

# Australia All Cap Unit Class Fund

At 30 September 2023



Dear Investor,

We provide this monthly report to you following conclusion of the month of September 2023.

The TAMIM All Cap Fund pleasingly continued to buck the trend and was up +0.78%. CYTD the fund is up +25.49% net of fees versus the ASX 300 at +3.48%. During the month Australian equity markets were sold off with the ASX 300 down -2.89%, and the ASX Small Ordinaries down -4.04%.

Investor sentiment turned negative in September as rising oil prices and a resilient U.S. economy continued to place pressure on interest rate expectations remaining higher for longer. More importantly long dated government bonds (10yr US government bills) increased to 4.8% which are levels not seen for a long time. With higher rates investors appetite for equities diminishes and this tends to be exaggerated in small to mid caps stocks where liquidity is more limited.

Fortunately for us, we tend to focus on the individual companies we invest in rather than get distracted by general macro sentiment which is fickle over time. This fundamental focus on company operational progress within our portfolios is paying dividends in positive YTD returns against falling markets.

We are seeing valuations in our segment of the market at multi decade lows and we expect corporate activity to remain elevated. This M&A activity is driving positive returns for us with further takeovers during the month in Symbio (SYM).

As we enter the final quarter of the year we expect quarterly and AGM updates to act as a catalyst for share price performance. We believe our portfolio of holdings should report well and we expect the share prices to follow.

Below we provide company specific commentary in the portfolio section of the report. We will provide further updates in our next monthly report during November.

Sincerely yours,

Ron Shamgar and the TAMIM Team.

## Portfolio Performance

Note: Individually Managed Account (IMA) returns will, by their nature, vary from the underlying portfolio. Should you wish to see your individual return, please log in to your account online.

Inception: 31/12/2016	1 month	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)	Since inception (total)
<b>Australia All Cap</b>	0.78%	22.73%	7.16%	12.55%	11.63%	110.06%
<b>ASX 300</b>	-2.89%	12.92%	10.79%	6.62%	7.54%	63.29%
<b>Small Ords</b>	-4.04%	6.84%	2.56%	1.63%	4.86%	37.68%
<b>Cash</b>	0.34%	3.54%	1.41%	1.20%	1.28%	8.97%

Portfolio Performance for Australia All Cap refers to the aggregated cumulative performance of all TAMIM Australian All Cap individually managed account portfolios since inception (31 Dec 2016) in AUD net of fees up to 31 October 2019. From 1 November 2019 the performance reflects the return on the TAMIM Fund: Australia All Cap unit class. Both are managed according to the same portfolio. ASX300 refers to the S&P/ASX 300 Accumulation Index. Note: Portfolio returns are quoted net of fees. Returns shown for longer than 1 year (other than "Since inception (total)") are annualised. The information provided in this factsheet is intended for general use only. 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. Please consider our Information Memorandum and Services Guide before investing in any of our products. Past performance is no guarantee of future returns. Returns displayed in this document are unaudited. For wholesale and sophisticated investors only. ASX Small Ords refers to the S&P/ASX Small Ordinaries Index.

## Key Facts

<b>Investment Structure:</b>	Unlisted unit trust
<b>Minimum investment:</b>	A\$100,000
<b>Applications:</b>	Monthly
<b>Redemptions:</b>	Monthly, with 30 days notice
<b>Unit pricing frequency:</b>	Monthly
<b>Distribution frequency:</b>	Semi-annual
<b>Management fee:</b>	1.25% p.a.
<b>Performance fee:</b>	20% of performance in excess of hurdle
<b>Hurdle:</b>	Greater of: RBA Cash Rate + 2.5% or 4%
<b>Lock up period:</b>	Nil
<b>Buy/Sell Spread:</b>	+0.25%/-0.25%
<b>Exit fee:</b>	Nil
<b>Administration &amp; expense recovery fee:</b>	Up to 0.35%
<b>APIR code:</b>	CTS9748AU

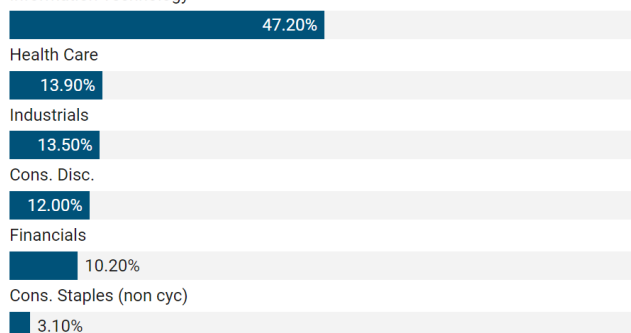
## NAV

	Buy Price	Mid Price	Redemption Price
<b>AU\$</b>	\$1.2457	\$1.2426	\$1.2395

## Portfolio Allocation

<b>Equity</b>	94.70%
<b>Cash</b>	5.30%

### Information Technology



# Australia All Cap Unit Class

## TAMIM Fund

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### Portfolio Highlights:

**Global Data Centers (ASX: GDC)** announced during the month that Etix Everywhere (Etix) completed the acquisition of five French data centres, increasing the maximum potential capacity of the Etix portfolio to 17.3MW. This acquisition was funded by a combination of new equity issued to Eurazeo, a current shareholder in Etix, and debt.



Etix is quickly becoming a strategic asset in the French data center market which will assist GDC's mandate to sell its assets over time and crystallise value for holders. The new management agreement implemented recently is highly incentivising management to sell assets and return funds to holders at a share price between \$2.00 to \$3.00.

In addition, media reports recently have announced that hyperscale data centre developer and operator AirTrunk has appointed investment bankers for an IPO. GDC owns 1% of AirTrunk. Based on reported valuations for AirTrunk we think GDC's holding in AirTrunk could be worth in excess of \$100 million, which is well above the current carrying value of \$45 million. This increases our confidence that GDC assets will potentially realise closer to \$3.00 per unit, versus the fair value NAV reported by GDC of circa \$2.47 and the recent trading price of \$1.90.

**Gentrack (ASX: GTK)** announced a special meeting to be held in October to approve a new 3 year key management incentive package. The package is aligned with creating shareholder value as a large part of the key hurdle is for the stock to increase to NZD\$10.00 versus the current price of AUD\$4.60. If all hurdles are met the management will receive close to 10% of the company. We like these type of incentives that are tied to share price performance.



We also believe the timing of this new package aligns with what we expect to be a strong period of growth for the company with some potential for large contract wins to be announced to the market. We believe GTK is one of the more exciting software growth stories at the moment and we see favourable tailwinds in the energy transition to renewables and the resumption in travel to boost sales growth in its two divisions (utilities and airport software).

**Symbio (ASX: SYM)** at month end, Aussie Broadband (ABB) submitted an indicative proposal to acquire 100% of SYM. Under the arrangement SYM shareholders would receive \$2.36 in cash and 0.192 ABB shares for each SYM share held (equating to 75% Cash and 25% Scrip). This represents a higher cash component than Superloop's (SLC) current offer which is capped at a maximum of 60%.



With an ABB share price of \$4.11 as at 28 September the offer values SYM at \$3.15 per share, an 8% premium on the current SLC bid. The proposal includes the potential for SYM to pay a fully franked dividend to shareholders of up to \$0.35 per share with franking credits of up to \$0.15 per share. ABB has now been granted three weeks to complete its due diligence process.

We believe there's a high likelihood SLC will make a higher offer to SYM for several reasons:

- SYM is SLC's largest customer having signed a 3 year \$25m NBN aggregation deal in February 2021.
- Should ABB acquire SYM, they will absorb the contract upon its expiration in a year or two, leaving SLC with a gap in earnings that needs to be filled.
- Achieving scale and relevance is crucial in the telco sector, and SLC has the potential to become a significant company through future index inclusion.
- We estimate significant synergies for both companies if they acquire SYM - at least \$10 million based on our analysis.

We will continue to let this process play out and extract the maximum value we can for our holding in SYM.