225 by 31 May 2024. The table below illustrates the returns across key market indicators and TAMIM All Cap over a period of 5+ years.



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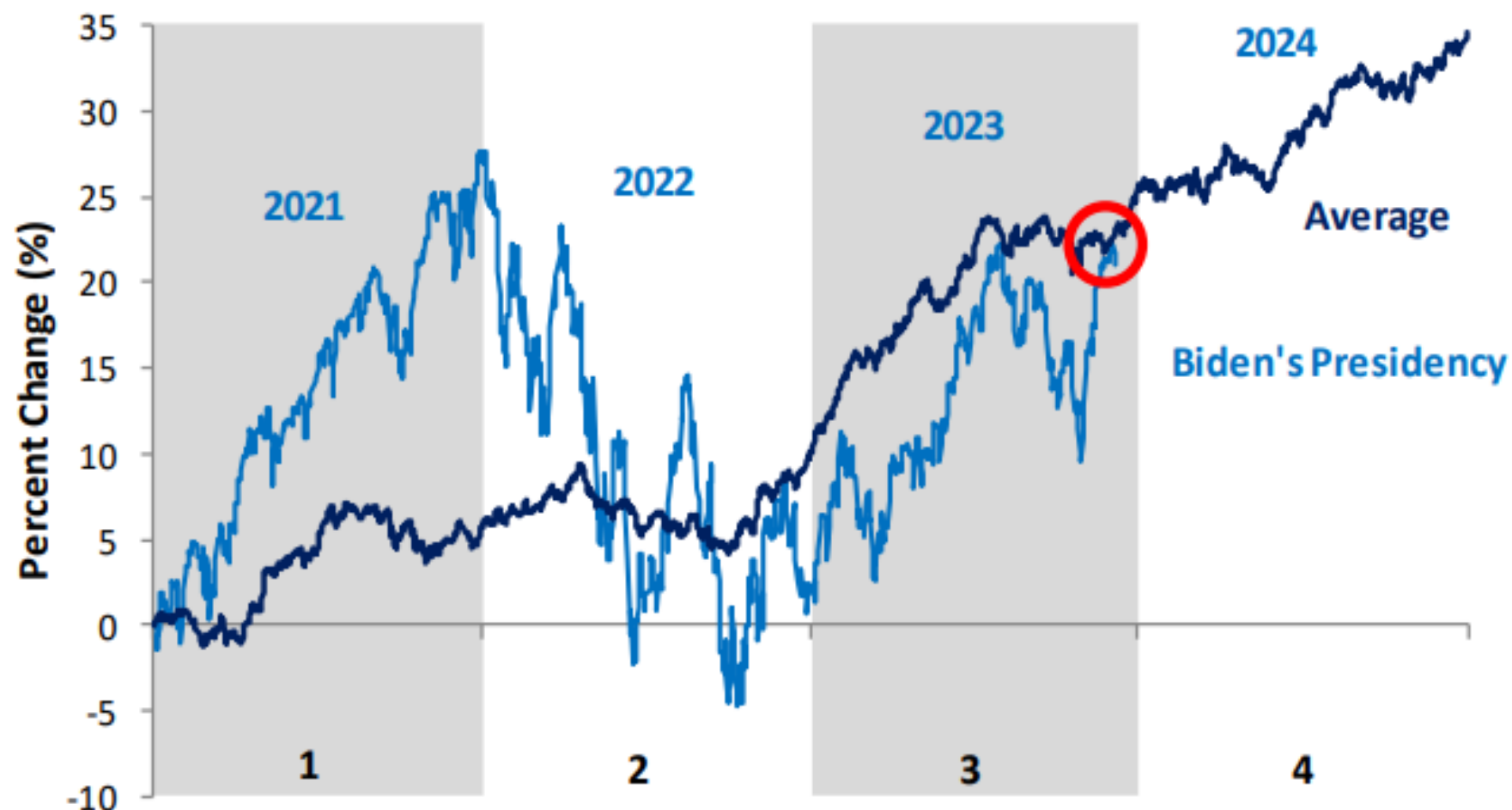
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1. Why we are Optimistic for 2024 and Beyond
 2. What We Look For in a Company
 3. Takeover Targets
 4. Portfolio Insights

Discussion Points

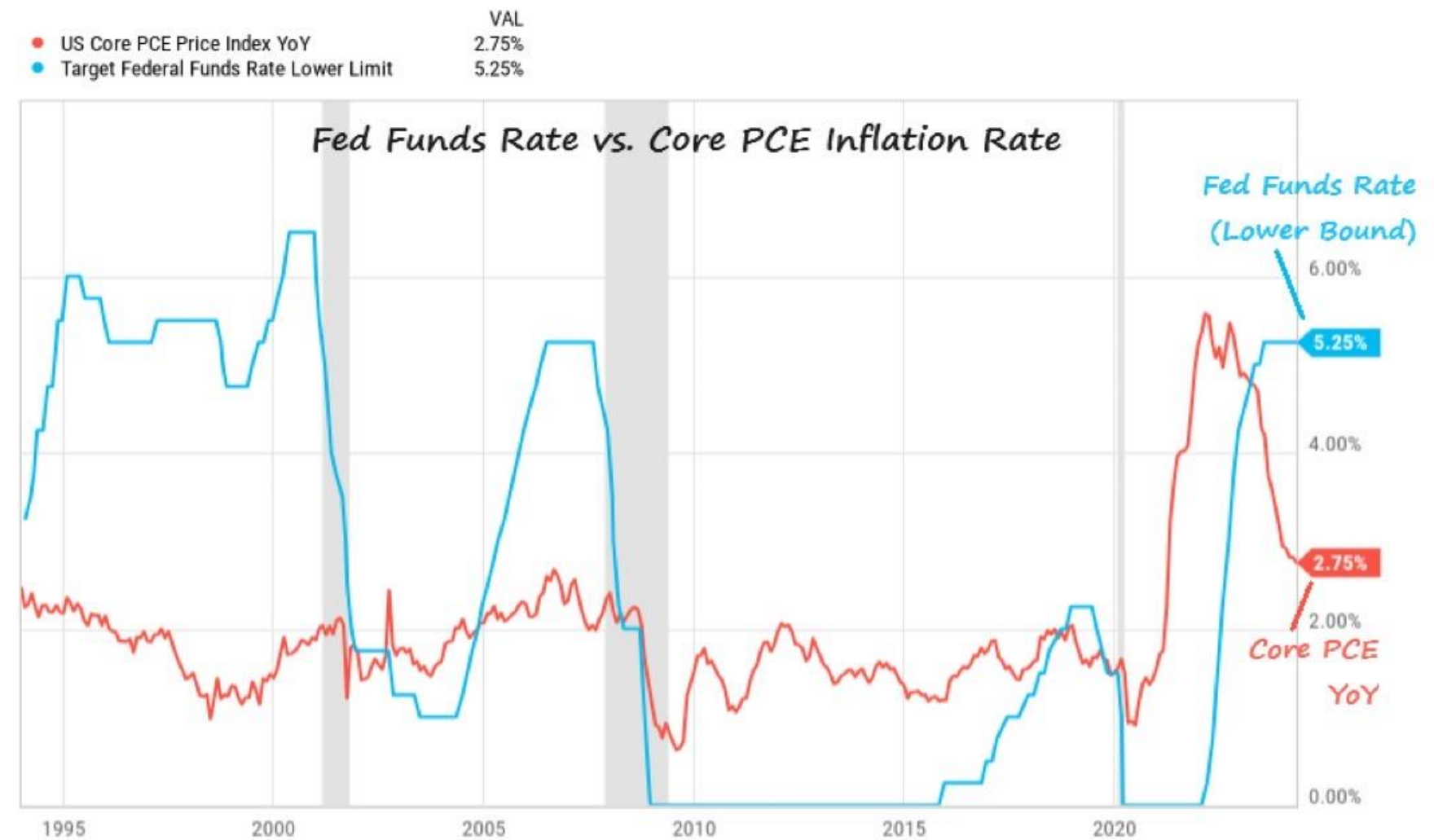
Why we are Optimistic for 2024 and Beyond

Risks that drove markets down – inflation/rates – are now subsiding. The Fed's preferred measure of inflation (Core PCE) moved down to 2.75% in April, the lowest since March 2021. The Fed Funds Rate is now 2.5% above Core PCE, the most restrictive monetary policy we've seen since September 2007. Economists now expecting the Federal Reserve to begin cutting rates in September. Historically, Small Caps tend to outperform in the 6-12 months after the 1st rate cut (83% prob in Sep). US presidential election year, stocks perform well (CYTD2024 S&P500 +12%).

S&P 500 Four-Year Presidential Cycle: 1928 - 2023



Source: Bespoke Invest



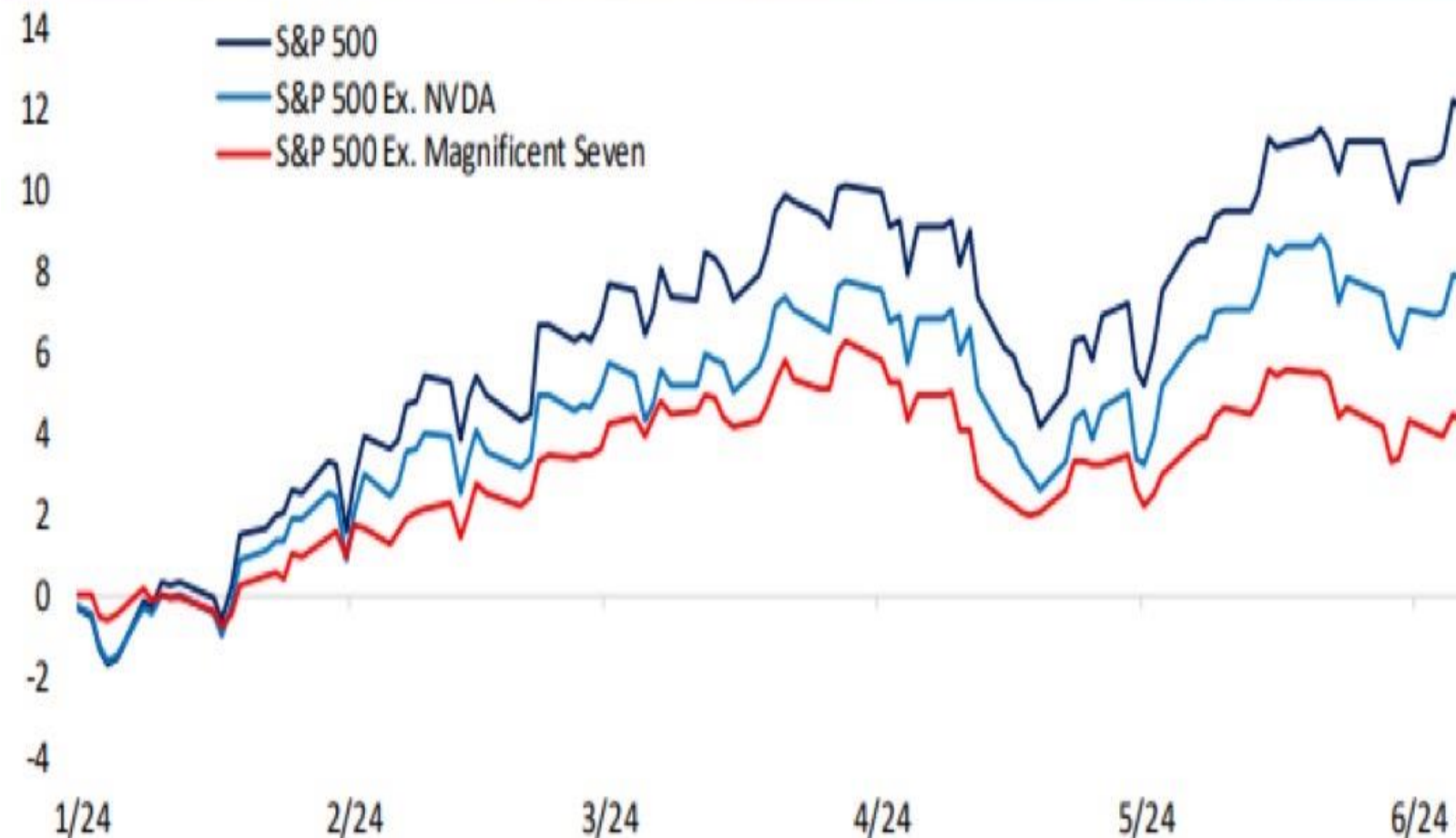
This Bull Market is Young – Ride the Bull

The current bull market is extremely young, not even 19 mos old yet. Should it end now, this would be the quickest and weakest bull ever. The avg bull lasts nearly 5 years and gains more than 150%. This one is 43% and just over 18 mos old (May 24).

The average stock's distance from its 52-week high: S&P 500: -12.3% Russell 2,000: -28.3%

The S&P 500's +12.5% CYTD gain would drop down to a +7.9% gain if just NVDA was removed, while it falls to a gain of just +4.4% if the Mag 7 were removed (June 24).

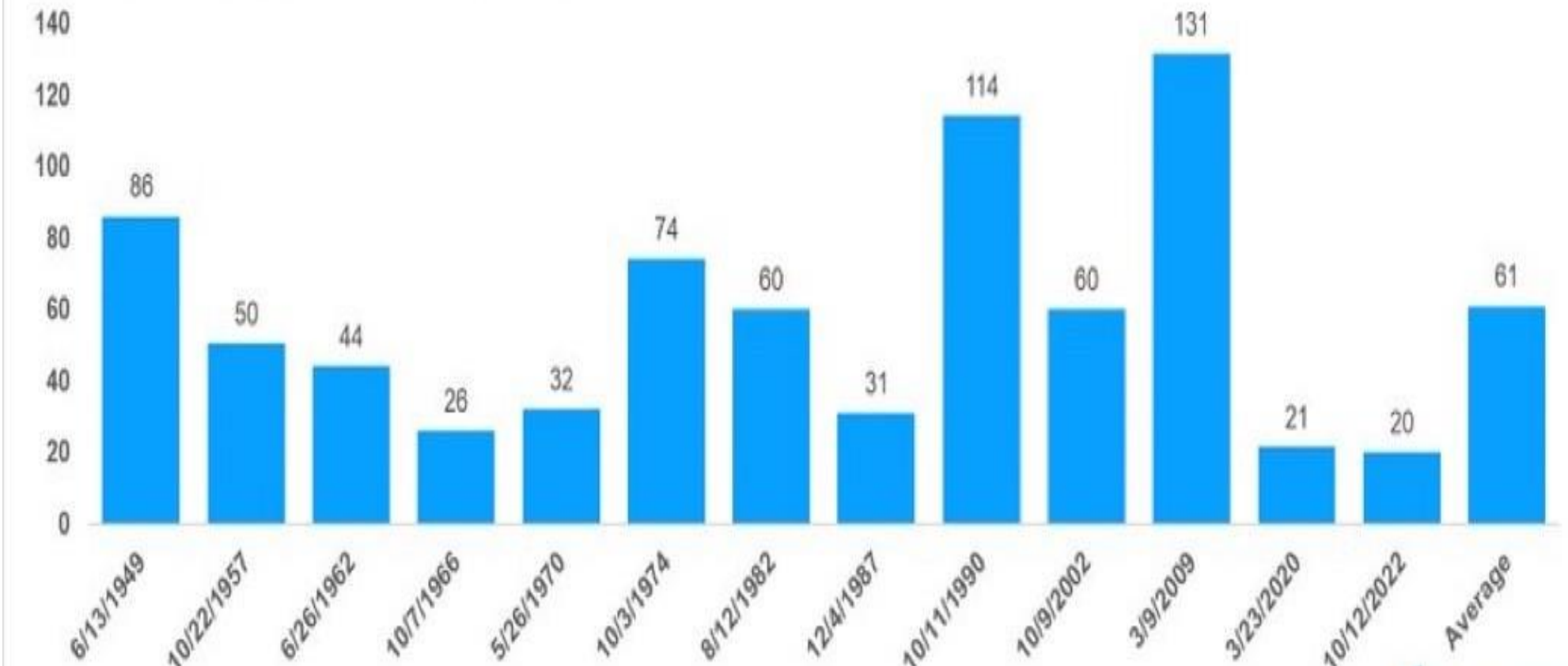
S&P 500 Year to Date Performance (%) With and Without the Mega Caps



Source: Bespoke Invest

Bull Markets Last Longer Than You Think

Length of Bull Markets (Months) and When They Started

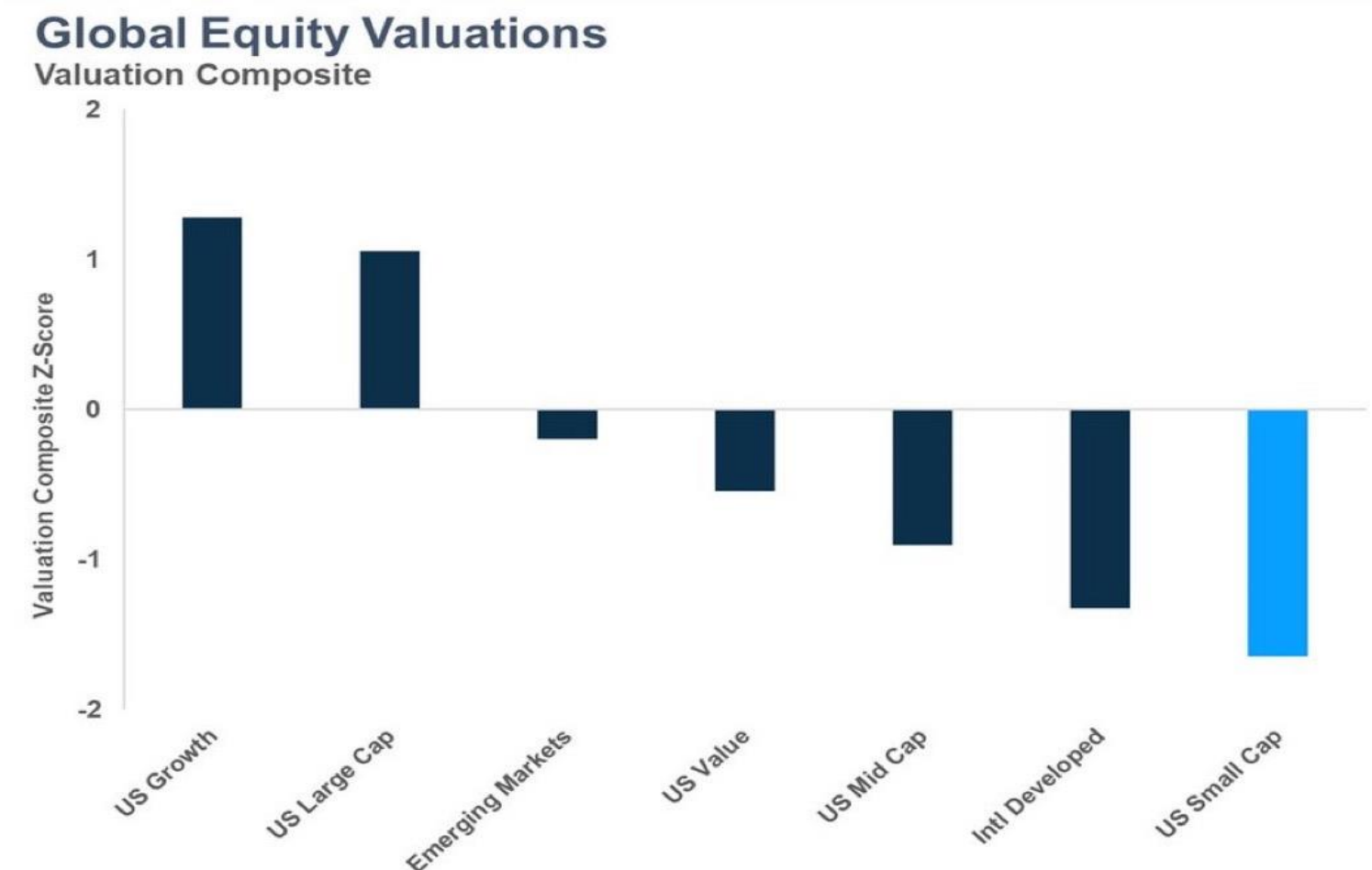
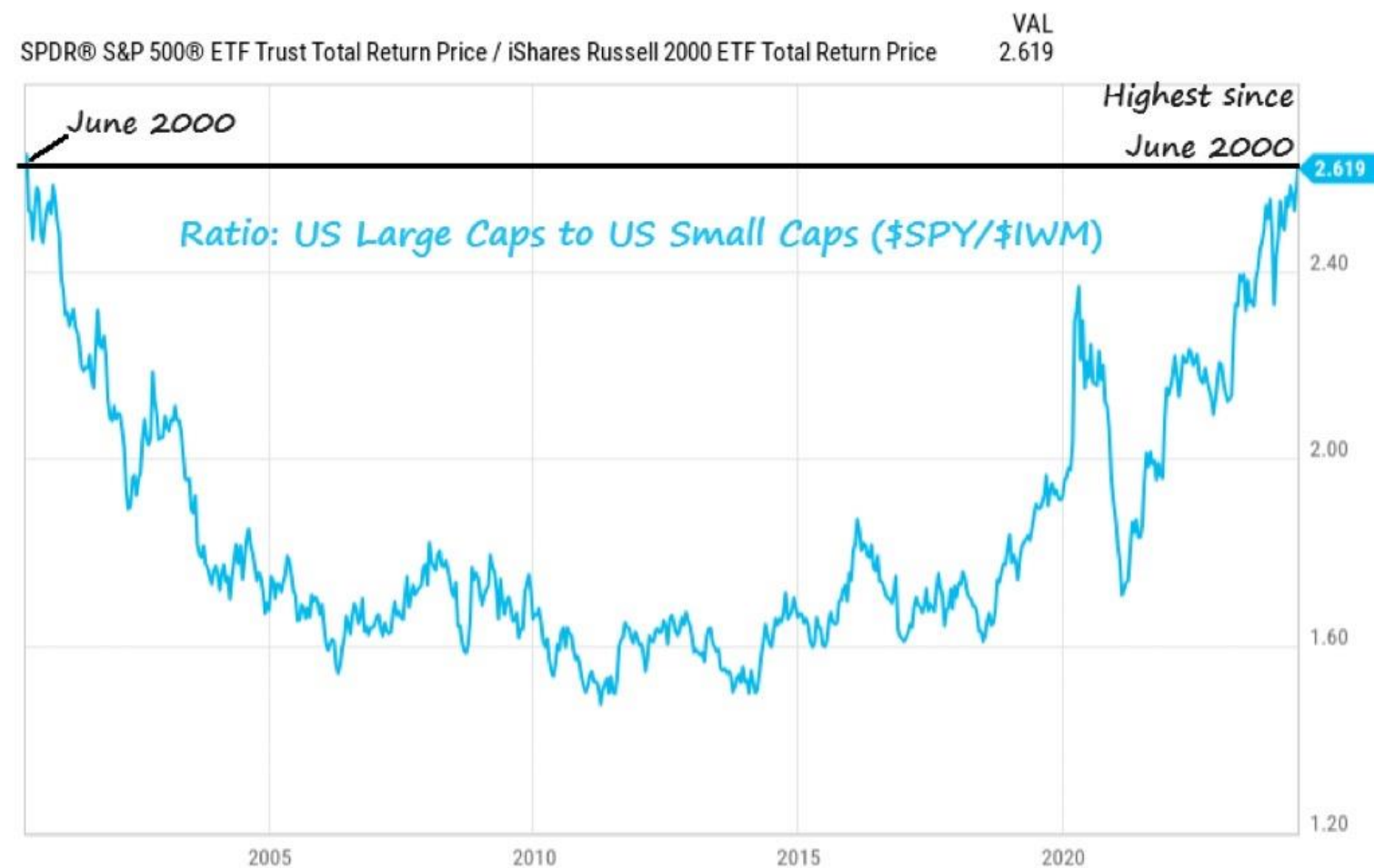


Source: Carson Investment Research, FactSet 06/12/2024

@ryandetrick

Small/Mid Caps have Never Been Cheaper

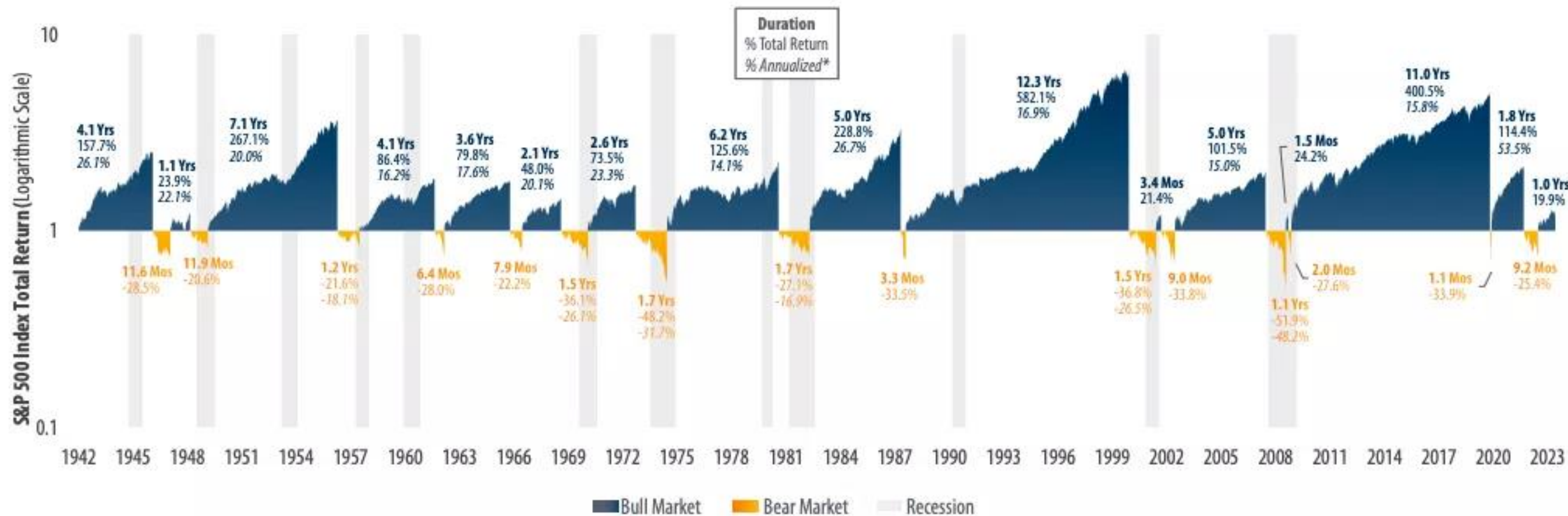
The Ratio of US Small Caps to US Large Caps closed at its lowest level since November 2000. Small cap stocks are now down on the year while Large caps are still up +12.5% (CYTD24). Small cap P/E multiples are trading two standard deviations below their 20-yr average. If you believe that small caps have a greater potential for growth than their more established large cap peers, then opportunity exists for small companies to outperform as risk capital returns to the sector over the next months and years. Historically, Small Caps tend to outperform in the 6-12 months after the 1st rate cut (83% prob in Sep).



Best Time to Invest? – All the Time

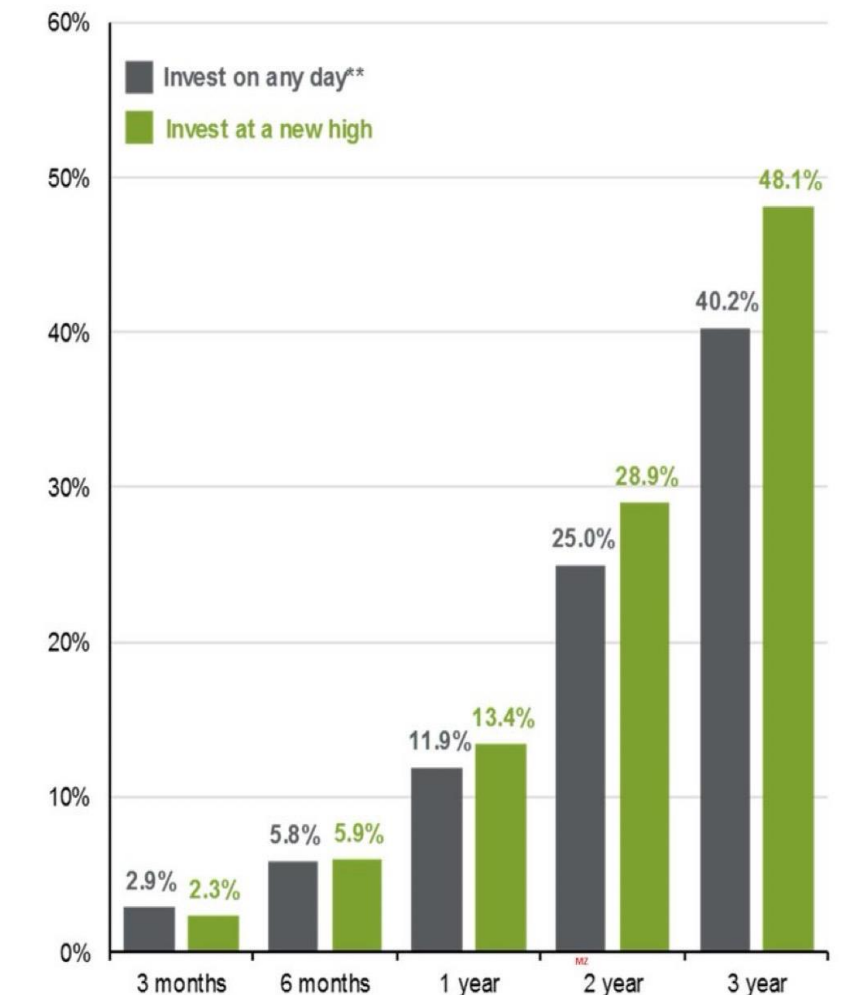
Investors always worry when markets get close to all time highs, yet we expect markets to continue rallying. Historical US data shows that investing on days of all-time highs can produce better returns than otherwise. Over 80 years of share market history tells us that markets go up over long period of times with drawdowns generally short and brief in nature. Without market new all-time highs – markets cannot rally.

“Don’t time the market – just be in the market”



Average cumulative S&P 500 total returns

Jan. 1, 1988 - Dec. 31, 2023



WHAT WE LOOK FOR IN A COMPANY

We are looking for the following characteristics in our target companies:

INDUSTRY LEADER



Strategic Industry position or a disruptor

FOUNDER LED



Founder led businesses or management/board with large shareholding, aligns company interests with minority shareholders

PROFITABLE



Revenue growth and profitability are important attributes

STRONG BALANCE SHEET



Strong balance sheet or low debt levels

LOW MARKET EXPECTATIONS



Preferably low market expectations

OTHER



Other attributes – industry consolidation, strategic review, identifiable near term catalysts

These attributes in many cases lead to takeover offers:

30+ portfolio companies receiving takeover offers in the last 5+ years

Case Study – Identifying Takeover Targets



- SLA 2nd largest skin care clinic network (124 clinics)
- **Founder led biz – MD owned 8%**
- Health & Beauty category resilient
- **Strong balance sheet**, dividends, cash flow, \$22m ebitda
- Late 2022 negative sentiment to retail/discretionary sector created a strong buying opportunity (FY23 Ev/Ebitda 4.5x)
- **Takeover offer** from Wesfarmers (WES) \$3.25 vs \$1.75 avg entry




- SYM is a leading Tier 1 telco software provider (phone numbers)
- **Founder led biz – MD/Board owned 22%**
- 75% of gross margins is recurring
- **Strong balance sheet (\$40m net cash), dividends, cash flow, \$34m Ebitda**
- Late 2022 downgrade created a strong buying opportunity (FY23 Ev/Ebitda 3x)
- **Takeover offer** from Aussie Broadband \$3.15 vs \$1.60 avg entry



- PSQ 2nd largest dental center network (130 centers)
- Founder (10%) led strategy change towards profitability
- Defensive industry
- **Strong balance sheet (\$14m net cash), reinstated dividends, cash flow, \$28m Ebitda**
- Late 2023 derate and large funds exiting created a strong buying opportunity (FY24 Ev/Ebitda 5x)
- **Under agreed takeover offer** from National Dental care \$1.90 vs avg entry \$1.06

Portfolio Stocks | Gentrack (GTK.ASX)


 **gentrack™** (\$920m market cap)

Momentum going forward

Growing pipeline in core markets and internationally

South-East Asia

Focusing on pipeline on 5 key target markets



Europe & Middle-East

Large and dynamic market with 200+ target utilities


ME HQ in Saudi Arabia




AUS & NZ


Clear market leader

Growth and innovation continues





Our technology

 **g.2.0**


G2 strategy is validated and well accepted



- G2 was the right technology choice
- Recognised by major analysts as leading solution
- Resonating well with existing customers
- Pipeline continues to expand



amber

Gentrack strategic investment of NZD \$12.9m in Feb 2024



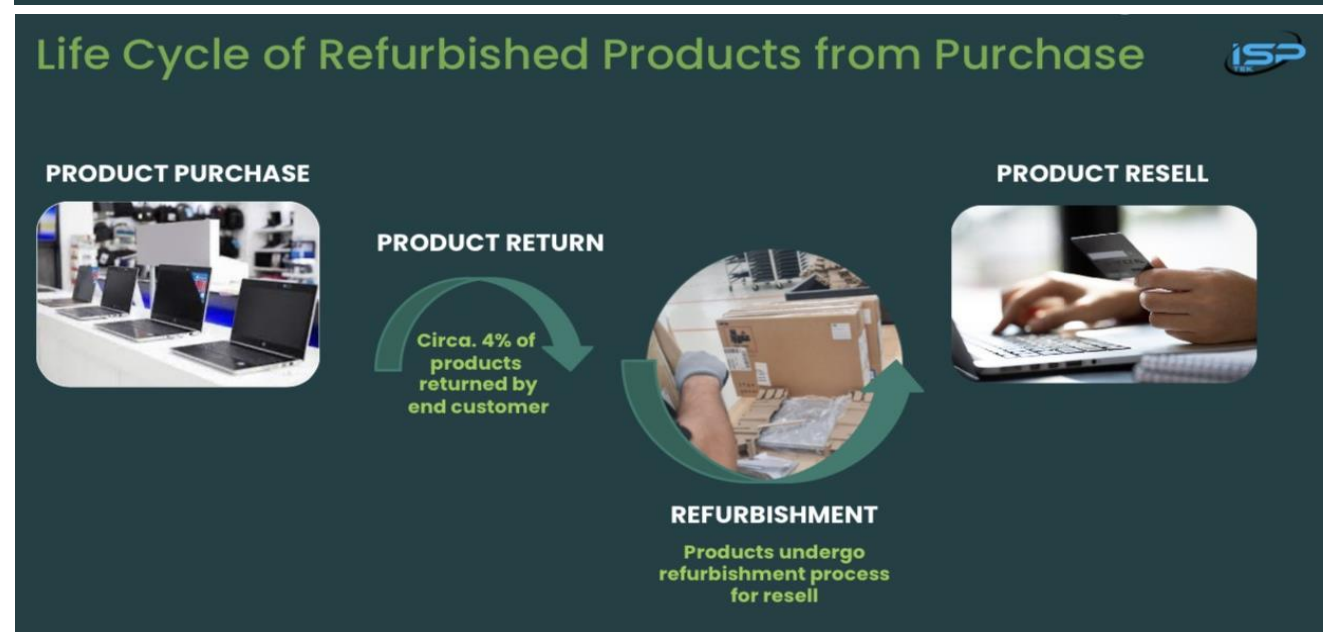
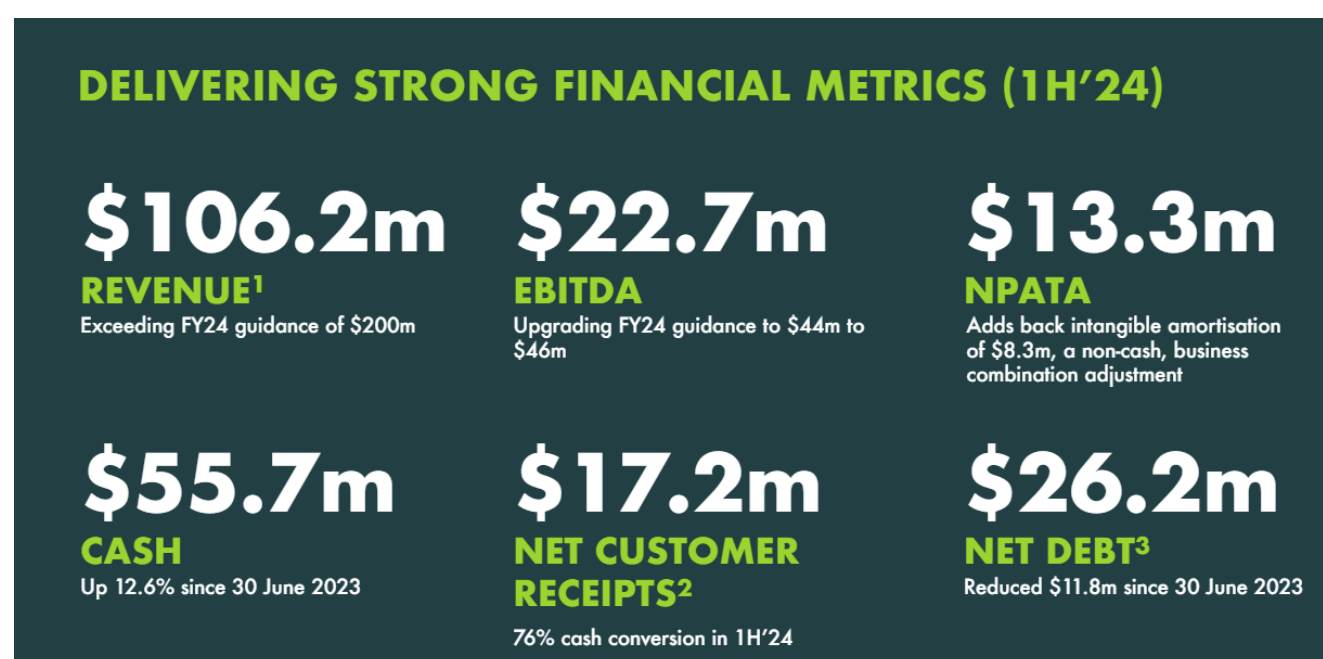



- Business performing well, above targets
- EV product development on track
- Billing transformation underway
- Strong interest from European Tier-1s

- GTK is a leading billing/CRM software provider to global utilities (Energy/Water) & Airport enterprise solutions
- Energy transition driving upgrade cycle globally – legacy systems not fit for purpose as power generation and consumer consumption to/from grid is changing and complex. GTK solution best in class
- **GTK upgrade cycle – 5th revenue upgrade last 18 months \$130m to \$200m+ FY24 forecast**
- G2.0 Cloud platform upgrades and Amber investment driving strong pipeline of future revenues and new client wins
- FY24 guidance – \$200m revenues \$26m EBITDA. **\$50m net cash**. 22x Cash Ebitda FY25 forecasts
- **Management/board owns 11% of company**
- Catalysts are FY24 guidance upgrade, strategic acquisitions, contract wins

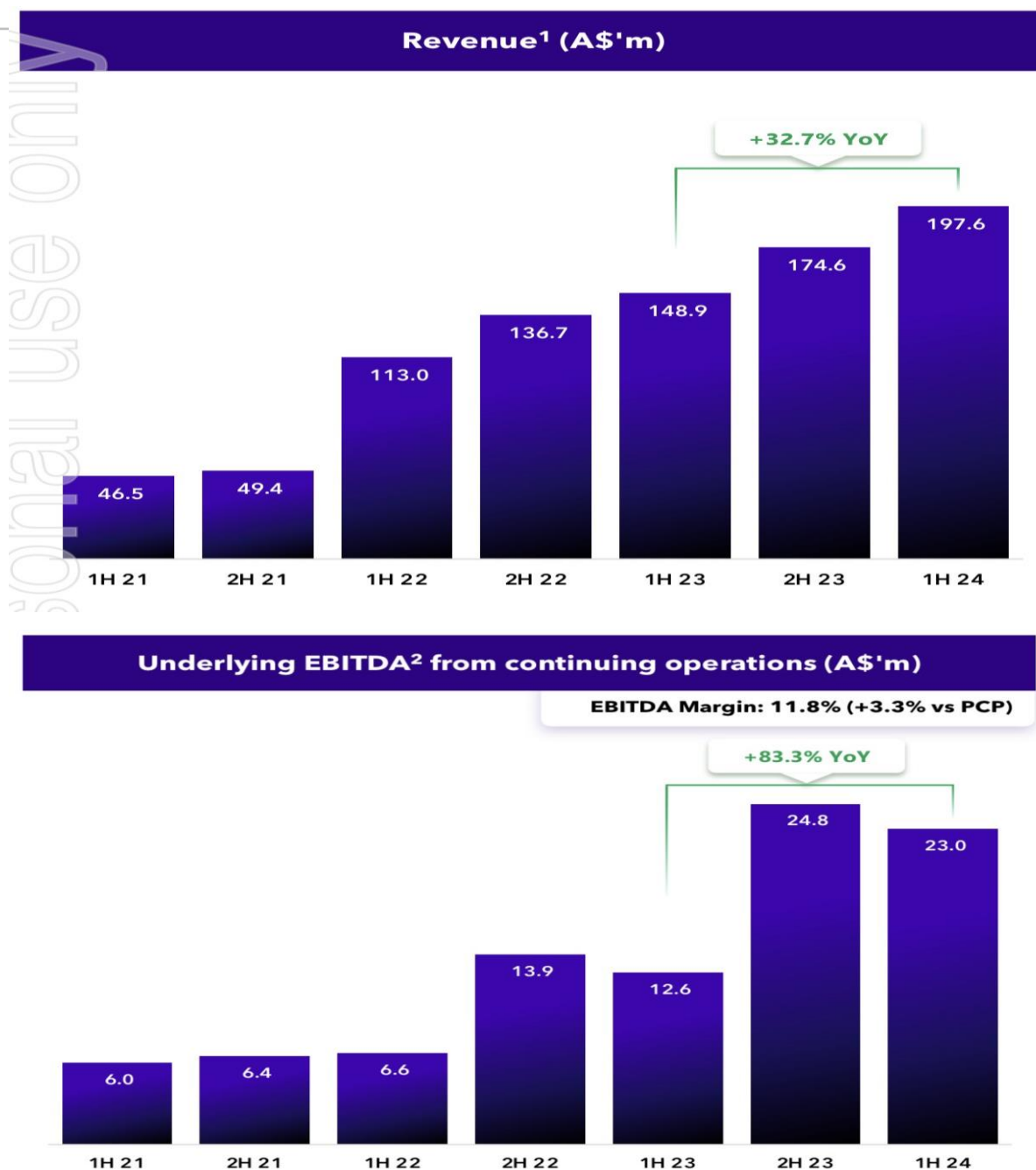
Portfolio Stocks | Close The Loop Group (CLG.ASX)

Close the Loop (\$180m market cap)



- Global provider of circular economy solutions
- Resource recovery – Repurposing of electrical items for OEMs & recycling of printer cartridges (growth engine – 70% of revenue)
- Packaging – manufacturing of reusable packaging products (30% of revenue)
- ESG economy beneficiary with Significant R&D & IP in new solutions for recycled waste – Tonerplas road asphalt longevity additive
- Strong demand for resource recovery from electronics industry, data centers, print, makeup, supermarket, pet food and battery industries
- Board & Management own 45% of company
- FY24 guidance revenue >\$200M, >\$46M Ebitda, >\$26M NPAT, high cash flow conversion (0.5x net debt/Ebitda), NTA 50 cents
- Attractive valuation – FY24: PE 7x, EV/Ebitda 4x, Our valuation is 65+ cents
- Catalysts: FY24 results, organic expansion, Debt refinance, Sector M&A 10x Ebitda

Portfolio Stocks | Superloop (SLC.ASX)



- Leading disruptive and high growth telco in consumer (7% share of NBN new subs), business (low cost to serve) and wholesale markets (100k kms of Fibre network).
- Strong organic & acquisitive growth - FY24 \$400m+ revenue and \$52m Ebitda
- Recent Origin contract win game changer - 130k NBN subs adding \$19m Ebitda (every incremental 50k sub \$7m Ebitda)
- Forecasting 80%+ Ebitda growth FY25 to \$85m
- Strong balance sheet & cashflows provides M&A upside
- Takeover target - ABB 12% (rejected bid) & Origin 10% (option to go to 19.9%)
- Trading on circa 8x EV/Ebitda FY25, valuation \$1.80+
- Catalysts: Further M&A, takeover bid potential, Origin subs growth



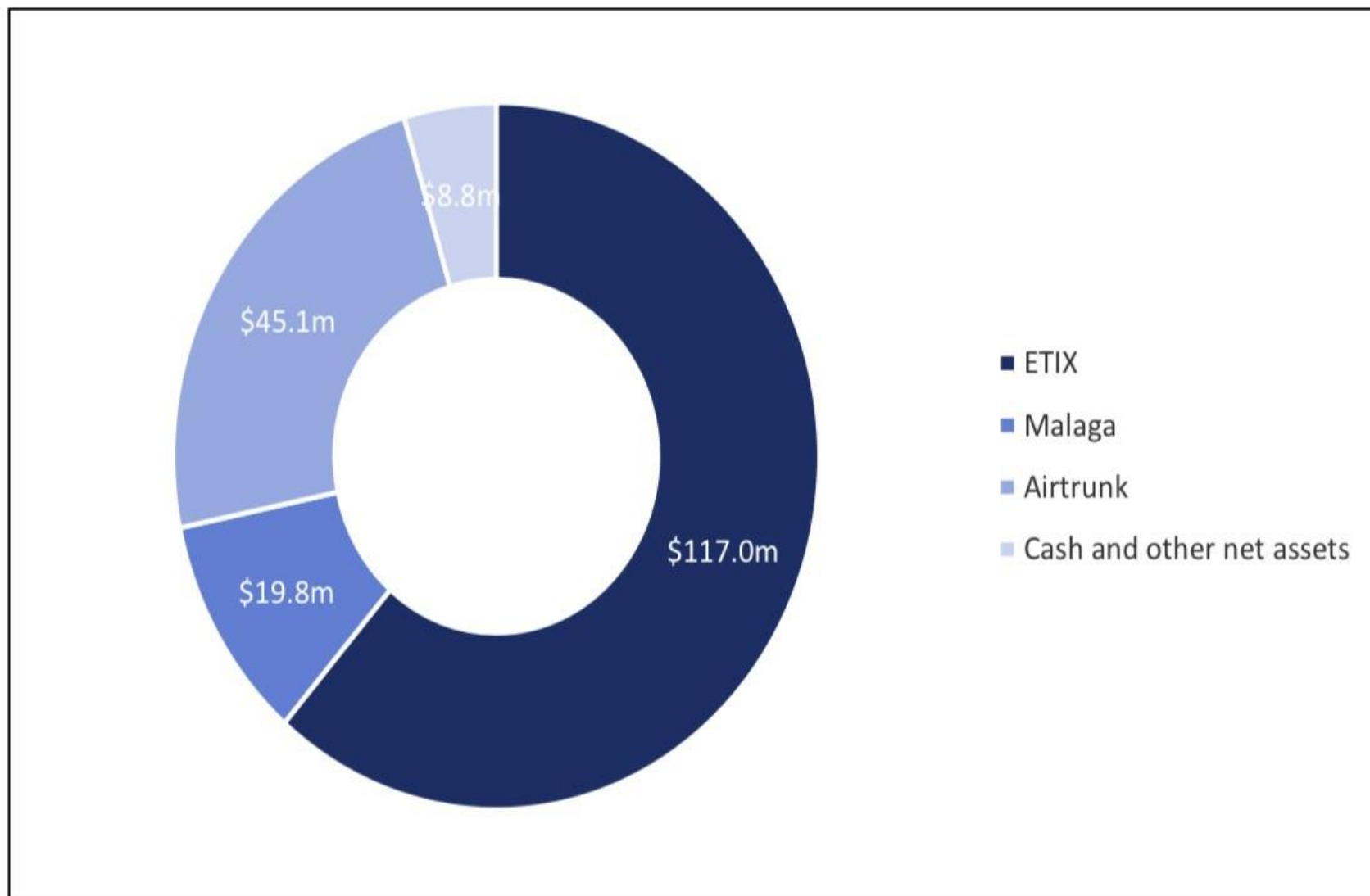
Portfolio Stocks | Global Data Centre Group (GDC.ASX)



GLOBAL DATA CENTRES

(\$230m market cap)

Unaudited Fair Value NAV (30th June 2023)



Source: GDC company filings

- GDC is a data center investment company with exposure to 3 key assets in a sector with strong growth tailwinds:
 - Majority ownership stake in Etix Everywhere which owns 14 regional data centers in France – **Sold \$175m May 24**
 - A Perth based data center – **Sold \$40m Feb 24**
 - 1% holding in Hyperscale data center Airtrunk, which operates in the Asia pacific region – **Sale imminent**
- **Management incentive scheme (10.5m units) to realize value between \$2.00-\$3.00 per unit was the catalyst to invest**
- Recent media commentary of Airtrunk IPO valued at \$10-15B (implies \$100m+ GDC stake vs \$45m on balance sheet)
- **Attractive valuation – trading below NAV**
- **Our avg entry \$1.55 vs valuation up to \$3.70 per unit**
- Catalysts: Upcoming sale of Airtrunk



Portfolio Stocks | Smartpay (SMP.ASX)



(\$300m market cap)

Australia

Terminal rental plus transactional revenue

~ \$400 per month



18,400+

Transacting Terminals



13,000

Merchants

New Zealand

Terminal Rental

~ \$40 per month



30,000+

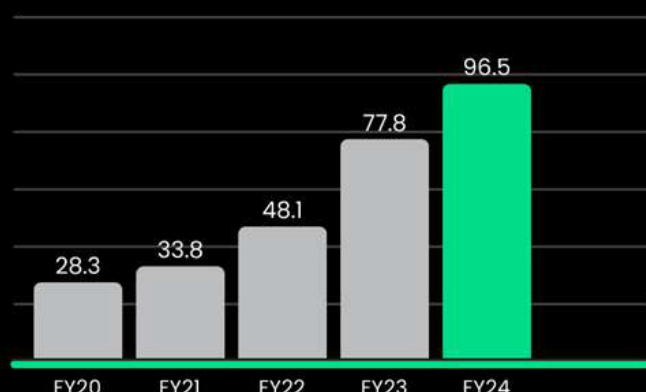
Terminals in Market



22,000+

Merchants

\$'m Revenue



\$'m EBITDA



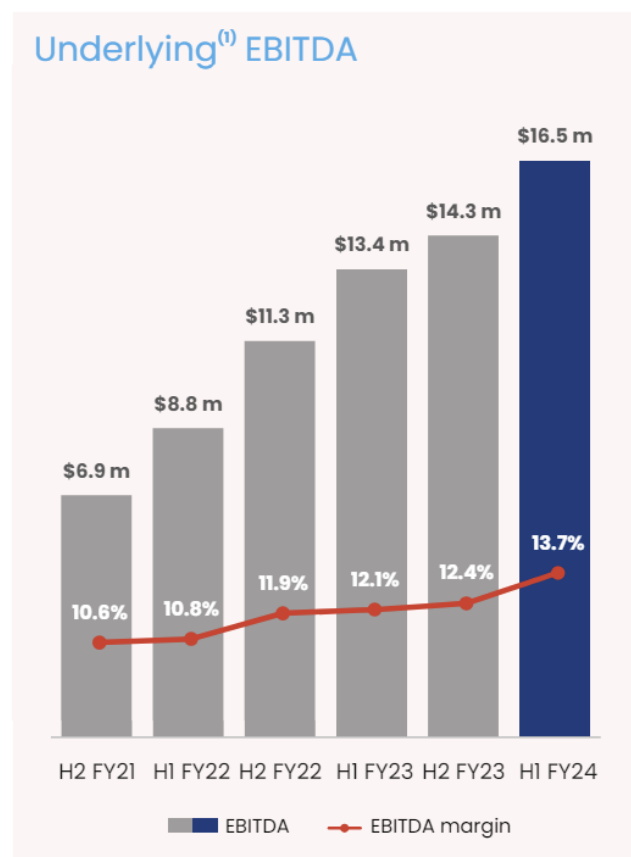
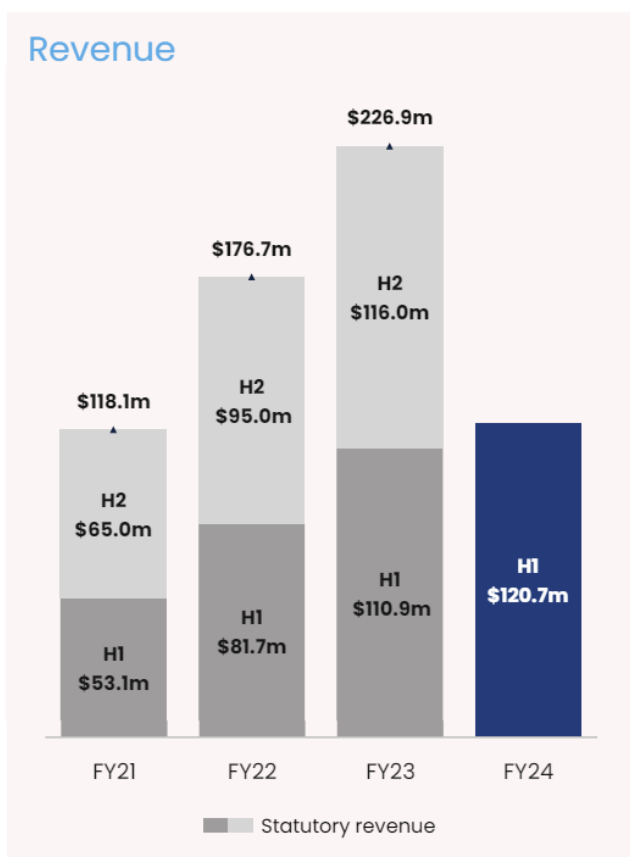
- 2nd Largest non-bank merchant terminal provider in Australia & NZ. 18.4k Oz fleet, 30k NZ fleet, \$5b recurring TTV and on track to double next 3 years.
- Consumer spending exposure - **Low ticket value merchants - \$36 avg spend**
- Founder led MD with skin in the game (4%).
- **NZ division transition to acquiring model - game changer!**
- **Inflation beneficiary: margin on transactions**
- **We estimate conversion of NZ fleet to provide \$30-40m of incremental Ebitda in 3 years**
- FY24 inflection point: reached scale with free cash generation emerging post growth capex. (net cash)
- FY24 \$97m revenue & \$22m Ebitda. Trading on 13.5x Ev/Ebitda. **Our valuation is \$2.50+**
- Catalysts: NZ acquiring launch (Sep 24), corporate activity

Portfolio Stocks | IPD Group (IPG.ASX)

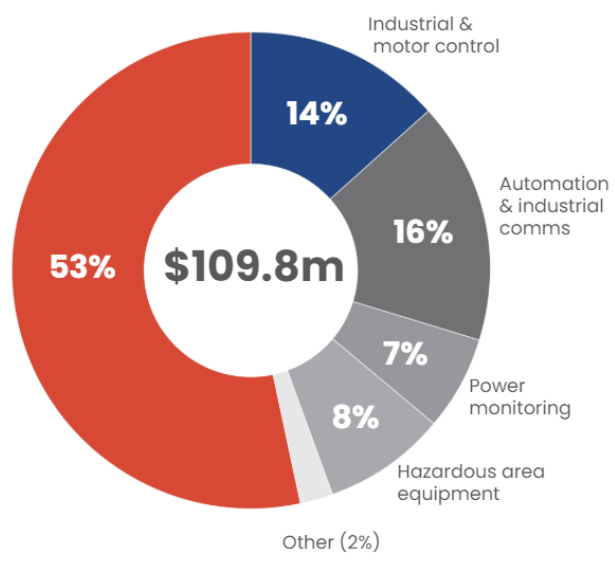


(\$440m market cap)

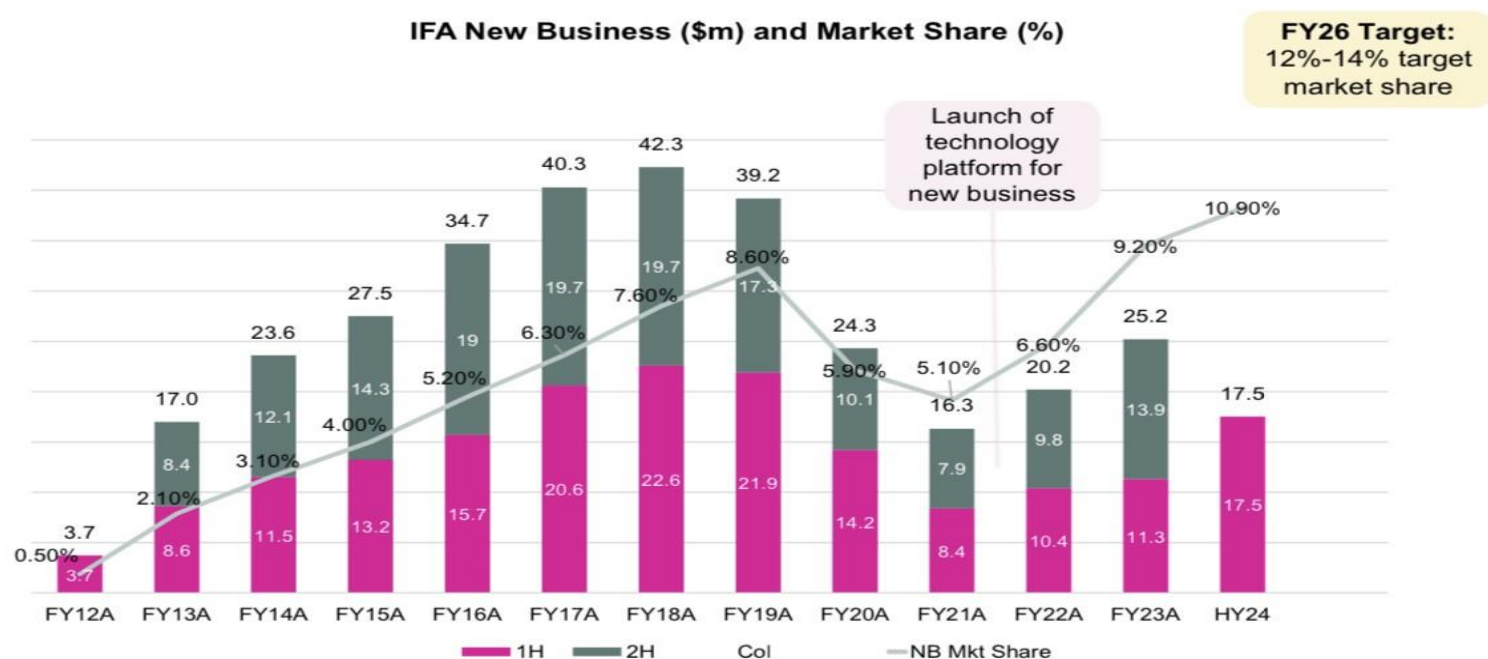
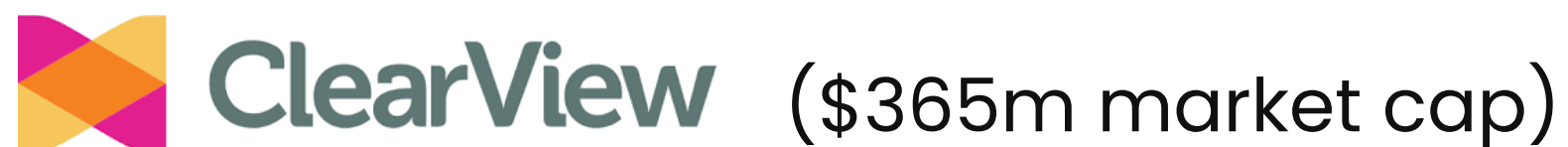
- IPD Group is an electrical wholesaler with an **end to end EV charging solutions** provider (\$5B TAM) & Data Center/AI demand tailwinds. Picks & Shovels play on AI/EV thematic.
- EV sales 9% as of Q42023 of all new cars purchased. **Require ~20x more public chargers in 2030 compared to today.**
- The Australian EV Council estimates that 1M EVs are needed on the road by 2027 to reach Net Zero by 2050. That equates to a 12x increase from the 2022 level or **2.8M chargers required.**
- **IPG profitable, dividend paying direct EV thematic/Data centre exposure on ASX.** FY24 Guidance - \$39m Ebitda 11x Ev/Ebitda
- Recent Acquisition of CMI at 6x Ebit highly accretive (equity/debt funded) – provides diversification clients/sectors/suppliers
- **Founder led. Management/board owns 35%** of company.
- Catalysts are FY25 guidance in August, strategic acquisitions



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Portfolio Stocks | Clearview Wealth (CVW.ASX)



Financial highlights and FY26 goals



- Leading mid-tier life insurance provider (**approx. 3.3% market share of in force premiums but taking 11% NWB share**)
- Recently simplified business model with pure play life insurance exposure – **attractive takeover target**
- Improving industry fundamentals – **market share/margin growth – taking on more underwriting risk**
- **Profitable momentum** – double digit growth for FY24 NPAT
- **Strong Balance sheet: 71 cents asset backed and embedded value (EV) of 91.2 cents.** Sale of non core holdings of \$19M cash should lead to higher dividend estimate of 3+ cents ff (**6% ff yield**)
- Every 1% rate rise = \$2.3m profit!
- **Attractive valuation – PE 9x growing at 20%+**
- FY26 Aspirational target implies – 7 cents EPS, 4 cents ff dividends



Our portfolio is highly focused compared to most funds, comprising approximately 25-35 stocks at anytime.

Our portfolio may experience higher volatility – resulting in periods of underperformance from time to time.

If you want to invest only in well-known, blue-chip securities, then our funds are not for you.

The funds invest on a multi year time horizon and is unsuitable for investors seeking a short-term home for their money.

In times of panic you should expect our funds to be buyers of securities if we believe their prices are extremely undervalued. This approach has generated strong returns for our Funds following the panics of late 2018, March 2020 COVID selloff and the 2022 bear market.

OUR AUSTRALIAN EQUITY FUNDS ARE NOT FOR EVERYONE



TAMIM Australian Equity Strategy – Annualised Returns

As at 31 May 2024

CY Year End	All Cap	Small Cap Income	Small Ords
2019	55.78%	38.93%	21.35%
2020	17.92%	-0.15%	9.21%
2021	27.52%	36.95%	16.90%
2022	-32.93%	-19.32%	-18.40%
2023	31.48%	14.32%	7.83%
CYTD 2024	17.01%	2.17%	4.21%

Australia All Cap: from Ron Shamgar taking over portfolio management 31 December 2018 and Australia Small Cap Income Inception: 1 January 2019. Note: Returns current at 31 May 2024 and for Tamim funds are all net of fees and expenses.

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