

Australia Small Cap Income Unit Class

TAMIM Fund

At 31 March 2022



Dear Investor,

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

During the month the ASX300 was up +6.90% while the Small Ords Accumulation Index was up +6.27%.

The TAMIM Fund: Australia Small Cap Income portfolio finished the month up +2.05% net of fees.

March saw markets bounce back from the selloff we saw in the first two months of the year. The popular tech names saw the biggest bounce back with smaller IT services companies still struggling to regain investor confidence.

In Australia, the budget incentives for businesses to increase spending on digital services should see IT and Telco providers benefit materially in the next six to twelve months.

We continue to see M&A activity accelerate. We expect more companies to attract bids as valuations remain depressed.

Broadly speaking, we expect inflation figures to remain a hot topic and markets to remain volatile as investors continue to be concerned about the quantum of interest rate rises over the next one or two years. The persistent Covid-zero policy of the Chinese government is placing further pressures on an already clogged up global supply chain.

As always, at some point sentiment changes and what seemed a worst case scenario at one point is no longer perceived to be. When that happens in the next few months, markets will turn and investor's attention will refocus and shift to companies that continue to grow revenues and profits. We believe our portfolio is well positioned to benefit.

In the meantime, we encourage investors to take this opportunity to capitalise on short term market volatility and consider adding to their positions with us. We believe we own a group of businesses that have pricing power and should benefit from rising rates and inflationary conditions.

We remind investors that savvy clients who topped up with us during the March 2020 crash have seen an incredible return on their investment since.

Portfolio Performance

Inception: 1/1/2019	1 month	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	Since inception (p.a.)	Since inception (total)
Small Cap Income	2.05%	-2.13%	5.07%	22.19%	55.61%	19.55%	21.07%	85.93%
ASX 300	6.90%	2.10%	4.35%	15.23%	26.26%	10.86%	13.57%	51.13%
Cash	0.01%	0.02%	0.05%	0.10%	0.14%	0.39%	0.48%	1.57%

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.

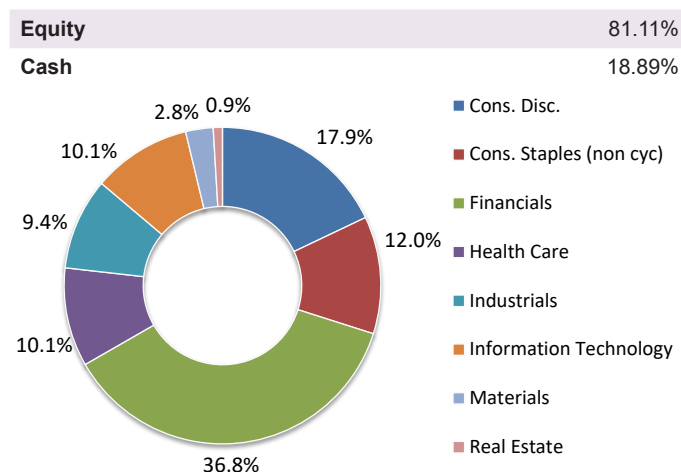
Key Facts

Investment Structure:	Unlisted unit trust
Minimum investment:	A\$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:	CTS8008AU

NAV

	Buy Price	Mid Price	Redemption Price
AU\$	\$1.6571	\$1.6529	\$1.6488

Portfolio Allocation



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We provide some highlights in the portfolio update section and will provide further commentary in our next monthly report.

Sincerely yours,

Ron Shamgar and the TAMIM Team.

Portfolio Update

Sequoia Financial (SEQ.ASX) announced the acquisition of three businesses: Informed Investor, Sharecafe and Corporate Connect Research. These acquisitions increase the scale of the Direct Division while also providing significant support to the existing network of Sequoia advisers. It also assists in developing a digital and educational content platform for all fund managers, ASX listed companies and the broader financial services industry comprising of approximately 2,000 AFSL holders and 17,000 authorised representatives.



The acquisitions will be EPS accretive for FY23 with the transaction valuation based on a 5x FY23 forecast EBITDA. The total consideration will be approximately \$5.1m. Although the deal is accretive and makes some sense to us, we would have preferred to see deals done in the professional insurance segment. We also believe that the price paid was on the excessive side. That said, we are backing SEQ's management in their strategy of growing the company.

Sigma Healthcare (SIG.ASX) is one of Australia's leading pharmacy and pharmaceutical distribution businesses. During March, SIG reported its results (January FY22) with revenues up +1.3% to \$3.45bn and underlying EBITDA of \$92m. The company has had a volatile year impacted by lockdown disruptions and the omicron surge. In addition, a company-wide ERP system was implemented, causing significant disruptions to order fulfilment. These issues have now been resolved.



We bought SIG at 44 cents as we see a business with significant strategic value being undervalued by the market. SIG invested \$390m over the last five years in the latest national distribution centre network which they are now ready to reap the benefits from. The business has a competitive edge in pharmacy distribution, being able to service efficiently and at a lower cost than some other competitors. For example, DHL Supply Chain, of the broader German-listed DHL, won the Chemist Warehouse contract off SIG but eventually had to relinquish that contract back to SIG due to an inability to service.

More recently, another competitor, Australian Pharmaceuticals Industries (API) who own Priceline, was acquired by Wesfarmers (WES.ASX), after a takeover battle with Woolworths (WOW.ASX). We believe SIG may end up next in line to be acquired by either WES, WOW, DHL or even Metcash (MTS.ASX). In our view, any bid should be at around 75 cents.

SRG Global (SRG.ASX) is an engineering and asset maintenance contractor specialising in the construction and mining sectors. Over the last few years, management has transformed the business into a very profitable contractor that is winning new work. The revenue mix is now comprised of close to 65% recurring services revenue.



During March, SRG acquired WBHO Infrastructure in WA off of administrators. SRG paid \$15m and knows the business well having previously worked with them on several projects. Management believe they can extract better margins on the \$150m of annual revenues WBHO generates. We believe the deal to be extremely accretive for SRG and we estimate that SRG will deliver EPS in excess of 6 cents per share next year. Our valuation is 80 cents.