



AUSTRALIAN EQUITIES

INVESTOR WEBINAR | August 2023

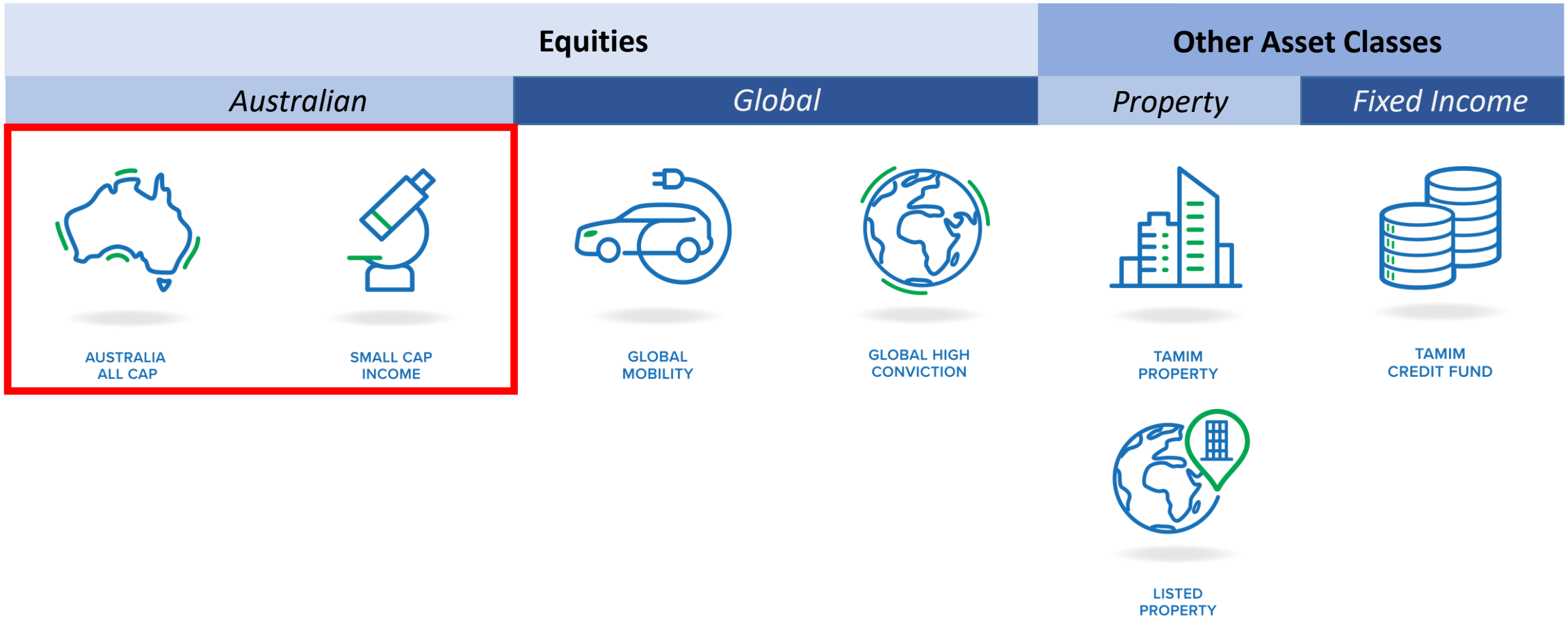
RON SHAMGAR

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TAMIM INVESTMENT PLATFORM



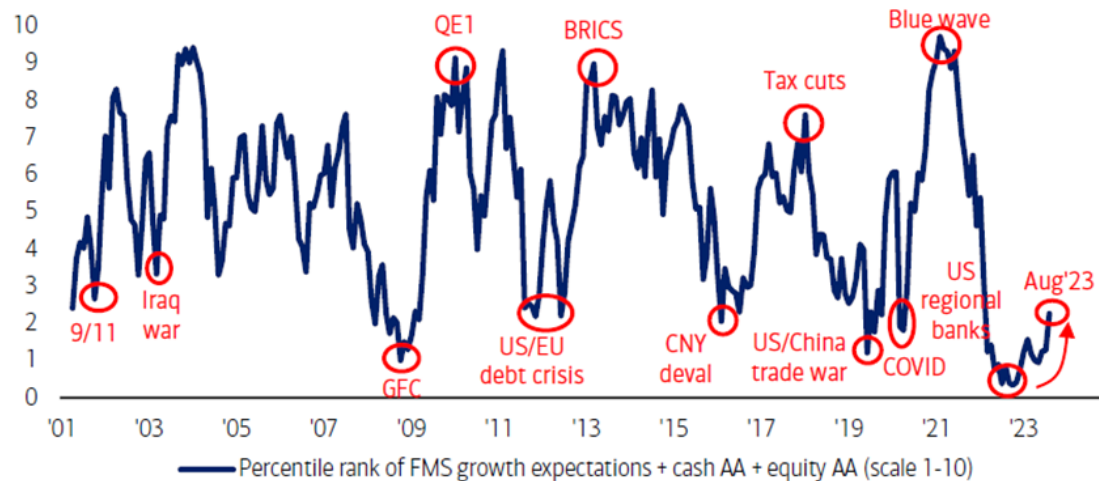
BE GREEDY WHEN EVERYONE IS STILL BEARISH

Sentiment is still relatively bearish at the moment. The charts below illustrate cash positions and where sentiment lies. Record cash levels means future buying power. BofA Fund manager survey shows investor sentiment levels of pessimism at multi year lows. A lot of bad news is still priced in here. Keep in mind, that we need bulls for a bull market.

Charts of the Month

Chart 2: FMS sentiment least bearish since Feb'22

Percentile rank of FMS growth expectations + cash level + equity allocation (scaled 1-10)

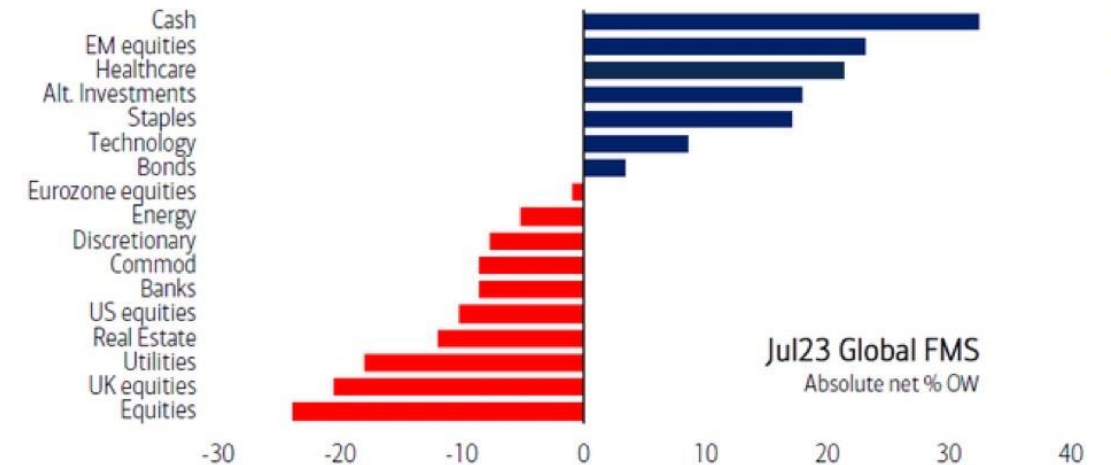


Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Chart 23: OW cash, EM, healthcare, UW equities, UK, utilities

What do you think is currently the most crowded trade?

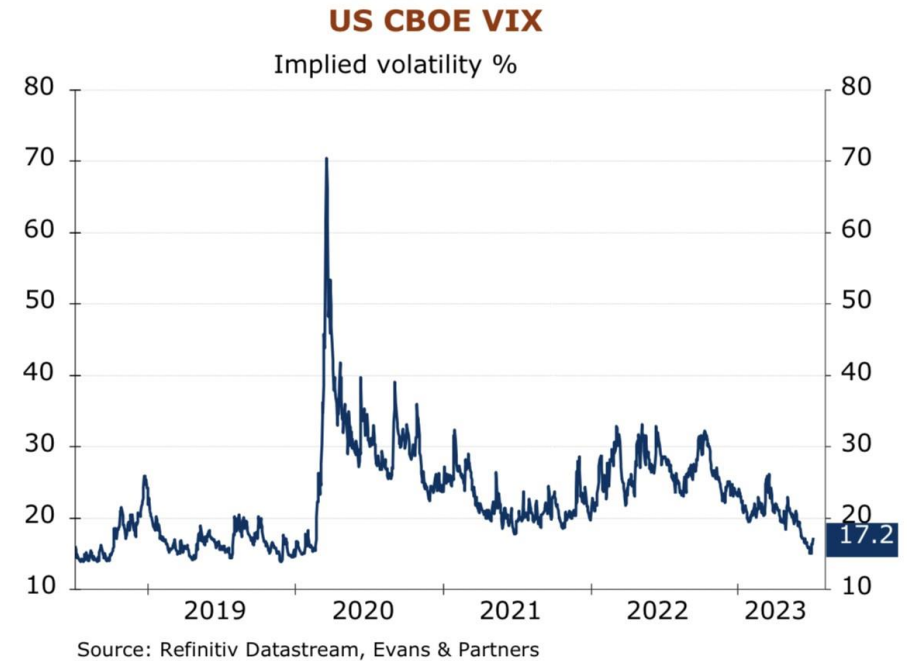
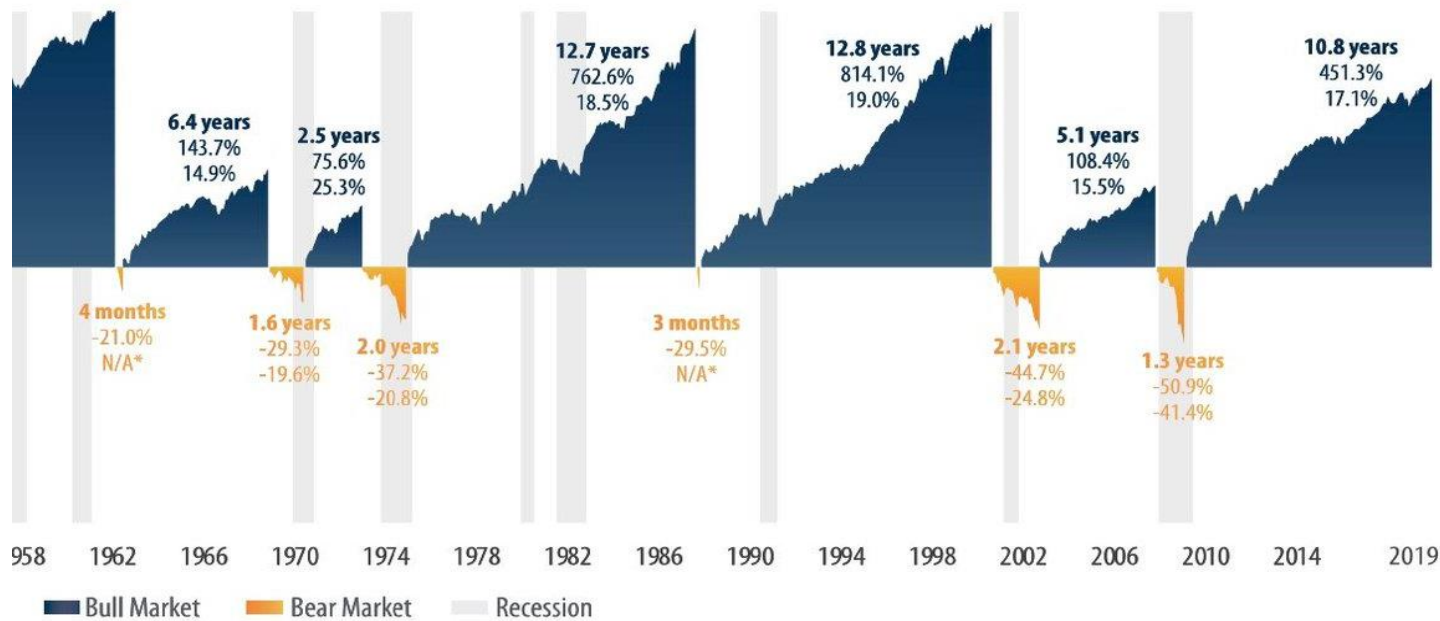


Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

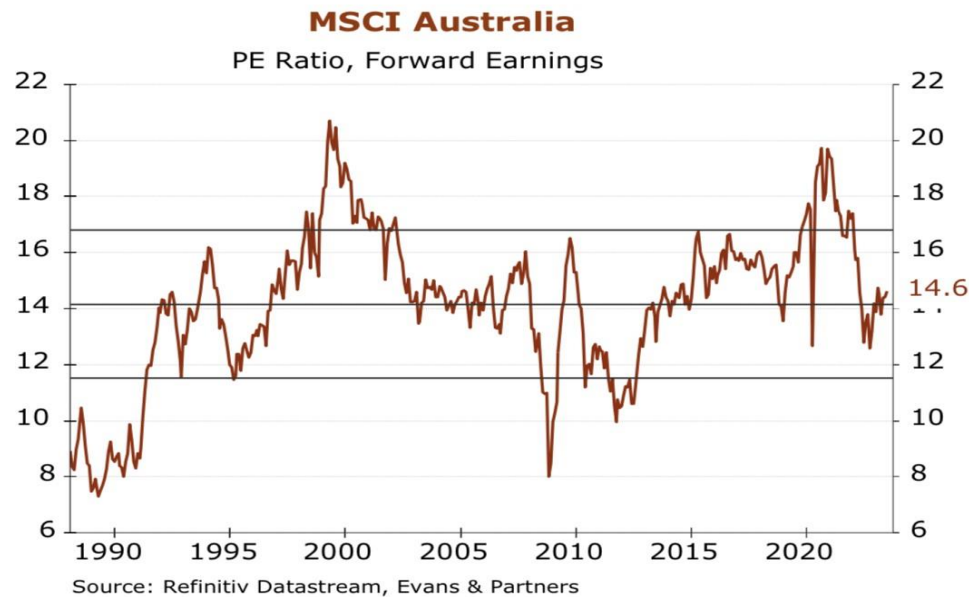
PUTTING “DOOM & GLOOM” IN PERSPECTIVE

The chart below illustrates the average bear market (defined by 20% or more drawdown) has lasted on average 15 months in time over the last 70 years. In contrast, Bull markets tend to last for many years. The 2022 bear market has most likely ended about 6 months ago. History suggests we are closer or into the beginning of a new bull market. It is important to remain invested because missing the first 10 days after the lows of a bear market reduces your returns by -17% one year later. The volatility index, VIX, is indicating market conditions are normalising.



SMALL CAPS HAVE NEVER BEEN CHEAPER

The ASX200 index is now trading on a 12-month forward PE multiple of 14.6x, versus its 5 year average of 16.4x - a discount of 14%. Small companies are even cheaper, with the Small Ordinaries index trading on a 12-month forward PE multiple of 13x. Even more interesting is that the small company sector is trading well below its long-term PE average vs large companies. Specifically, since its highs in 2021, the small company sector has fallen from a 5% premium to a 13% discount compared to the large company sector. **The Small Ordinaries Index is still at a large discount to its larger peers.** 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 year.



WHAT WE LOOK FOR IN A COMPANY

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



INDUSTRY LEADER

Industry leading 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, near term catalysts



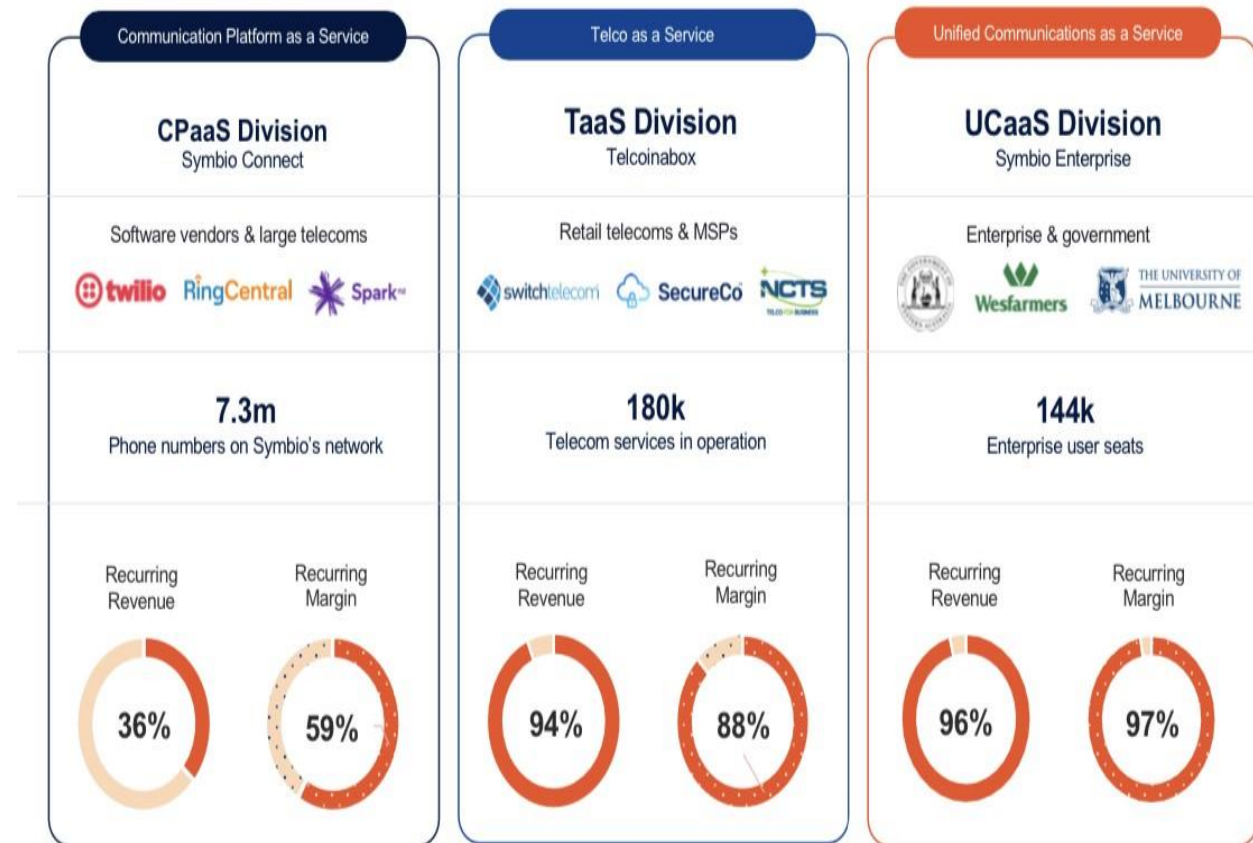
These attributes in many cases lead to takeover offers:

24 portfolio companies receiving takeover offers in the last 5 years

PORTFOLIO STOCKS | SYMBIO GROUP (SYM.ASX)

symbio™ (\$200m market cap)

- SYM is a leading Tier 1 telco software provider to enterprise, government, small business and phone number wholesale (Zoom, Uber etc)
- **Founder led biz – MD owns 8.5%**
- 75% of gross margins is recurring
- **Strong balance sheet** (\$35M net cash), dividends, cash flow generation allows for self funding of growth
- Expanding into Asian countries to drive long term growth
- **Currently under takeover offer** from Superloop (SLC) at circa \$3.00 – Due diligence period until mid September
- Likelihood of competing bid if Scheme is recommended
- **Attractive valuation – FY24 EV/Ebitda 5x**
- **Our valuation is \$3.00+**
- Catalysts: FY24 agm update, acquisitions, **corporate activity**



Source: SYM company filings

PORTFOLIO STOCKS | VIVA LEISURE (VVA.ASX)

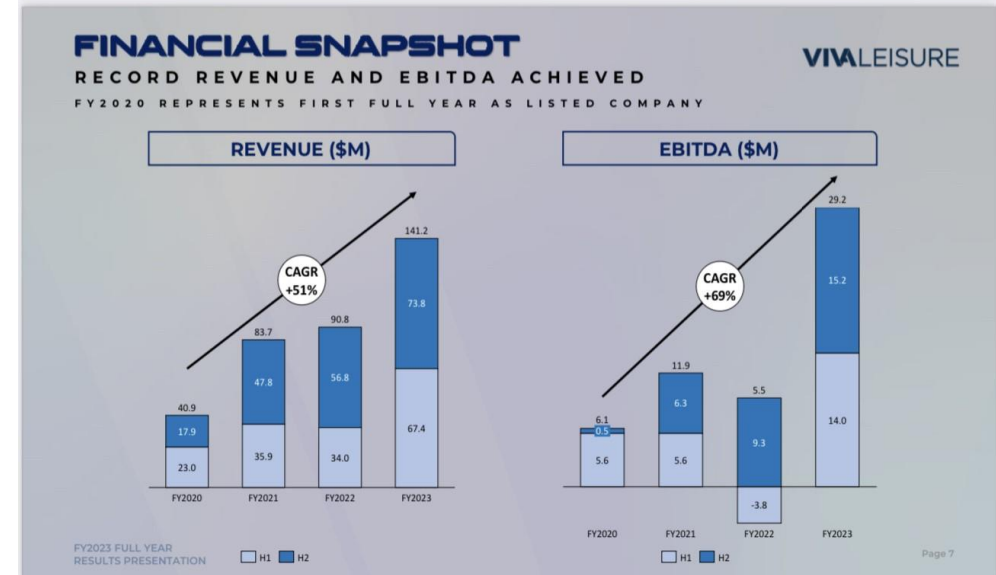


(\$125m market cap)

- VVA is a leading operator owner of fitness clubs/gyms in Aus & NZ
- **Founder led biz – MD owns 24%**
- 346 locations – 171 company owned
- FY23 no Covid interruptions – highlights earnings power
- **FY23 \$12M FCF growing to \$15M in FY24**
- Strong balance sheet to fund growth (greenfield/acquisitions) - \$10M net debt
- Cottage industry with 6,000 clubs – ideal to consolidate
- Tech focused operating model – daily club metric dashboard, member self serve, viva pay
- \$15 pw non-discretionary spend – resilient profile
- **Ev/Ebitda 4x, FCF multiple <10x**
- Catalysts – Fy24 guidance, further acquisitions, Launch of Viva Pay

FINANCIAL		OPERATIONAL	
Revenue \$141.2m Up 55.4% [FY22: \$90.8m]	EBITDA* (ex AASB-16) \$29.2m Up 429.2% [FY22: \$5.5m]	Members (Owned Locations) 181,950 Up 14% [FY22: 159,546]	Members (All Locations) 343,325 Up 7.2% [FY22: 320,161]
NPAT* \$8.8m Up \$14.3m [FY22: (\$5.5m)]	Statutory NPAT \$3.4m Up \$15.5m [FY22: \$(12.1m)]	Utilisation (Owned Locations) 72.7% Up 340bps [FY22: 69.3%]	Locations Owned: 171 [FY22: 151] All: 346 [FY22: 334]

FY2023 FULL YEAR RESULTS PRESENTATION * Group adjusted EBITDA/NPAT less normalised rent, excluding impacts of AASB16 Page 6



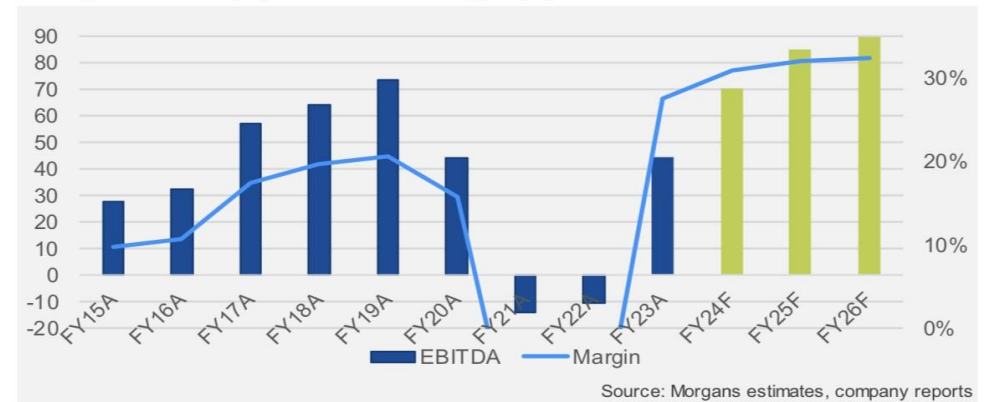
PORTFOLIO STOCKS | HELLOWORLD TRAVEL (HLO.ASX)



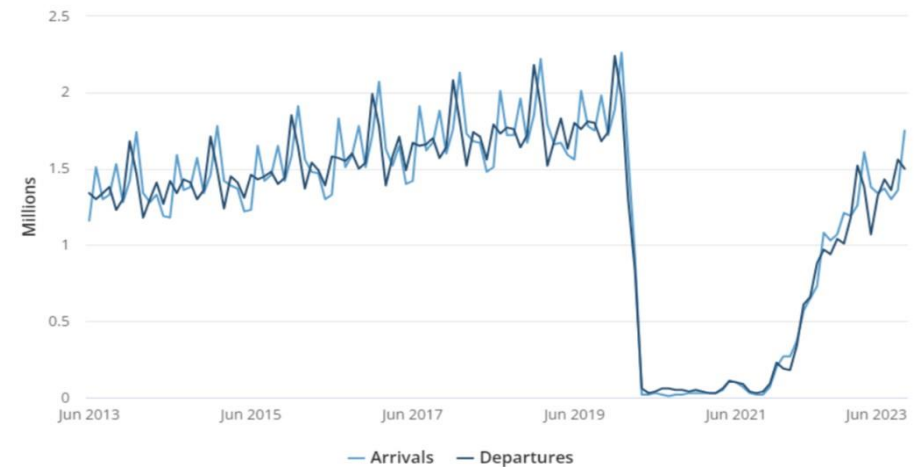
(\$510m market cap)

- Very attractive macro tailwinds and industry dynamics as demand for both local and international travel is recovering rapidly. Resumption of Chinese tourism and cruise sales
- **Founder led with MD owning 26%**
- **Upgrade cycle** - from \$24M to \$44M FY23 3x Ebitda upgrade. Expecting further upgrades in FY24.
- **Strong balance sheet** - \$35M CTD shares and \$75M net cash. Possible capital management/acquisitions
- Significant upside to normalized trading - **FY24 guidance \$70M+ Ebitda.**
- >55 yr old customer demographic – resilient to economic downturn
- **Highly profitable and dividend paying.** EV/Ebitda 5.5x (FY24)
- Peers trading on 8-12x multiples (WEB, FLT).
- Catalysts – October Q1 update, capital management, acquisitions. Valuation \$4.50

Group EBITDA (A\$m) and EBITDA margin (%)



1.3 Total overseas arrivals and departures - June 2013 to July 2023(a)



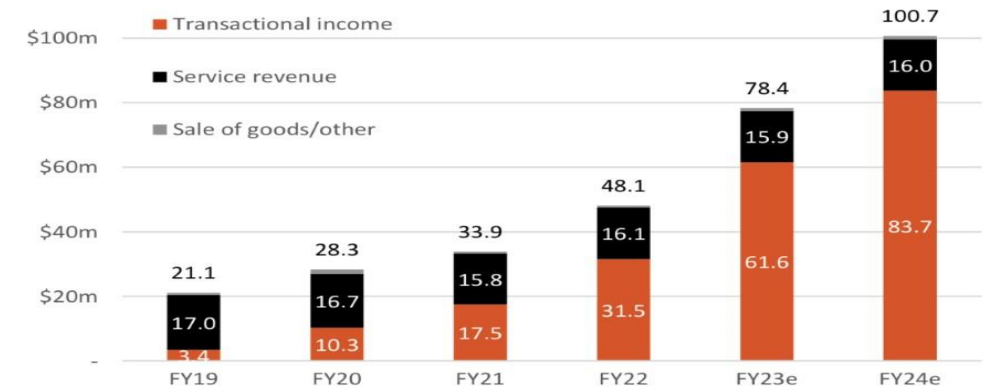
PORTFOLIO STOCKS | SMARTPAY (SMP.ASX)



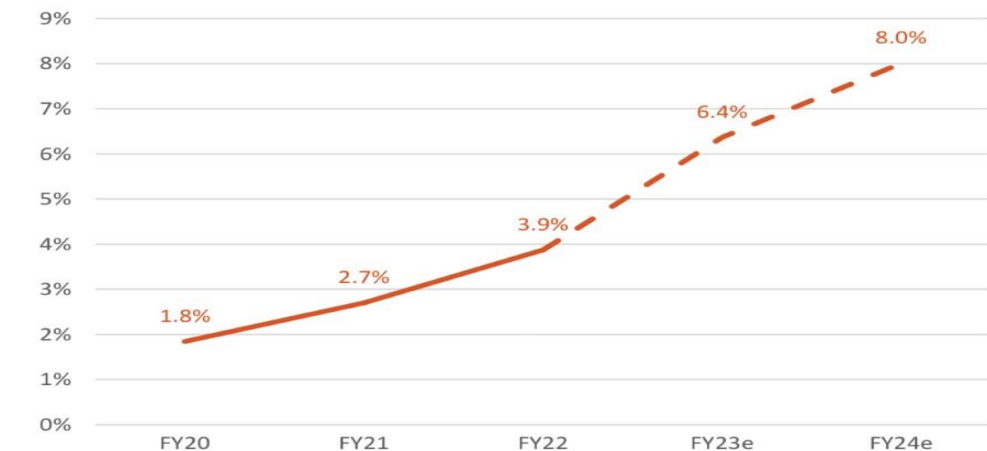
(\$360m market cap)

- 2nd Largest non-bank merchant terminal provider in Australia & NZ. 15k Oz fleet, 31k NZ fleet, \$5b recurring TTV and on track to double next 3 years.
- **We estimate \$250m revenues & \$70m Ebitda in 2026**
- FY23 inflection point: reached scale with free cash generation emerging post growth capex. (net cash)
- Border reopening/Tourism beneficiary
- **Low ticket value merchants - \$36 avg spend**
- MD with skin in the game.
- **NZ division transition to acquiring model – game changer!**
- **Inflation beneficiary:** margin on transactions
- FY23 (March): \$78m revenue & \$18m Ebitda
- **Our valuation is \$2.50+**
- Catalysts: NZ acquiring launch, quarterly updates, corporate activity

Historical and forecast revenue by segment



Market share of terminals in Aus (TAM 250k terminals for SMEs)



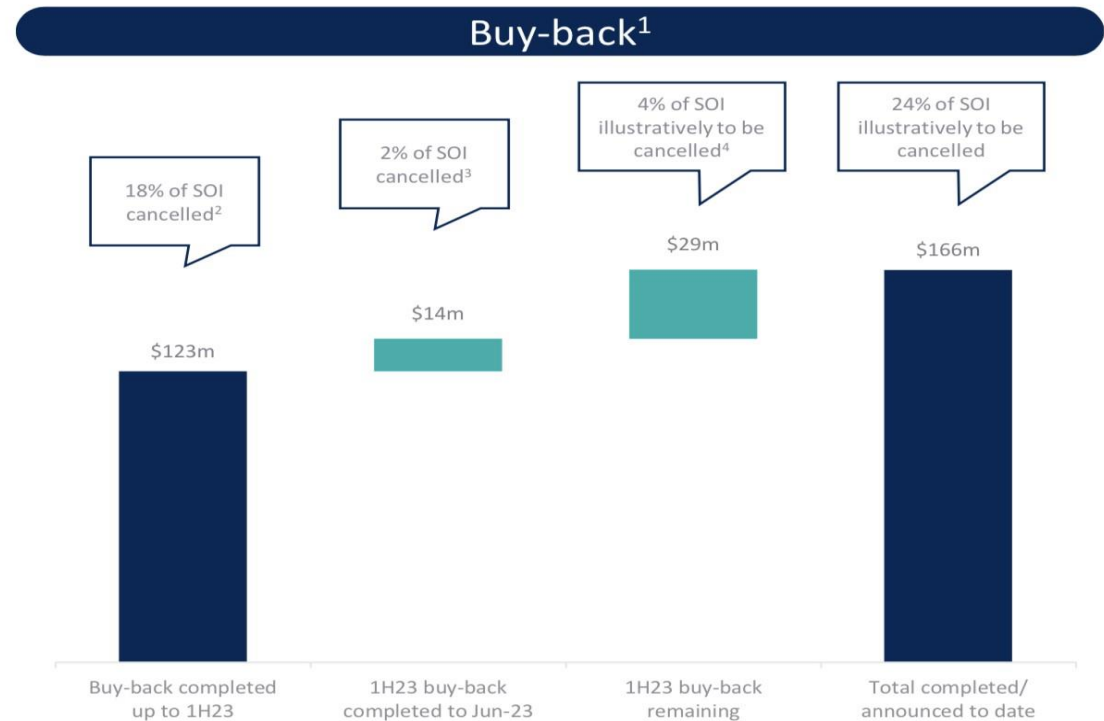
PORTFOLIO STOCKS | FLEETPARTNERS (FPR.ASX)

FleetPartners (\$770m market cap)

- Leading provider of fleet management and novated lease services (\$2B of AUM)
- EV beneficiary thru government subsidies and higher car values of Evs
- Strong business momentum with Q3 new business up 26% and Evs represent 46% of novated lease quotes
- **Balance sheet with net cash can support M&A**
- **Attractive valuation:** PE 9.5x versus Peers at 12-18x
- Significant Buyback program to drive EPS growth as used car prices normalize - \$170M of shares bought/committed so far.
- **Our valuation: \$3.50+**
- Catalysts: FY23 Guidance update, acquisitions, takeover target

Capital management

On track to have returned c.24% of share capital by Sep-23



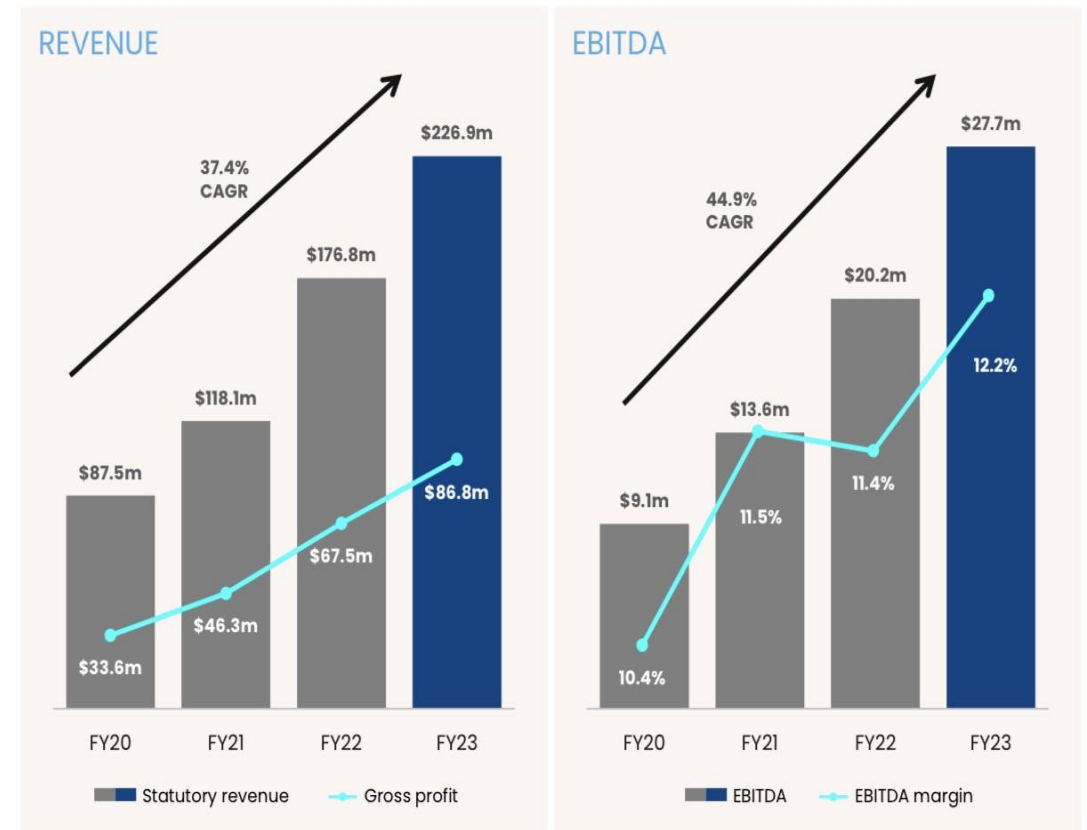
Source: FPR company filings

PORTFOLIO STOCKS | IPD GROUP (IPG.ASX)



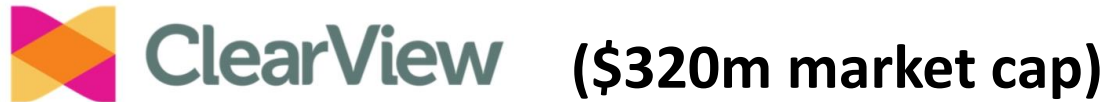
(\$390m market cap)

- IPD Group is an electrical wholesaler with an **end to end EV charging solutions** provider offering consultancy, hardware, software, installation & commissioning and maintenance & repairs. (\$5B TAM)
- EV sales 7.4% as of Q12023 of all new cars purchased. 4,943 public EV chargers with only 464 fast chargers. **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 exposure on ASX.**
- FY24 estimate - \$21M NPAT. **\$20M net cash.** PE of 17.5x ex cash.
- **Founder led. Management/board owns 39%** of company.
- Catalysts are FY24 guidance, strategic acquisitions



Source: IPG company filings

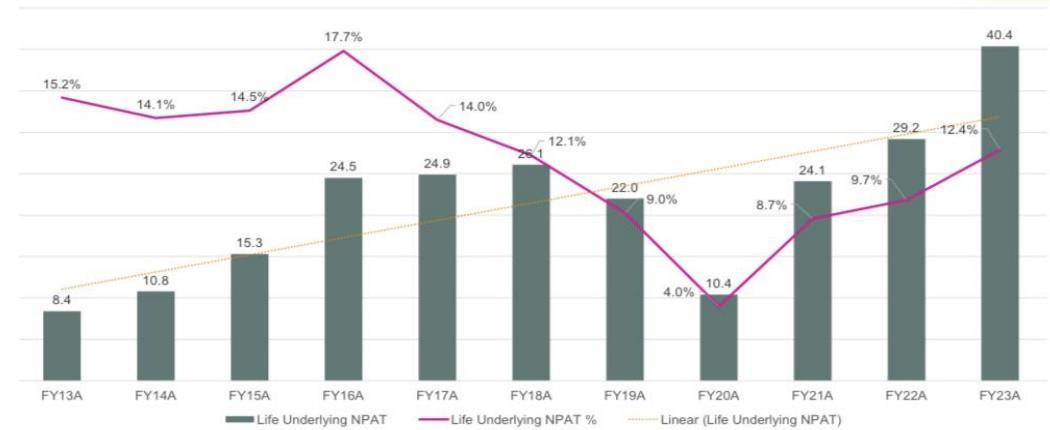
PORTOLIO STOCKS | CLEARVIEW WEALTH (CVW.ASX) |



- Leading mid-tier life insurance provider (**approx. 4% market share of in force premiums but taking 9% 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** – FY23 NPAT upgraded to \$36M (41% growth)
- **Strong Balance sheet: 71 cents asset backed and embedded value (EV) of 91.2 cents**
- Full year dividend estimate 3 cents ff (**5.5% ff yield**)
- Every 1% rate rise = \$2.3m profit!
- **Attractive valuation – PE 10x growing at 20%+**
- FY26 Aspirational target implies – 7 cents EPS, 4 cents ff dividends

FY26 Target³:
11% -13%
Underlying
NPAT margin³

Life Underlying NPAT¹ (\$m) and Margin² (%)



	New Business Market Share ^{1,2}	Gross Premiums	In-force Premium Market Share ¹	Life Insurance Underlying NPAT Margin ^{5,6}	FY23 Final Dividend
FY23 Actual	9.0%	\$325.1m +9%	3.2%	12.4%	54% of Underlying NPAT ⁵
FY26 Goals⁴	12%-14%	\$400m	~4%	11%-13%	40%-60% of Underlying NPAT



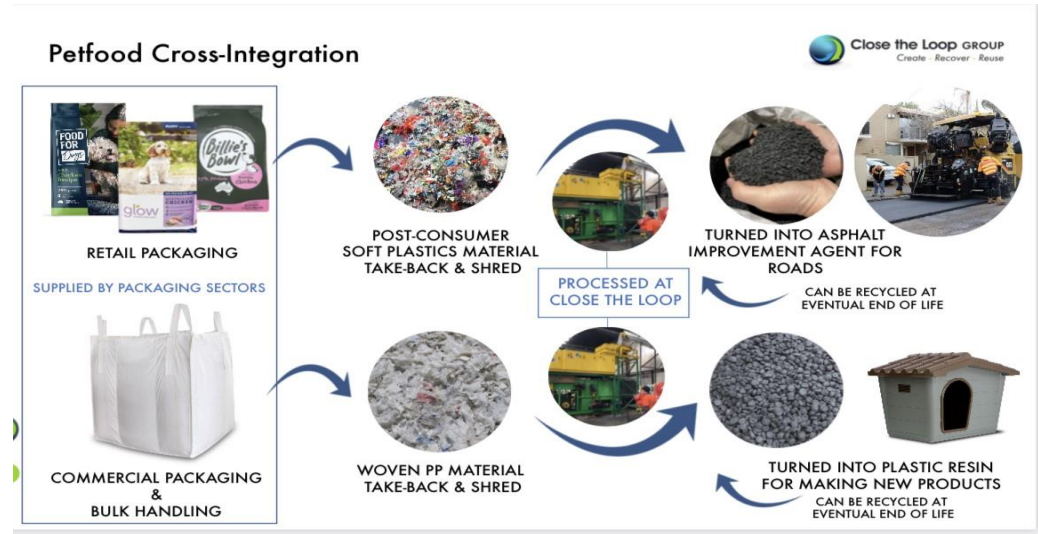
PORTFOLIO STOCKS | CLOSE THE LOOP GROUP (CLG.ASX)



Close the Loop GROUP
Create - Recover - Reuse

(\$220m market cap)

- Global provider of waste recycling and packaging. 260k global collection points. Strong moat established. Revenue stream from collection.
- **Significant R&D & IP in new solutions for recycled waste.**
- Tonerplas road asphalt momentum – longevity
- Strong demand from print, makeup, supermarket, petfood and battery industry, electronics industry
- **ESG economy beneficiary**
- **Transformational acquisition – ISP Tek 100% EPS accretive**
- US focus on revenue growth – USD strength tailwind
- FY24 guidance revenue >\$200M, >\$43M Ebitda, >\$24M NPAT, high cash flow conversion (0.85x net debt/Ebitda)
- Attractive valuation - FY24: PE 10x, EV/Ebitda 6x, **Our valuation is 60 cents**
- Catalysts: FY24 guidance, progress on ISP Tek expansion.



PORTFOLIO MANAGER | RON SHAMGAR

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 YTD*	23.38%	2.04%	2.40%

Disclaimer: 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. The MSCI Word refers to the MSCI World Index in AUD. Returns shown for longer than 1 year (other than Inception) are annualised. All returns shown are AUD denominated.



Australia All Cap: from Ron Shamgar taking over portfolio management 31 December 2018
 Australia Small Cap Income Inception: 1 January 2019
 Note: Returns current at 31 August 2023 and for Tamim funds are all net of fees and expenses (August 2023 month end returns are estimates only)
 Small Ords refers to the S&P / ASX Small Ordinaries Accumulation index

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