

Australia Small Cap Income Unit Class

TAMIM Fund

At 31 March 2021

During the month of March the ASX300 was up +2.30% and the Small Ords was up +2.55%.

The TAMIM Fund: Small Cap Income portfolio finished the month up +1.85% after a strong quarter to start to the calendar year.

The Fund is up +9.70% net of fees in the March 2021 quarter. The portfolio has now delivered a +98.18% return in the last twelve months, more than recovering since the historic market sell off in February/March last year.

During March, investors turned their attention from the risk of future inflation and rising interest rates to further government stimulus, both here and in the US, and the promising rollout of vaccinations across the US and the UK. With over 120m Americans now vaccinated and Covid cases and deaths plummeting, it is quite evident to investors that the US should experience a sharp rebound in economic activity, something that is already gathering pace. New job openings, for example, are now where they were in early 2019.

We continued to add some new positions to the Fund this past month while also adding significantly to companies that we gained confidence in due to their forecast performance this year.

Some examples of our top holdings include EPY.ASX, DSK.ASX, ITG.ASX and CDD.ASX. As we go to print in April these stocks have gained considerably from our entry prices.

We also received two takeover bids for our holdings in MOC and MCP during the month.

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

Sincerely yours,

Ron Shamgar and the TAMIM Team.

Portfolio Performance

<i>Inception: 1/1/2019</i>	1 month	3 months	6 months	1 year	2 years (p.a.)	Since inception (p.a.)	Since inception (total)
Small Cap Income	1.85%	9.70%	30.71%	98.18%	18.25%	20.56%	52.17%
ASX 300	2.30%	4.16%	18.53%	41.53%	9.99%	13.99%	34.17%
Cash	0.01%	0.02%	0.06%	0.19%	0.54%	0.65%	1.47%

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. ASX300 refers to the S&P/ASX 300 Accumulation Index.

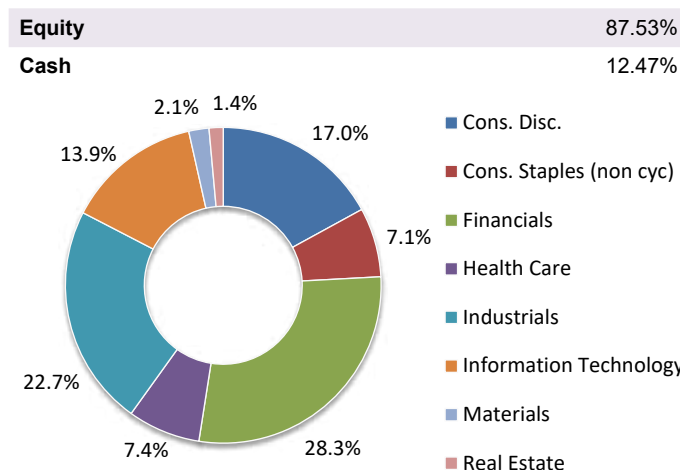
Key Facts

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

	Buy Price	Mid Price	Redemption Price
AU\$	\$1.4749	\$1.4712	\$1.4676

Portfolio Allocation



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Portfolio Update:

Resimac (RMC.ASX) announced a non-bank record RMBS deal of \$1.5bn this month. The deal was RMC's largest since 2006 and represents 12% of their total assets under management. The notes were priced at 80 bps above BBSW which is the lowest margin a non-bank lender has achieved since the GFC. Investors have been selling shares in RMC for, in our opinion, no reason whatsoever recently.

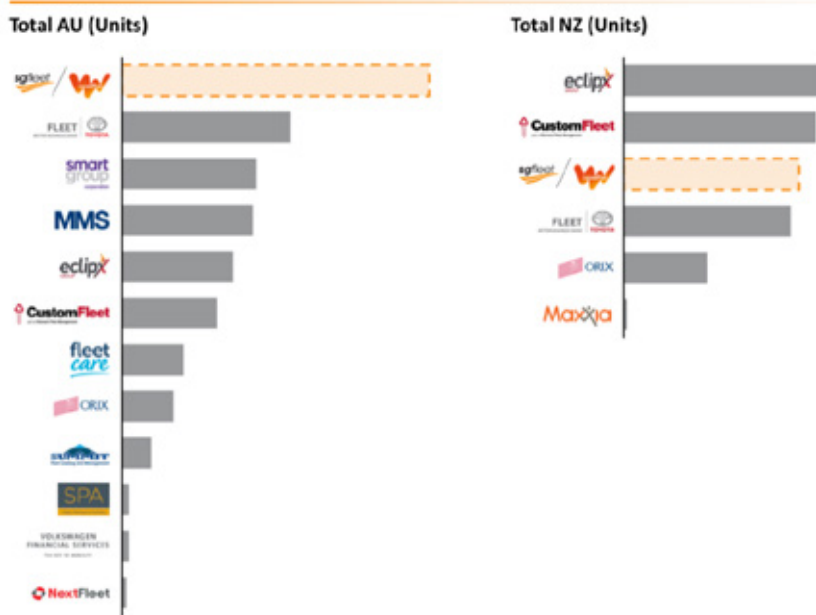
This cheap funding will not only improve margins for their back book of loans but will also enable the company to aggressively compete for new lending. This will drive future profit growth. We are now fairly certain that RMC will upgrade profit guidance this year and deliver profit growth next year. RMC will, over time, re-rate to our **valuation of \$3.50** just like it has done since we first bought in at 55 cents.

Mortgage Choice (MOC.ASX) & McPherson's (MCP.ASX) both announced takeover bids for their respective companies. In the case of MOC, we bought the stock at 75 cents based on it being fundamentally cheap and while also aware of the prospect of corporate activity. We were right on both counts but never expected the ultimate bidder to be REA Group (REA.ASX). The deal, at \$1.92 cash per share, is very attractive and we have made a superb return here.

In the case of MCP the story is quite different. MCP has recently downgraded its profits guidance materially after getting hit by lower sales in its Chinese distribution channels. We know the company well, following it for many years and having bought and sold the stock profitably previously. We pounced on the opportunity to buy shares again at \$1.20 after investors sold the stock down. During the month a company owned by Raphael Geminder made a \$1.34 cash bid for MCP. The bid is opportunistic and well timed. We believe there's a good chance of a higher bid so we are holding tight for now.

SG Fleet (SGF.ASX) announced the acquisition of one of its largest competitors in Australia, Leaseplan. The deal is transformative as it creates a fleet management and car leasing group with 250,000 vehicles under management. Management is estimating \$20m worth of cost synergies over the first three years which in turn will be 20% cash EPS accretive for shareholders. The deal will see the combined group become by far the largest player in the local Australian and New Zealand market, managing approximately double the number of vehicles of to their nearest competitor.

Creating Highly Compelling Fleet Management & Leasing Offering¹



1. Source: Company filings where applicable / SG fleet internal estimates for non-listed peers. Volumes are based on current estimates and fluctuate significantly over time, reflecting dynamic nature of the market. Not exhaustive list of full market.



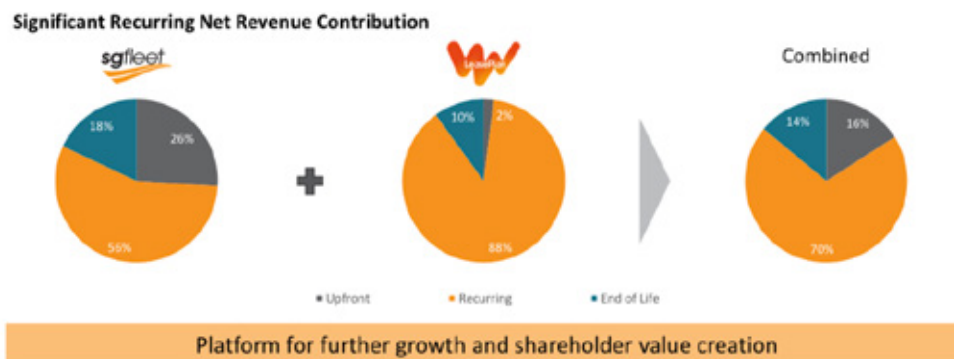
Source: SGF company filings

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By adding Leaseplan, SGF improves its recurring revenue profile to 70% of group sales. We believe this will command a higher valuation multiple from investors over time. **We value SGF at \$3.50** and we own the stock in the Small Cap Income portfolio.



Source: SGF company filings