Australia Small Cap Income Unit Class
TAMIM Fund

At 30 September 2022

Dear Investor,

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

During the month, the Small Ordinaries was down -11.20%. The TAMIM Fund: Small Cap unit class finished the month -5.59% net of fees.

US markets had one of their worst months in recent times in September, with the S&P500 down -9.30% and the Nasdaq -10.50%. Our portfolios have significantly outperformed the markets since June as we have repositioned into stocks that are continuing to grow earnings despite economic headwinds, exited under-performing positions, built a significant cash balance to take advantage of volatility and finally, have material exposure to the energy sector (thermal coal) as the world goes through a once in a lifetime energy crisis.

As we go to print, the US inflation figures remain persistently high (8.2%) but, more importantly, are beginning to gradually decline. We expect major components of the CPI, such as shelter, to materially reduce next year due to the lagging nature of their calculation methodology. By that time, we expect the Federal Reserve to begin pivoting on their hawkish narrative and for US rate rises to ease and peak early next year.

Investors are forward-looking and will begin pricing in a strong economic recovery and growth in company earnings to resume. We expect markets to have a strong performance next year as a result. We believe the next few months will continue to remain volatile as investors adjust expectations on a monthly basis. We believe this volatility should be seen as an opportunity to invest further.

Historically it's been very difficult for investors to try and time market bottoms or the best time to reinvest in the market. It is important to remain invested and take advantage of any further market selloffs as a buying opportunity. The best returns are usually made in times like these and especially after one of the worst years in share market history. It seems that history is on our side in this respect.

Key Facts

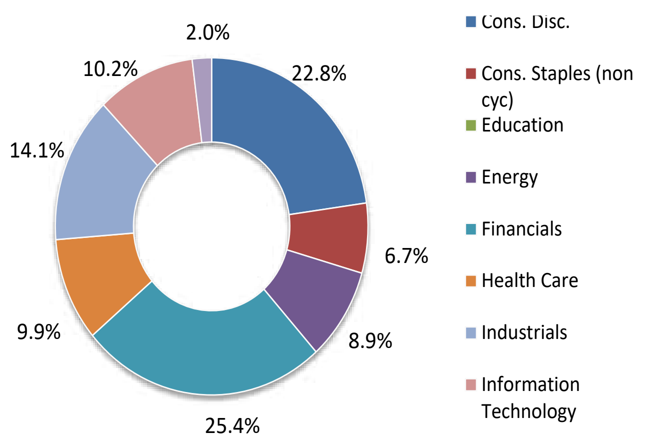
Investment Structure:	Unlisted unit trust
Minimum investment:	A$250,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater 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$	$1.4374	$1.4338	$1.4302

Portfolio Allocation

Equity	83.7%
Cash	16.3%



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	-5.59%	-13.26%	-8.86%	17.70%	7.62%	13.61%	61.28%
ASX Small Ords	-11.20%	-20.77%	-22.58%	0.49%	-0.80%	4.41%	17.56%
Cash	0.19%	0.56%	0.61%	0.36%	0.39%	0.57%	2.14%

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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The table below shows the returns of the S&P 500 over various time horizons after drawing down by -25% like they did in CY2022.

What you can see is that in every instance this has occurred, returns have been positive over the following 3, 5 and 10 years. The average returns over these periods also exceed 10% per annum.

When the S&P 500 is down 25% or more since 1950

Peak	Trough	% Decline	+1 Year	+ 3 Years (p.a.)	+ 5 years (p.a.)	+10 years (p.a.)
12/12/1961	26/06/1962	-28.0%	31.2%	19.1%	14.3%	10.5%
29/11/1968	26/05/1970	-36.1%	32.2%	13.0%	5.0%	7.0%
11/01/1973	3/10/1974	-48.2%	1.4%	7.4%	7.3%	11.2%
28/11/1980	12/08/1982	-27.1%	43.9%	21.9%	27.6%	17.6%
25/08/1987	4/12/1987	-33.5%	14.7%	10.3%	14.5%	17.2%
24/03/2000	9/10/2002	-49.1%	0.2%	0.6%	4.0%	3.3%
9/10/2007	9/03/2009	-56.8%	-6.9%	1.2%	10.0%	12.0%
19/02/2020	23/03/2020	-33.9%	56.4%	???	???	???
3/01/2022	30/09/2022	-25.2%	???	???	???	???
Averages		-37.6%	21.6%	11.0%	12.9%	12.1%

Source: a wealth of common sense

Current valuations are quite attractive on historical levels and especially in small caps. In Australia, small caps are 27% below their long term average PE multiples, compared to an 11% discount for large caps. This is often the case when small cap buyers go “on strike” during bearish market sentiment periods. The good news is that when sentiment turns, and it always does, small caps tend to outperform, just like they did following the 2008 GFC, 2018 selloff and March 2020 crash.

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

Sincerely yours,

Portfolio Update

IVE Group (IGL.ASX) provides printing and digital marketing services for the majority of magazines, catalogues, and point of sale displays in Australia. During the month, IGL became a monopoly in heat set web offset operations in Australia by acquiring the assets of competitor Ovato off administrators for $16M. An additional $22M will be spent on integration and CAPEX over the next 12 months, which will result in significant upside to the group.

Ovato is expected to add $160M of revenue and $15M of NPAT. This is material compared to FY23 guidance of $36M NPAT. The group should generate in excess of $50M of NPAT in FY24 and pay approximately $50M of gross dividends then. The current market cap is $325M or a 16% income yield. The business is very well run and is a beneficiary of the trend to manufacture on shore. We value IGL at $3.50.

SRG Group (SRG.ASX) announced $145M of new contracts in September. The company is fast becoming one of the highest quality earnings profile contractor and engineering firm on the ASX. With Ebitda forecast to grow 25% in FY23 and almost 70% of revenue is recurring annuity contracts, SRG has a strong debt free balance sheet and trading at only 10.5x PE in FY23.

SRG is also diversified across mining, civil engineering and infrastructure sectors while having $1.3B of work in hand and a further $6B in potential new business pipeline to be won. We have seen a bidding war emerge recently for a listed peer in Maca (MLD), and wouldn't be surprised to see some corporate activity with SRG in the near future. Our valuation is 90 cents.

Motorcycle holdings (MTO.ASX) announced the acquisition of leading Motorcycle, ATV and genuine spare parts importer and distributor, Mojo Group for $60M ($20M cash; $30M scrip; and $10M earnout). The deal priced at an attractive 4.1x PBT multiple and is 18% EPS accretive. More importantly, Mojo principals will hold 16% of MTO post-acquisition which aligns the deal well to succeed.

The acquisition will diversify the business while opening up a runway of future growth opportunities in new brands/products with differing cyclical drivers, new markets and the EV sector, expansion into importing and distribution and a wider geographic reach in WA and NZ. Post deal we estimate MTO is trading on a PE multiple of 6.5x and a 10% gross dividend yield. Our valuation is $4.00.

Universal Stores (UNI.ASX) announced the acquisition of Cheap THRILLS Cycles (CTC), a designer, wholesaler and retailer of casual youth fashion apparel, for $50M. The acquisition is 18% EPS accretive on a proforma FY22 basis, where CTC delivered sales of $34.6M and EBIT of $7.3M. 80% of CTC's FY22 sales was from its wholesale channel (UNI contributed 26% of those sales), 8% from its retail stores (8 stores), and 12% from online sales. Total consideration consists of an initial cash payment of $17.5M, $17.5M of UNI shares and an estimated $15M of deferred consideration.

The acquisition of the top performing 3rd party brand makes strategic sense (CTC products represented 9% of UNI's FY22 sales), providing UNI with increased scale and further growth optionality from exposure to a highly scalable wholesaling business and a small but growing wholesale channel in the US. UNI is currently trading at 11.5x FY23 PE, has a robust balance sheet, strong free cash flow generation and is exposed to a young customer base that isn't as impacted by rising interest rates. Our valuation is $6.50.