Australia Small Cap Income Unit Class
TAMIM Fund

At 31 May 2023

Dear Investor,

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

The TAMIM Small Cap Income Fund was down -6.43%. CYTD the fund is down -3.48% net of fees.

During the month the ASX 300 declined -0.95%, with consumer discretionary, financials and materials leading declines, while small caps continued their period of underperformance versus large caps, with the ASX Small Ordinaries down -2.69%.

Following a strong April return the Fund had a pullback as investors took profits and sentiment once again shifted towards macroeconomic newsflow.

Australian equities were weaker through the month, as softening commodity prices weighed down on the resources and energy sectors (no exposure), while weaker than anticipated economic data, a surprising 25bps RBA rate hike and firmer CPI print, impacted listed businesses with exposure to the domestic economic cycle which we are invested in.

In our April monthly report we noted the following:

“We see the first half performance as more volatile and lumpy, whilst our further performance may be more skewed to the second half of the year.“

It seems this lumpiness in performance may continue in the short term, although we expect some of the portfolios larger holdings to deliver certain milestones this year which should see their share prices react positively once expected newsflow materialises.

Over the last few weeks we have seen a flurry of M&A deals emerge at significant premiums in the small end of the market, which does reflect the mismatch in valuations between institutional investors in listed equities and private companies expectations. We expect M&A to dominate the headlines this year in the absence of economic growth, as larger companies look to grow by acquisitions.

Key Facts

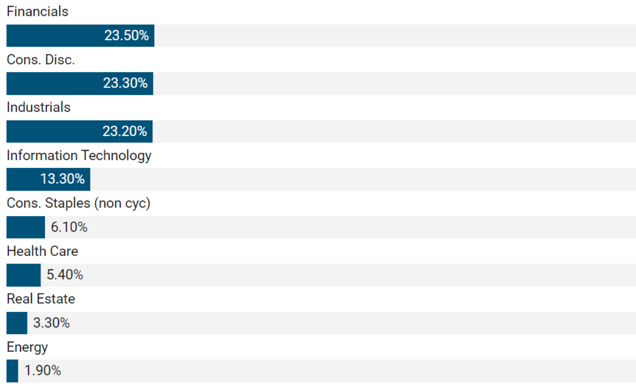
Investment Structure:	Unlisted unit trust
Minimum investment:	A$100,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater 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$	$1.3185	$1.3152	$1.3119

Portfolio Allocation

Equity	89.20%
Cash	10.80%



Portfolio Performance

Inception: 1/1/2019	1 month	6 months	1 year	3 years (p.a.)	Since inception (p.a.)	Since inception (total)
Small Cap Income	-6.43%	-4.68%	-12.82%	14.49%	9.29%	47.95%
ASX Small Ords	-2.69%	-1.91%	-5.23%	4.66%	5.91%	28.81%
Cash	0.32%	1.70%	2.69%	0.99%	0.97%	4.34%

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. ASX Small Ords refers to the S&P/ASX Small Ordinaries Index.

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Below we provide company specific commentary in the portfolio section of the report. We will provide further updates in our next monthly report during July.

Sincerely yours,

Ron Shamgar and the TAMIM Team.

Portfolio highlights:

Universal Stores (UNI) provided a mixed update during the month. Despite a deteriorating macro environment, and increasingly clear signs that the youth customer is seeing pressures on their discretionary spending levels, FY23 is on track to deliver record sales, new stores have performed well, and the business has successfully adjusted its' offering to cater to the changing channel preferences of customers.

In addition Perfect Stranger as a retail format is performing strongly and continues to demonstrate its strong potential for an economically attractive national roll out. The CTC business acquired last year will also deliver record sales, solid earnings, and especially encouraging performance from the emerging Worship brand.

Group margins and business unit inventory levels have been well managed against a backdrop of increased promotional discounting activity from peers and some evidence of overstocking in the market.

Management did note however that trading conditions observed throughout April and May to date have further tightened indicating that some customers are reducing their spending. The Group expects this subdued environment to continue for the balance of FY23 and into FY24.

UNI provided the following guidance for FY23 with Group sales expected to be in the range of $258 million to $261 million (versus $208 million reported in FY22); Underlying EBIT is expected to be in the range of $39 million to $41 million, which compares to $32.6 million in FY22.

Store footprint of a total of 95 physical store locations are expected to be open as at 30 June 2023, comprising 77 Universal Store sites, 8 Perfect Stranger sites, and 10 THRILLS stores. Four new store openings, originally slated for H2 FY23, are now expected to open in Q1 FY24.

Overall a strong result for the year which was tempered by weaker conditions recently with some new store openings deferred to next year, saw investors dissapointed and the stock was sold off by -15%. UNI is the only retailer we own in the Fund due to the large store rollout opportunity for the next 3-5 years, significant profitability and a strong balance sheet, and exposure to what we believed was a more resilient demographic in the current economic environment. Unfortunately even the young generation is feeling the rising costs of living. We have reduced our position in the stock and will reassess at the August results.

PeopleIN (PPE) finally announced that it has concluded the strategic review process which began back in November 2022. The strategic review was conducted with the intent of maximising value for all PeopleIN shareholders and considered an array of strategic options.

The strategic review has confirmed that PeopleIN is best positioned to continue executing on its existing three-year strategic plan, with a focus on resilient sectors with a long-term demand for staff, cross-selling between our specialist brands and international recruitment.

The Board also took into consideration the Company's growth opportunities considering economic conditions and strong industry tailwinds, including a significant improvement in visa processing times in recent months and broader migration reforms which if implemented have the potential to dramatically improve Australia's global standing as a work destination. Considering the resolution of the Board to commit to the current strategy, PeopleIN has concluded its strategic review.

In other words, the company couldn't find a suitable acquirer for the business at a multiple that was much better than what equity markets are valuing the business. PeopleIN also reaffirmed its FY23 earnings guidance with normalised EBITDA of $62m - $66m. A slight change to the original top of the range guidance in February.

Overall this was not a favorable outcome and saw the share price sold off -20% since then. At current levels, PPE is trading on a PE of less than 6.5x and dividend yield of 8.5%. Although we are entering a tougher environment for labour markets, PPE is diversified and exposed to some defensive sectors such as health and nursing and Food packaging.

Reckon Limited (RKN) held its AGM with the Board highlighting the disconnect between the share price and implied valuations based on revenue or EBITDA multiples usually applied to software companies, including the multiple applied to the sale price of the Accountants Practice Management Group. The board believes that there is considerable value to be unlocked in Reckon, and the management team are working hard to crystallise this value.

To that end, a new cash incentive plan for the CEO and CFO was announced. The reward under the plan is significant, but so too are the targets. A potential return in cash of approximately three times the current market capitalisation of Reckon for any payment over the next six and a half years, up to approximately six times the current market cap for the maximum payment.

We believe there is significant upside in both the cloud business division which could be sold alone for more than double the current market cap to a potential bank, and the small but faster growing Legal software division in the US which if successful is worth at least the current market cap. In the meantime we getting paid a 7% dividend yield to wait.