

Australia All Cap Unit Class

TAMIM Fund

At 30 September 2021



During September the ASX300 was down -1.89% while the Small Ords was down -2.14%.

The TAMIM Fund: Australia All Cap portfolio finished the month up +2.09% net of fees and continued the strong performance we have seen throughout this year.

For the 2021 calendar year, the Fund is up +19.70% net of fees.

September isn't historically a great month for equities and, once again, it didn't disappoint. As always, the US markets lead the way and the S&P500 had its worst month since the March 2020 meltdown, losing -4.80%.

Investors were looking for excuses to take profits. There were plenty going around with Chinese developer Evergrande potentially defaulting on its \$300bn of debt, rising bond yields due to Fed potentially raising rates next year and a general slowdown in economic growth.

As we always say, we try to block out noise like this and focus on company fundamentals. Our portfolio's stocks tend not to be overly correlated to broader market movements. Over two consecutive days at the end of the month, for example, the market was down over -3.00% yet our portfolio was up.

Our investment approach is focused on identifying catalysts that will drive investor interest in the stocks we own rather than general market sentiment. In saying this, we aren't immune from negative returns from time to time and this is why we operate the portfolio using downside protection.

October and November are quarterly and AGM update months; we expect some positive commentary as NSW and VIC begin to reopen. We expect strong economic growth over the next six to twelve months as we head into an election year. We are also anticipating strong news flow from the majority of our holdings.

Below, in the Portfolio Update section, we provide a brief update on some of the highlights from our portfolio during the month.

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	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	Since inception (p.a.)	Since inception (total)
Australia All Cap	2.09%	7.41%	7.87%	37.26%	23.86%	26.29%	19.66%	134.45%
ASX 300	-1.89%	1.79%	10.42%	30.88%	8.55%	9.87%	10.98%	63.99%
Cash	0.01%	0.02%	0.05%	0.11%	0.29%	0.63%	0.98%	4.74%

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.

Key Facts

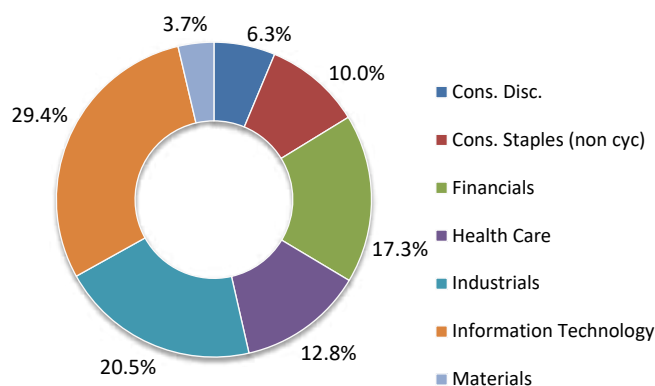
Investment Structure:	Unlisted unit trust
Minimum investment:	A\$250,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater 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\$	\$1.3894	\$1.3859	\$1.3825

Portfolio Allocation

Equity	95.93%
Cash	4.07%



Australia All Cap Unit Class

TAMIM Fund

At 30 September 2021

Portfolio Update:

Healthia (HLA.ASX) announced an \$84m deal this month to acquire the Back in Motion Group (BIM), which includes 64 physio clinics. The acquisition takes HLA to 281 clinics. Of those, 122 are physio clinics, positioning the group as the largest physio provider in Australia.



BIM diversifies HLA out of Queensland and into Victoria and New Zealand. It also adds \$63m of revenue and \$12.4m of EBITDA. The deal is priced on 7x EBITDA and is 13% EPS accretive. We estimate that, pro forma FY22, the group is annualising \$250m of revenue and EBITDA of \$45m. Directors have contributed \$2.75m into the capital raise, which we view as a positive. HLA is trading on 7x EV/EBITDA, whereas most healthcare peers are on 10-12x. Our valuation is now \$3.00.

Australian Clinical Labs (ACL.ASX) was spotlighted last month. They are a leading pathology provider in Australia, and we indicated that we expect several profit upgrades this year. It took exactly one month. ACL updated the market that Covid testing levels remain elevated and its core pathology business remains resilient. Management upgraded profit substantially again with revenue in 1H22 now expected to be up 35% on prospectus with NPAT expected to be up a whopping 206%!



Interestingly, management is being conservative and anticipating a significant decline in Covid testing in the October to December period. We expect another upgrade come AGM time and potentially another for the full year, around February/March next year. We value the stock at \$6.00+ and we expect dividends and acquisitions to get the shares to our valuation.

Smartpay (SMP.ASX) provided an AGM update which was positive in the context of current lockdowns. July and August revenues were up 54% with the company ending the month with 7,150 transacting terminals. More impressively, SMP added 650 new transacting terminals in August alone with 200 further terminals yet to transact due to lockdowns.



The current lockdowns have been a hand brake on SMP's revenue growth as their end customer base, retail stores, are mostly closed. As we emerge from lockdowns over the next few weeks, we are expecting the "revenge spending" thematic to boost SMP's transactional revenue. We value SMP at \$1.20

Australia All Cap Unit Class

TAMIM Fund

At 30 September 2021

Stock Spotlight: Vonex (VN8.ASX)

This article was originally published online on 23 September 2021 under the title "Is This The Telco You Need In Your Portfolio?"

Vonex is an Australian telecommunications company providing innovative Voice over IP (Internet Protocol), or VoIP, solutions. They currently provide mobile, internet, traditional fixed lines, and hosted PBX and VoIP services. VN8 provides these predominately to small to medium enterprise (SME) customers under the Vonex brand. Vonex is employing an aggressive acquisition strategy to grow revenues at scale.



SMEs are the core of VN8's business. There is clearly an unmet need among Australian SMEs for telco services that are reliable, affordable, flexible, scalable and friendly to the new 'work from home' paradigm. Vonex's strong focus on product-market fit, efficiency and customer satisfaction resonates with their SME customers; most SMEs simply don't have the luxury of an in-house specialist to handle things like if their telecommunications are set up properly or if they are managed and utilised to best capacity. Being a smaller telco, VN8 is able to offer a superior customer service experience for SMEs. VN8 is providing customised solutions for business' telecommunication services, they have NBN and business grade fibre packages. VN8 continue to offer a premium customer service experience whilst growing the business.

"As Vonex has gained scale, service levels have also improved, with wait time for the new Direct Business customers on hold down from an average of 6 minutes to under 2 minutes"

- VN8 Update on Integration of Acquisitions, 21 September 2021

Strategy:

VN8's strategy has been to make acquisitions of small but profitable telcos that give VN8 a greater range of product offerings that also have existing SME customers. This strategy has enabled VN8 to capitalise on significant cross selling opportunities, realise cost saving synergies as well as increase their presence throughout Australia.

2SG Acquisition

In March 2020 Vonex completed its acquisition of the 2SG business for a consideration of \$2.6m. 2SG is an established wholesale provider of hardware and connectivity solutions. The integration of 2SG has brought a new dimension to Vonex's business along with 150+ new wholesale customers. This has allowed Vonex to expand its offering to SME customers with new products, including fleet mobile, mobile broadband and NBN with 4G backup.

2SG Wholesale continues to deliver strong growth across key sales metrics, highlighted by 46% growth in orders of NBN with 4G backup and 71% growth in orders of mobile voice services year-on-year in calendar year 2021 to date.

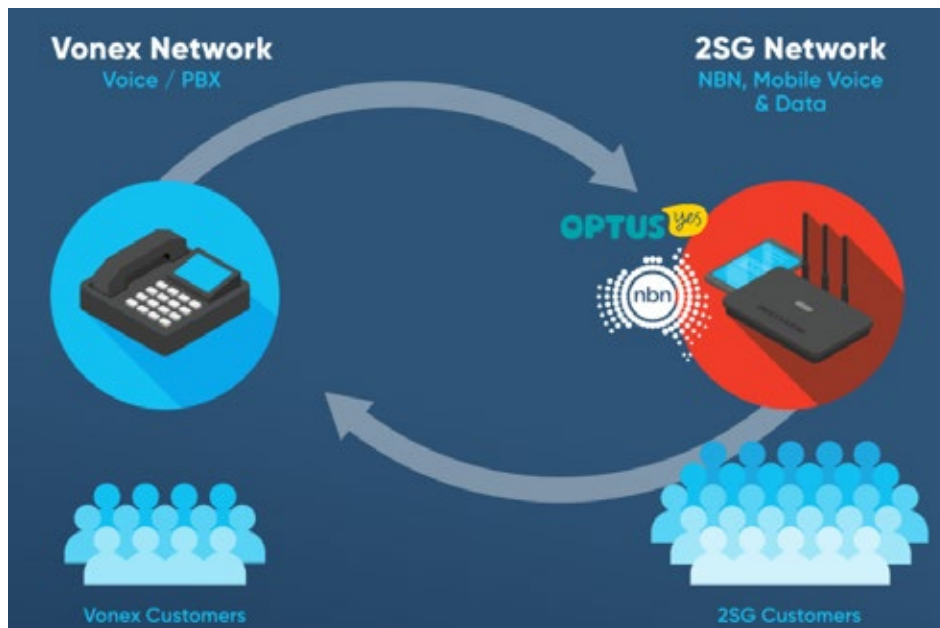


Source: VN8 company filings

Australia All Cap Unit Class TAMIM Fund

At 30 September 2021

Vonex's provision of fast, secure, business-grade wireless broadband through 2SG has met strong customer demand amid the rise of working from home across Australia and has provided VN8 with a significant cross selling opportunity. 2SG are long term partners with all tier one carriers - including Telstra, Optus, NBN, Vocus and AAPT - which makes delivering reliable and secure connectivity products effortless. 2SG added an additional \$7m in annual recurring revenue to the VN8 business.



Source: VN8 company filings

MNF Group Acquisition

In August this year VN8 announced that they will be acquiring MNF Group's direct business. This business sells cloud phone, internet and mobile services to SMEs and consumer customers. The rationale behind this deal is compelling and has significant synergies. The deal will add more than 5,250 new SME customers and 180 new channel partners, effectively almost double VN8's recurring revenue.

VONEX
Direct Business | Key Product & Services 7

Vonex has capabilities across a majority of business products and services provided by the Direct Business

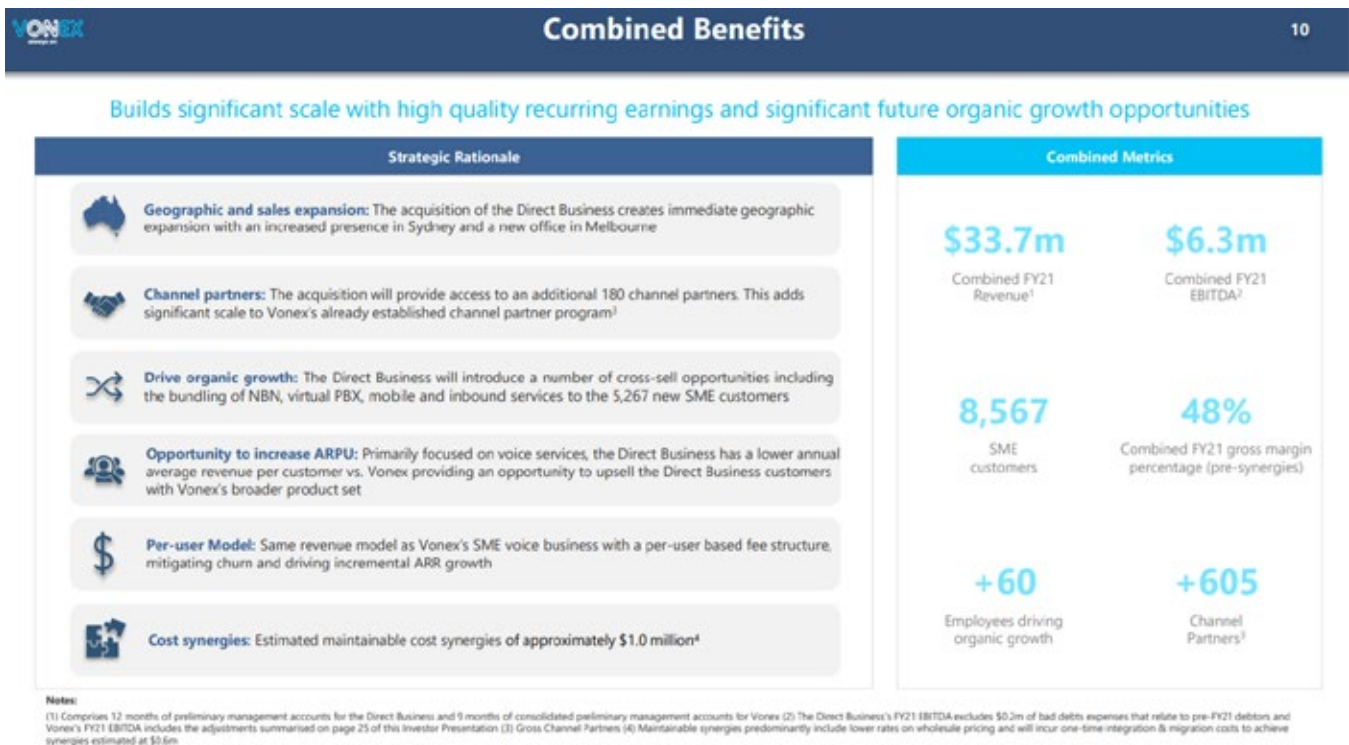
Current Vonex Capabilities				New Vonex Capabilities
Direct Business CY20 Revenue				89%
Phone Systems	4G Mobile	5G, Internet & NBN	Add Ons	Home Phone VOIP
NBN-ready office phone solutions. Options for on-premise & cloud	Sim-only mobile plans	NBN & high speed ethernet	1300 numbers, conferencing, ex-fax desktop SMS & more	VoIP broadband telephone services
Host PBX SIP Trunks Microsoft Teams Integration	4G Voice & Data Mobile Fleet	NBN Fibre Wireless Broadband	Virtual Fax Phone Numbers DID - 1300 / 1800 International Numbers Desktop SMS Audio Conferencing	MyText SMS Meet-Me Conferencing Direct-Inward-Dial (DID) extensions
SME Market Focus Scale Benefits & Cross-selling Opportunities				Residential Market Focus Revenue & Market Diversification

Source: VN8 company filings

Australia All Cap Unit Class TAMIM Fund

At 30 September 2021

The deal will also provide VN8 with geographic benefits as they will have a larger presence in both of the key markets that are Sydney and Melbourne. MNF's direct business has the same revenue model as Vonex and will also carry cost saving synergies of around \$1m. MNF's direct business delivered an unaudited FY21 EBITDA of \$5.5m. Given the size of the transaction and capacity to substantially increase VN8's customer base, national reach, recurring revenues and cross selling opportunities, this deal is transformative for Vonex.



Source: VN8 company filings

Qantas Rewards Partnership

In August 2019 Vonex partnered with Qantas as an official telco provider to the Qantas Business Rewards (QBR) program, offering uncapped Qantas Points to QBR's database of 250,000 SME members for doing business in the cloud. This partnership is providing VN8 with valuable marketing and outreach to SMEs to further support VN8's growth. This partnership should get more and more valuable as VN8 increase product range.

Valuation

Market Cap (at \$0.12 a share)	Net Debt	Enterprise Value	Proforma EV/EBITDA	Proforma PE	ARR
\$39m	\$5.1m	\$44.1m	6x	7.3x	\$31.7m

On a proforma basis after realising the synergies from the MNF acquisition, VN8 would be reporting an EBITDA for FY21 of \$7.3m and NPAT of \$5.3m. This puts VN8 at an EV/EBITDA of approximately 6x, extremely cheap in our opinion. Looking forward, this multiple would be even less when you factor in growth. To put that in perspective over the wire holdings (ASX:OTW) another telco provider is trading at circa 12 times EV/EBITDA. The majority of VN8's revenue is recurring which provides great earnings visibility for the future. VN8 is already a profitable business (proforma indicates \$6.8m of free cash flow post synergies) and they also have \$10m in cash; they are well funded to continue their growth accretive acquisition strategy. We believe the market hasn't yet priced in the synergies that MNF is bringing to the group, VN8's quarterly figures will look quite different to what the market is pricing in.

Australia All Cap Unit Class TAMIM Fund

At 30 September 2021

Annualised Recurring Revenue ('ARR')¹



Notes: (1) Comprises 9 months consolidated management accounts and a 3 month forecast for Vonex and the Direct Business

Source: VN8 company filings

Outlook

We see the upcoming quarterly update (October) as a potentially huge catalyst for VN8. This Quarterly will begin to show the impacts of the MNF acquisition as their customers are integrated into VN8's platform. In an update earlier this week VN8 reported strong growth in retail customer revenue in the first part-month (August 2021) post-acquisition of the MNF Direct Business; monthly retail/SME customer billings have increased by more than 185% year-on-year to \$2.25m. VN8 are well funded to continue their aggressive M&A plan and have proven they can exploit significant synergies and add growth to the business through this strategy. On the back of their partnership with Qantas Rewards, VN8 are in a great position to scale this business. At these prices, VN8 could also be an attractive takeover target. Another of our holdings, Aussie Broadband (ABB.ASX), have recently completed a \$110m placement to fund an aggressive M&A strategy; VN8 could make an interesting takeover target for the likes of ABB.

When the market starts to price in the MNF acquisition, we can see VN8 trading closer to the 20 cent mark.