Australia Small Cap Income Unit Class
TAMIM Fund

At 28 February 2023

Dear Investor,

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

During the month the ASX300 was down -3.5% (the accumulation index which takes dividends into account was better down -2.04%), while the Small Ords was down -4.84% (again the accumulation index was down -3.35%). The TAMIM Small Cap Income Fund was down -2.14%. CYTD the fund is up +1.54% net of fees.

The month of February started well as momentum carried forward from a strong January. Unfortunately sentiment turned quickly as strong economic data from the US, and higher revisions to previous months inflation figures, saw markets sell off in the latter part of the month.Investor's interest rate expectations increased during the month and instead of US rates peaking at 5.00-5.25% the market started pricing a 5.75-6.00% peak and no rate cuts until early 2024. A stark change in only a matter of weeks.

February was a busy period for us as companies reported their results. We were quite pleased overall with most results in our portfolio, although we did see a handful of disappointments. We took the opportunity to make a large change to our portfolio holdings which we will discuss further below.

In summary, this reporting season was the weakest in the last 25 years as many companies missed market expectations. A common theme was a softer outlook on growth, cost cutting and managing price rises to tackle inflationary pressures. There were some positive takeaways as well, with COVID disruptions no longer an issue, supply bottlenecks mostly resolved and labour availability beginning to improve.

One of the best performing sectors was travel and tourism and we feel we are positioned well in that regard, with exposure to Toursim Holdings (THL) and HelloWorld (HLO) with both reporting fantastic results and profit upgrades.

We now have much more conviction and clarity on which businesses will do well in the year ahead. Last year there were too many uncertainties to navigate which is why we kept the portfolio overly diversified with 40+ stocks. The downside to this was we stepped on too many land mines.

Key Facts

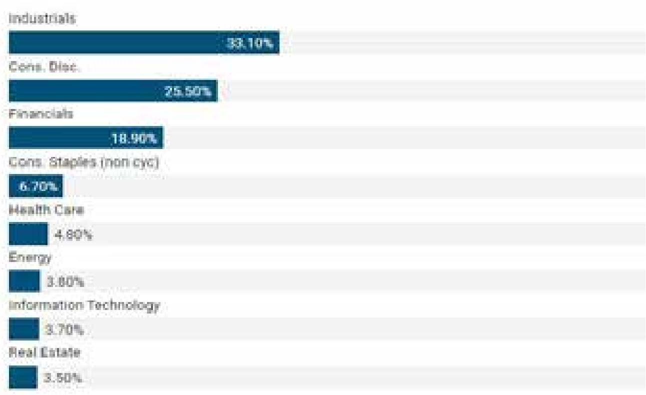
Investment Structure:	Unlisted unit trust
Minimum investment:	A$100,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater 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:	CTS8008AU

NAV

	Buy Price	Mid Price	Redemption Price
AU$	$1.3870	$1.3835	$1.3801

Portfolio Allocation

Equity	88.40%
Cash	11.60%



Portfolio Performance

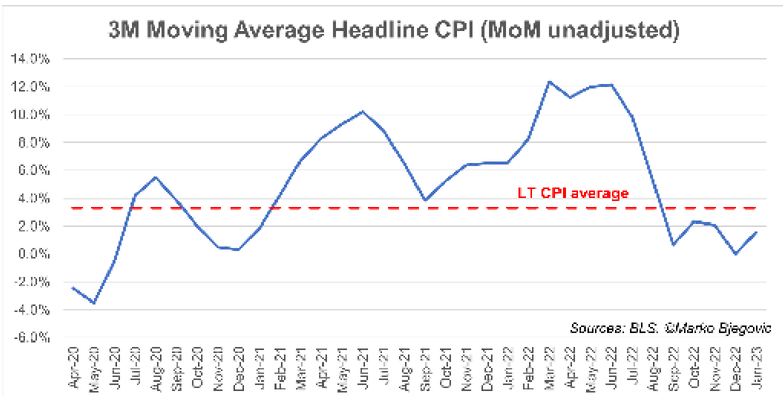
Inception: 1/1/2019	1 month	6 months	1 year	2 years (p.a.)	3 years (p.a.)	Since inception (p.a.)	Since inception (total)
Small Cap Income	-2.14%	-8.90%	-14.58%	2.06%	6.21%	11.22%	55.63%
ASX Small Ords	-3.35%	-1.66%	-7.64%	-1.52%	4.36%	6.55%	30.20%
Cash	0.28%	1.44%	1.82%	0.95%	0.70%	0.81%	3.40%

We now have improved confidence in which industries will fare well and which companies are going to grow. We therefore increased our conviction and reduced the number of holdings in the portfolio materially (we now own 25-30 positions). We believe this will capture better outperformance as share price catalyst materialise for each company. We are quite bullish on the outlook for our portfolio holdings. Each holding has a clear thesis on how we believe it will play out this year. If the majority of these thesis play out as we think, we are of the view that we can generate strong double digit return this calendar year. Investors should bear in mind that for that to happen, market conditions need to normalise.

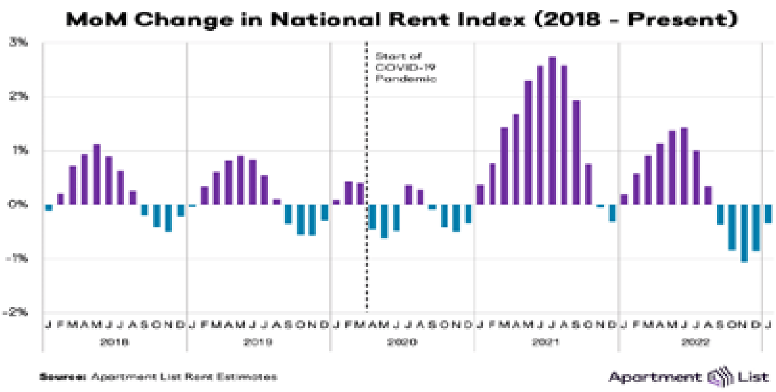
We expect this normalisation to start occuring from the middle of this year as both rate hike cycles come to an end, and inflation falls significantly. In other words, we do see the first half remaining volatile whilst our performance will be skewed to the second half of the year.

The reasons we see inflation falling can be summmarised below. All these factors take time to filter through reported CPI figures as rate hikes have a lag effect on the economy. Through January, M2 money supply has contracted 1.7% year/year, which is most negative in history:

The 3 month moving average of headline unadjusted CPI (Month on month) is only 1.6%:



And the largest CPI component of rent, is coming down fast:



To further explain our confidence and why we believe we will perform well this year, we will provide details on our holdings over the next 2-3 months. We also look forward to holding a webinar in the next few weeks to discuss some of these holdings in more detail.

Sincerely yours,

Ron Shamgar and the TAMIM Team.

Portfolio highlights:

HelloWorld (HLO.ASX) is a travel retailer and wholesaler in Australia and NZ. HLO operates through a network of 2,100+ travel agents, with these agents a key earnings driver and largest contributor to group earnings. Cruise ticket sales are also a big part of earnings and we have seen a strong rebound since COVID as the older demographic customer base regains confidence to travel again. The CEO of HLO is the founder of the company and owns 20% of the business.

Over the last 6-9 months there has been some significant developments that we see as positive. The first is HLO sold its corporate travel division to corporate travel management (CTD) and the second development saw Qantas (QAN) exit their holding in the company thus improving liquidity in the stock. As of the 1H23 result, HLO now has a balance sheet with $56M of net cash and a $65M holding in CTD which comes out of escrow on 1 April 2023.

HLO delivered a strong 1H result with group TTV up 209% to $1.21B, revenue up 151% to $73M and Ebitda of $15.6M. Pleasingly, FY23 profit guidance was upgraded by 28% to $28-32M. We believe there is scope for another upgrade in April (quarterly update) as 1H annualised earnings is already tracking to the top end of guidance but 2H should benefit from a full 6 months of NZ border reopen, and a resumption of Chinese tourism.

Management provided some validation of the above with January TTV up 290% to $212M. Pre COVID, HLO was making $55M Ebitda and management is targeting a full recovery by FY25. We think that's too conservative and we expect a full recovery year in FY24. The current Enterprise Value (EV) is $210M and so the stock is trading at circa 4x EV/Ebitda basis for next year. This compares favourably to its larger peer, Flight Center (FLT) which is on 8x next year.

We see several short term catalysts to re-rate HLO shares towards our valuation of $3.00+ and these include a potential profit upgrade in April, a selldown or an in specie distribution of CTD shares to HLO shareholders, and a possible acquisition or capital management initiatives thereafter. Pre COVID, HLO shares were trading as high as $6.00 a share but the stock conitnues to lag its larger peers (both FLT and WEB have recovered to pre COVID highs).

Tourism Holdings (THL.ASX) is one of the largest global campervan and motorhome retailer and rental business in Australia, NZ, North America and parts of Europe. After a year-long process to acquire its nearest competitor, Apollo Tourism (ATL), the combined group is now extracting the significant synergies on hand from cost cutting, improved procurement of parts, reduced financing costs and property savings. THL current fleet stands at 6,400.

We initiated a position in the company over the last few months at $3.40 range as our analysis showed strong forward booking demand with daily rental rates at more than double pre COVID levels. The business is benefitting from both domestic travelers and a resurgence of international tourists visiting Australia and NZ once again. The company has good visibility on forward earnings as most bookings are done at the very least 6 months in advance for international bookings. During February, THL reported its results and updated the market with a significant profit upgrade for the group on a pro forma basis (assuming THL owned ATL for the full year) of NPAT to come in above $66M (NZD) compared to previously $55M (NZD) on a pro forma basis. This is a 20% upgrade to market expectations.

For the 1H group revenue was $261M (up 50%) with group NPAT $26M (up 35%). Rental yields across all regions were also up between 40-70%. Management believes current yields can be maintained into next financial year and we see the group generating between $80-$90M (NZD) of NPAT next year. With a full fleet rebuild to pre COVID levels, we see a clear path for the company to earn in excess of $100M NPAT. The current market cap is circa $850M (NZD) which places the stock on a forward PE of 10x. We think that's too cheap and expect a possible further upgrade next 3-4 months and resumption of dividend payments at the full year result. We think the stock is worth in excess of $5.00.

Retail Food Group (RFG.ASX) we wrote about this franchisor of Donut King, Crust pizza, Gloria Jeans coffee and Brumbys bakery (to name a few brands) in our previous report. 1H results saw revenue growth of 15% to $63M and Ebitda up 45% to $13.7M. Previous guidance given at the AGM of $26-$29M was upgraded to the top end of the range.

More importantly, and contrary to some of their peers like Dominos Pizza (DMP), 2H trading has started strong with total network sales up 6.8% and same store sales (SSS) growth of 11.8%. The key brands driving this growth are Donut King with sss growth of 31% and Gloria Jeans with sss growth of 21%. Crust Pizza saw sales go slightly backwards as the previous period benefitted from lockdowns induced delivery demand.
Post results RFG announced an equity raise of $25M together with a debt refinance from an amortising facility to a 3 year convertible note from their largest holder in Washington Soul Patts. We see several benefits to the above, with a stronger balance sheet RFG can now focus on growing its brand store footprint, remove any refinancing risk of their debt which was due in September this year, invest in new brands and joint ventures, reducing future balance sheet risk by having their debt tied to their largest shareholder.

In addition, as we mentioned last month, RFG resolved its ACCC issue and with this current debt restructure, should see accelerated growth in new franchisees joining the business as perception has changed and now banks such as ANZ, announcing they will resume lending to RFG brand franchisees. Another benefit is RFG can resume fully franked dividend payments in August.

Going forward we expect RFG to aggressively roll out the Gloria Jeans brand in the US with 100 new stores targeted ($4-5M incremental Ebitda benefit), a possible imminent announcement of a local launch of a prominent US brand, new Smokey ribs concept expansion, and an accelerated roll out of Donut King and Gloria Jeans drive through store network in Australia.

We continue to believe that RFG brands should display resilience in a tougher economic environment with the average transaction value still below $10. With the current market cap at $170M, we see the company trading on 9x PE or 6.5x EV/Ebitda for FY23. This is a more than 45% discount to some of its larger peer multiples. We expect a new US brand launch announcement and a possible profit upgrade as key catalysts in the next 3 months, and we see the stock re rating as key growth milestones are delivered over the year. Finally a resumption in dividends in August will widen the universe of investors in the stock. We think the shares are worth at least 12 cents.

Clearview (CVW.ASX) has reported a $16.3M Underlying Net Profit for the 1H23 (up 31%). Life insurance is the main contributor to the group's strong 1HY23 growth, with gross life insurance premium income increasing 8%, while new business increased 9%. CVW outlined plans to divest its managed investment business which will give the group a 40% strategic stake in Human Financial Pty Ltd valued at $16M. The divestment will strengthen the balance sheet releasing $15M of cash.

Due to the strong result, full year underlying NPAT has increased from the range of $28.5 - $30M, to the range of $30 - $32M. Excluding the Wealth Management NPAT loss of $2M, FY 23 Underlying NPAT would instead be $32 – $34M (ie. 21 – 28% growth on FY 22). CVW now has a clear strategy, a simplified business model and a focus on Life Insurance as a pure play making it an attractive takeover target once again.

The balance sheet remains strong with Net assets of $476.7M – ie. $0.72 per share and Embedded value of $0.902 per share (incl franking credits). The Dividend policy remains unchanged at 40%-60% of Underlying NPAT, (ie. at the midpoint of guidance, full year dividend per share of between 1.9 – 2.8 cents, fully franked). Finally in a higher interest rate environment CVW earnings will grow with an increased benefit delivered in 2H FY23 and FY24.

Such a business growing earnings at > 20%, a PE multiple of 11x and a fully franked dividend yield of 4-5% - looks pretty attractive to us. At the current share price of 52c, CVW trades 29% below its Net asset per share of 72 cents (38%+ upside). It is our view that the stock will gradually re rate on the back of this strong result and business simplification. With insurance sector peers trading on 14x PE, we see CVW valuation heading towards the low 70s cents range.

Our conviction in CVW has increased and we are of the view that a takeover of the company is more likely now than in the last 12 months as industry fundamentals improved together with the business performance.