Australia Small Cap Income Unit Class
TAMIM Fund

At 30 June 2021

During June the ASX 300 rose 2.25%, delivering a +28.51% return for FY21. Its strongest FY performance in some time. Despite delivering its best return in over a decade, the ASX still lagged the majority of major global equity markets for FY21, underperforming the S&P500 (USD) by 10.1% and MSCI World (USD) by 10.8%.

The TAMIM Fund: Australia Small Cap Income portfolio finished the month up +1.54% net of fees.

For the calendar year 2021 the portfolio is up +18.59% net of fees. The strategy finished up +65.67% for FY21.

The biggest drag on performance in June was actually the rollover and cost of our market option strategy. These downside protection put options on the index are a strategy we initiated following the market meltdown in March 2020.

Although the strategy has cost us a few percentage points since, we believe it provides several benefits to both us and our investors:

- In the instance of a market sell off, it will cushion some of the price falls;
- If there is a market crash, we will make considerable profit and can in turn deploy this into buying opportunities; and
- Finally, it provides us and investors with peace of mind, allowing us to focus on picking quality businesses regardless of market noise about future market pullbacks.

We are positive on the portfolio's holdings going into the July quarterly updates and the August reporting period. We anticipate that a number of these updates act as a catalyst for strong portfolio performance in the next few months.

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.

Key Facts

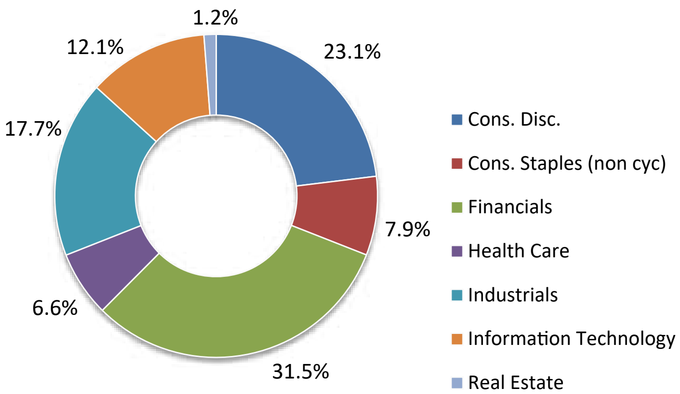
Investment Structure:	Unlisted unit trust
Minimum investment:	A$100,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	RBA Cash Rate + 2.5%
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 (cum distribution)

	Buy Price	Mid Price	Redemption Price
AU$	$1.5946	$1.5906	$1.5866

Portfolio Allocation

Equity	94.13%
Cash	5.87%



Portfolio Performance

Inception: 1/1/2019	1 month	3 months	6 months	1 year	2 years (p.a.)	Since inception (p.a.)	Since inception (total)
Small Cap Income	1.54%	8.11%	18.59%	65.67%	20.51%	22.09%	64.52%
ASX 300	2.25%	8.48%	12.99%	28.51%	8.96%	15.19%	42.29%
Cash	0.01%	0.02%	0.05%	0.15%	0.40%	0.59%	1.49%

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Portfolio Update:

People Infrastructure (PPE.ASX) announced two acquisitions, the first a leading staffing business and the second a surveying business in Queensland. EBITDA across both acquisitions is expected at $8.2m and earnings per share accretion of approximately 19%. PPE will pay $31m, funded from cash and debt facility. Management continues to execute well on their strategy and the business is growing both organically and through acquisitions. With a pipeline of possible deals and further $50m in capacity, we see PPE as well positioned.

Empired (EPD.ASX) has secured a digital services contract with the Department of Innovation and Skills (DIS) in South Australia. The contract is for an initial term of two years. Work is scheduled to commence in July 2021 at an estimated value of $9m and a split across FY22 and FY23 of approximately $5.5m and $3.5m respectively. This contract represents a material win for EPD and demonstrates the progress management is making in executing on its Australian East Coast expansion strategy. We are expecting a strong result in August, showing improvement in all metrics and dividends.

Cardno (CDD.ASX) announced a strategic review following the receipt of a number of unsolicited approaches from interested parties looking to acquire the company. The Board has decided to commence this strategic review process with the objective of maximising shareholder value. This process will involve an assessment of Cardno's strategic options and the alternative strategies available to unlock and enhance value for Cardno shareholders. In other words, the company is in play.

We believe that CDD's largest private equity owner, Crescent Capital, has decided that it may be time to realise their investment in CDD and Intega (ITG.ASX). We first took our position in CDD at around 30 cents and we forecast cash EPS of 7-8 cents in FY21. Assuming a takeover premium and a conservative multiple of 15x, we expect any takeover offer to be $1.20+. Watch this space!

Intega (ITG.ASX) as per CDD above, they have announced a similar strategic review which is supported by their largest holder Crescent Capital. This is the result of increased activity and interest in the sector. The Board of ITG will be exploring ownership options for the company.

More importantly, management noted that ITG is performing well and is well positioned to benefit from the strong pipeline of infrastructure investment in both the US and Australia. The business has significant organic and inorganic growth potential, particularly in the US markets, as well as adjacencies.

The Board believes that the business is undervalued by the market and we tend to agree. We bought ITG at around 32 cents and we see cash EPS of 4-5 cents in FY22. We see any takeover premium landing around the 60-70 cents range.

If you haven't already, make sure you also read our recent article 3 Likely Takeover Targets We Own.