Australia All Cap Unit Class
TAMIM Fund

At 30 June 2022

Dear Investor,

We provide this monthly report to you following the conclusion of the month of June 2022.

During the month the ASX300 was down -8.97%, while the Small Ords (XSO) was down -13.09%. The TAMIM Fund: Australia All Cap portfolio finished the month down -11.90% net of fees.

June ended up being the worst month for the ASX since March 2020. Small caps took the brunt of the selling, with the S&P/ASX Emerging Companies Index (XEC) down -18.58%. The ASX 200 ex 50, which we believe is also a comparable index to the Australia All Cap unit class, was down -11.15%.

The Small Ords has fallen by more than double the broader market over the last twelve months, down -19.52% vs the All Ords (XAO) at -7.44%. This is compared to previous market downturns where the Small Ords outperformed the market. This is now reflected in valuations with the XSO trading on 13.41x PE (even lower when you exclude resources). Small caps are now priced for a recession and we believe any confirmation of profit growth this reporting season could see a significant bounce back in the stocks we own.

June ended up being a perfect storm of investors selling on recession concerns coupled with the most aggressive tax loss selling period in recent history. In the meantime, consumer sentiment is at all-time lows, last seen at the market bottoms of March 2020 and the GFC lows.

The good news is that, as we go to print in July, we are beginning to see some positive signs of the market bouncing back. There are some near term uncertainties just ahead though with June inflation data and the Fed's July FOMC meeting, at which we expect them to raise rates by at least 75 bps. Based on this upcoming data, markets could continue to be volatile.

In our last report we compared the current environment to the inflationary economic period of the 1970s, although we have drawn some clear distinctions. Investors and humans in general, have a tendency to try and compare any conditions to a historical precedent, it's human nature.

One common theme right now is the elevated prices of energy,

Key Facts

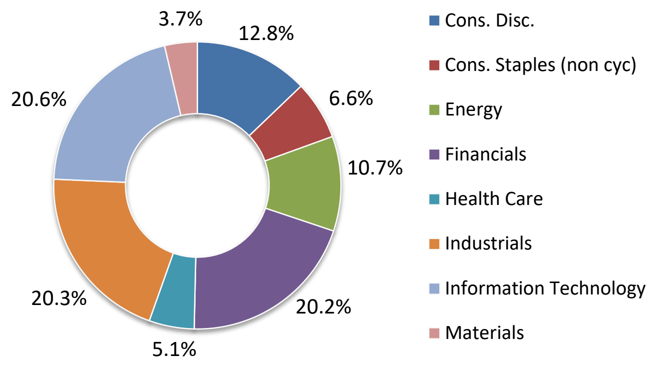
Investment Structure:	Unlisted unit trust
Minimum investment:	A$250,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater of: RBA Cash Rate + 2.5% or 4%
Lock up period:	Nil
Buy/Sell Spread:	+0.25%/-0.25%
Exit fee:	Nil
Administration & expense recovery fee:	Up to 0.35%
APIR code:	CTS9748AU

NAV

	Buy Price	Mid Price	Redemption Price
AU$	$0.9889	$0.9865	$0.9840

Portfolio Allocation

Equity	90.33%
Cash	9.67%



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	2 years (p.a.)	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)	Since inception (total)
Australia All Cap	-11.90%	-23.55%	9.75%	10.48%	9.72%	9.75%	66.75%
ASX 300	-8.97%	-6.77%	9.46%	3.44%	6.91%	6.86%	43.96%
Cash	0.07%	0.18%	0.17%	0.33%	0.79%	0.85%	4.77%

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.

including oil, gas and coal. These are some of the largest contributors to inflation metrics and have been persistently high even in the face of a potential recession. We have positioned the portfolios to benefit here; companies like New Hope (NHC.ASX), Whitehaven Coal (WHC.ASX), Viva Energy (VEA.ASX) and Santos (STO.ASX).

In saying this, there are a few forward looking indicators which give us some hope that inflation will start to subside in the coming months. For example shipping freight costs, industrial commodities and even used car prices are starting to see significant price declines, up to -40% in some instances. These declines take time to filter through to the inflation data; we expect central banks to take this into considerations when setting their inflation expectations which in turn filters through to interest rate expectations.

Investors must remember that inflation measures the year-on-year price changes of goods and services. So, even if many of these prices remain elevated but do not continue to increase like oil, within twelve months inflation is very likely to come back down. That said, some wage growth pressure will filter through. The US and Australia are seeing record low unemployment and job participation with consumers switching their spending behaviour from purchasing goods to spending more on services. This should maintain a high level of employment.

We believe the above factors will sustain an overall strong economy with any recession being of a technical nature (i.e. two consecutive quarters of negative GDP growth) rather than a full blown downturn and rising unemployment. We believe most people will be able to absorb the increased cost of living and mortgage repayments due to the high household savings built up during the COVID years.

Equity markets in general will remain volatile until there is clarity on where the economy and interest rates are heading, whilst reporting season in the US and here next month will show how companies are faring in this environment. The easy money of passive index investing is now gone and we believe active managers that are able to pick companies that can continue to grow and pay dividends will outperform. We believe this is one of our strengths and over time we will continue to prove this, as we have done over the last few years.

We provide company specific commentary in the Portfolio Update section of the report below. We will provide further updates in our next monthly report.

Sincerely yours,

Ron Shamgar and the TAMIM Team

Portfolio Update

Symbio (SYM.ASX) is a software provider specialising in the unified communication and telco market in the APAC region. As one of only five tier-one telco providers in Australia, it offers some of the largest companies in the world like Uber, Microsoft, Zoom etc the capability of offering communication platform and phone number services in the region. During June, SYM held an investor day which discussed growth ambitions and progress in the Asian region. EBITDA guidance of $35m for FY22 was reaffirmed along with a net cash balance of $50m.

SYM is targeting an aspirational 100m phone numbers by 2030, compared to 6.4m currently, at an EBITDA margin of $4-5 per number per year. To achieve this SYM will need to successfully launch and penetrate large Asian countries like Singapore, Malaysia, Taiwan and Japan. So far the Singapore launch is progressing well with a slight delay to cashflow break even, now pushed into FY23. Malaysian expansion has also slowed down as an acquisition didn't go ahead. We see management as very cautious and conservative in their expansion but with a clear strategy to execute. Any traction in Asia over the next twelve months could see a significant re-rating of the stock toward our valuation of $6.00.

Humm Group (HUM.ASX) is a financial services company in NZ and Australia with a fast growing commercial lending division that is the second largest non-bank lender in Australia. They also include a consumer lending business (HCF) specializing in point of sale finance in retail stores including credit cards and BNPL payment options. FlexiCommercial is very profitable with FY22 NPAT of $32m, currently lending $1bn p.a. with a $1.5bn loan book. HCF is also profitable albeit with some headwinds from lower consumer spending and large losses from a failed international expansion strategy.

We bought into HUM as a "sum of its parts" play when Latitude (LFS.ASX) made an agreed $330m takeover offer for HCF. This valued FlexiCommercial on 3x PE as the group carrries net cash of over $80m. The LFS deal was majority scrip in LFS and the major shareholder and founder of HUM was not in favour, agitating for a higher cash component. We agreed with his views and made similar efforts to pressure LFS in improving their bid's cash mix. Unfortunately, we believe the board of HUM was not working in the best interest of shareholders. In the month leading up to the vote on the HCF sale they continued to talk down the future prospects of the business, making it impossible for LFS to make an improved offer while maintaining their credibility.

The outcome was a mutually terminated deal and the removal of all the HUM directors who acted against the interest of the group. We expect a new board and a turnaround in the HCF division to take place. We expect to see a much improved focus on the commercial division, the jewel in the crown of the group. We believe there is significant takeover interest for FlexiCommercial and we also wouldn't rule out LFS returning with another offer for HCF. All up our valuation is $1.15, compared to the last price of 48 cents.

Smartpay (SMP.ASX) announced its FY22 results with revenue up 42% to $48m and EBITDA up 46% to $11m. More importantly, the group has reached an inflection point with NPAT of $3.1m and free cash generation after growth capex. The key driver of growth is the Australian terminal fleet growing to 9,700, or +43%, driven by its smart charge offering. The Australian opportunity is immense with 250k merchant's teminals up for grabs. We believe SMP can capture a 10% share of the SME market over the next 3+ years. This should yield $100m revenue and $40m EBITDA for the business.

Tassal Group (TGR.ASX) is the largest aquaculture firm in Australia; farming both salmon and, more recently, expanding into prawns. Revenue and production has consistently grown over the last twenty years as consumption of salmon increased. So has TGR's production footprint. With Salmon prices at record highs and the increased need for food, we see TGR as a good play on this thematic. Recent expansion into prawn farming should see significant growth in profits and cash flow from next year as the high capex period has come to an end.

Our thesis was confirmed during June when Canada's largest aquaculture firm, Cooke Inc, made multiple takeover bids for the company at up to $4.85. In addition, Cooke has amassed a sizeable stake in TGR (currently 8.9%) and already obtained FIRB approval for their bid. This all means Cooke is serious about acquiring TGR and, based on the recent acquisition multiple of Huon Aquaculture (HUO when listed), we believe TGR is worth around $5.50.

Link Administration Holdings (LNK.ASX) is a provider of superfund administration services, corporate markets and registry services in Australia and the UK. Link Group also holds about 45% of listed conveyancing platform Pexa (PXA.ASX). LNK has been the subject of several takeover offers last year with the board initially accepting a $5.50 bid from Canadian listed Dye & Durham (DND.TSX). DND announced some ACCC concerns regarding the acquisition in June along with a revised bid of $4.57 plus 12 cents if the UK corporate markets division is sold within twelve months.

The board could not recommend the offer as it undervalued the group and is below the bottom end of the independent expert report valuation of $4.80. LNK has guided to $170m EBIT for FY23 and is a beneficiary of interest rate rises as it earns income on the $1.5bn of client funds held. The current bid values the non-Pexa earnings at only 12x PE, not much of a takeover premium. We believe $4.80+ is an appropriate price or, alternatively, an in-specie distribution of the PXA shares should lead to a re-rate of the remaining businesses and an opportunity to sell them separately. We bought LNK at an average price of $3.50.