Australia All Cap Unit Class Fund

At 30 June 2024

Dear Investor,

We provide this monthly report to you following conclusion of the month of June and the 2024 financial year.

The TAMIM All Cap Fund was up +1.47% (net of fees) during the month, versus the Small Ords down -1.39% and the ASX300 up +0.92%.

CYTD the fund is up +18.77% net of fees versus the ASX300 up +4.16% and the Small Ords up +2.76%.

The end of June marks the financial year end and is always a good opportunity to take stock and reflect on the past 12 months. Overall the fund performed strongly in FY24 delivering +35.73% return (net of fees) versus the ASX300 +11.92% return including dividends.

The performance can be attributed to our process of focusing on profitable and growing small/mid cap stocks that in most cases are being significantly undervalued or overlooked by the market for various non-fundamental reasons.

Many of these companies share similar characteristics such as a leading and strategic position in their industry, founder led or management with significant shareholding, and strong fundamentals backed by profits and balance sheet strength.

This approach has not only delivered strong returns but led to several takeovers in the portfolios during FY24 such as SYM, VHT, PSQ, TSK, LNK, QIP, CNW to name a few.

We expect M&A activity to heat up again during the latter part of this calendar year. In the meantime we look forward and expect the August reporting period to provide for rich catalysts, which should result in some of our holdings performing strongly and delivering the next leg up in performance for the fund.

We provide a brief commentary on portfolio updates during the month in the portfolio section of the report. We look forward to providing further updates in our next monthly report in August.

Sincerely yours,

Ron Shamgar and the TAMIM Team.

Key Facts

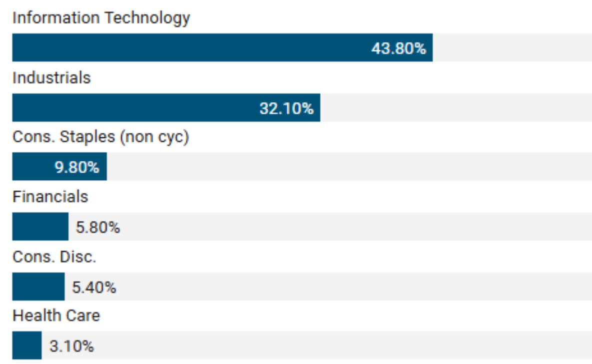
Investment Structure:	Unlisted unit trust
Minimum investment:	A$100,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater 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:	CTS9748AU

NAV

	Buy Price	Mid Price	Redemption Price
AU$	$1.5502	$1.5463	$1.5424

Portfolio Allocation

Equity	92.90%
Cash	7.10%



Portfolio Performance

Note: Individually Managed Account (IMA) returns will, by their nature, vary from the underlying portfolio. Should you wish to see your individual return, please log in to your account online.

Inception: 31/12/2016	1 month	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)	Since inception (total)
Australia All Cap	1.47%	35.73%	6.22%	16.15%	13.68%	161.39%
ASX 300	0.92%	11.92%	6.08%	7.22%	8.50%	84.32%
Small Ords	-1.39%	9.35%	-1.56%	3.70%	9.63%	53.54%
Cash	0.36%	4.27%	2.46%	1.63%	1.58%	12.48%

Portfolio Performance for Australia All Cap refers to the aggregated cumulative performance of all TAMIM Australian All Cap individually managed account portfolios since inception (31 Dec 2016) in AUD net of fees up to 31 October 2019. From 1 November 2019 the performance reflects the return on the TAMIM Fund: Australia All Cap unit class. Both are managed according to the same portfolio. ASX300 refers to the S&P/ASX 300 Accumulation Index. 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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Portfolio Highlights:

Global Data Center (ASX: GDC) had a busy few months selling 2 of its 3 assets compromising the Perth data center sold in April for $39 million and in late May selling its Etix data center portfolio for $175 million net proceeds - significantly above its $115m book value.

This leaves the company with 1% of hyper scale data center owner, AirTrunk. AirTrunk is going through a sales process with several bids received in June and media reports estimating a final sale price materially above original expectations of $15 billion. We believe a final sale price of $20 billion is reasonable which should yield $140 million proceeds before tax to GDC unit holders.

We see another 10-20% upside based on this estimate with a valuation between $3.50-$4.00 versus our original average entry price in middle of 2023 at $1.55. Overall, a strong return for the Fund for what was an overlooked opportunity in a hot sector/thematic on the ASX.

GQG Partners (ASX: GQG) is a global investment firm focused on managing active equity portfolios and is headquartered in the United States. As at 31 May 2024, the group managed US$150.1 billion for investors that include many large pension funds, sovereign funds, wealth management firms and other financial institutions around the world.

GQG ticks the boxes of what we look for in an investment, founder led with Rajiv Jain owning 70% of the company, predictable and recurring revenue and income, strong growth in profitability and a cashed-up balance sheet.

GQG core strengths lie in its strong performance over the years and a low fee structure versus the industry. The company pays 90% of its profits as dividends. In June, GQG declared a 4.63 cents quarterly dividend. This equates to 18.5 cents annualised or a 6.3% yield on the last price of $2.95.

We built a position in GQG during the year between $2.10-$2.30 and value the business around $3.50. We estimate at the current price GQG is trading on a PE of 14.5x which isn't reflective of its growth track record and forward trajectory. We will follow closely the founder and when or if he decides to sell down his holding, which we believe will signal a good time to take profits.

Viva Leisure (ASX: VVA) announced a $16 million equity raise at $1.45 to acquire 8 clubs for $15.7 million. This will add 20,000 members and $4.9 million of Ebitda post synergies.

The Acquisitions significantly enhance Club Lime's footprint, enabling entry into the new Western Australian market and aligning with VVA's strategy to expand into new territories. The Acquisitions not only strengthen and diversify the existing business but also provide immediate scale.

VVA post completion of the Acquisitions will cement its position as the second-largest network in Australia (349 locations), and with a total of 183 corporate locations this also positions the Company as the nation's second-largest owner in the industry.

The Company reaffirmed guidance, both for FY2024, and the annualised Q4-FY2024 forecast run- rate guidance. On a pro forma basis, corporate membership forecast to June 2024 together with the Acquisitions' memberships, is expected to achieve 217,000 members for the Company. Network membership is expected to exceed 385,000 members.

The combined group of VVA's existing businesses plus the Acquisitions (on a pro forma basis and including expected synergies) would on a pro forma basis based on Q4-FY2024 annualised run rate deliver between $184.7 million and $188.7 million in revenue and $42.9 million and $44.9 million in EBITDA. This places VVA on less than 4x EV/Ebitda. Historical transactions in the sector have been completed on 8x.

Mcpherson's Ltd (ASX: MCP) is an Australian consumer products company with a diverse portfolio of well-known brands.

Their product range spans health, wellness, beauty, and household categories with key brands including Lady Jane, Manicare, Swispers which are all category leaders in the beauty accessories segment. Dr. LeWinn's, a skincare line featuring an Inner Beauty range with vegan collagen products, and A'kin, which offers botanical-based hair and skin care solutions. McPherson's is focused on natural and wellness-oriented products, catering to consumer trends in these areas. Their multi-brand strategy and involvement in various consumer product categories provides a diversified business model, offering resilience over time in a more difficult trading environment.

McPherson's is susceptible to consumer discretionary spending but we believe the health and beauty category is generally more defensive than other discretionary retailers operating within the same demographic of clientele.

McPherson's reported its H1 FY24 results in February which reflected a significant transformation in the company's business model.

Despite an 8% decrease in revenue to $103.4 million, the company achieved a notable improvement in gross margin, increasing from 47.5% to 51.1%. This margin expansion was primarily driven by the strategic shift towards higher-margin core brands and a reduction in input costs. The focus on cost management and efficiency led to a net profit after tax (NPAT) of $1.6 million, a significant improvement on the NPAT of $0.1 million in 1H23.

The company's net debt position improved significantly, with net debt excluding lease liabilities decreasing by $5.9 million to $4 million.

Cash generation was also strong with $9.1 million in operating cash flows before interest and tax to 31 December 2023. An impressive transformation from the operating cash outflow of $6 million in the previous corresponding period. McPherson's declared a 2 cent dividend and if maintained equates to an attractive 10% dividend yield.

The company's improved financial position and enhanced profitability metrics indicate a more resilient and focused business model, positioning it well for future growth.

McPherson's recently completed the sale of its 'Multix' brand and inventory to International Consolidated Business Group Pty Ltd for $19 million, subject to post-completion adjustments.

The divestment follows a strategic review announced in November 2023, aligning with McPherson's focus on its core health, wellness, and beauty brands. As a result of the sale, the company expects to incur a one-off, non-cash asset write-down of $10-11 million in FY24 related to the 'Multix' brand and allocated goodwill, with pre-tax divestment costs estimated at $1.5 million. CEO Brett Charlton emphasised that this move strengthens the company's balance sheet and reshapes the business for its future as a pure-play health, wellness, and beauty company. The sale is part of McPherson's broader transformation plan, which includes reviewing its route to market for its remaining brand portfolio.

We believe that this cash could lead to either potential merger and acquisition opportunities or be returned to shareholders.

The company established a strategic alliance with Chemist Warehouse in March 2022 whereby McPherson's was appointed as Chemist Warehouse's exclusive long-term distributor of a select portfolio of Chemist Warehouse-owned or controlled health and beauty brands outside of the Chemist Warehouse Network in Australia and New Zealand.

At the time of the announcement, the exclusive distribution rights will be for an initial term of five years commencing on 1 July 2022. McPherson's will have three five-year options to extend the arrangements, subject to certain minimum performance thresholds on a brand-by-brand basis.

A key part of the alliance was the issue of shares to Chemist Warehouse. Chemist Warehouse remains a significant shareholder in the business, owning just under 10% of the company.

Following the divestment of Multix we see significant value in McPherson's and believe it could be a takeover target now that it becomes a pure play brand owner of health and beauty brands.

With forecast future sales of $160 million and earnings before interest and tax (EBIT) margins of 7-10% over time, that equates to potential Ebit of around $11 million on an underlying basis in FY25/26, which places the company at an attractive enterprise value to EBIT of around 3.5 times. This attractive valuation could encourage bidders to re-emerge following previous bids in 2021. Just over 3 years ago Arrotex Australia lodged a $1.60 non-binding, indicative proposal for the company, valuing the business at about $205 million. This bid followed on from a rival bid of $172 million from Geminder. The Arrotex bid ultimately collapsed following a four-week period of due diligence.

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With a current market capitalisation of just under $60 million and an improving and focussed business model could we see an opportunistic return bid or perhaps a new interest?

The recent downturn in McPherson's share price presents an intriguing opportunity for long-term investors and potential acquirers alike.

Despite a slight revenue drop in H1 FY24, the company's strategic pivot has driven a notable improvement in the financial position of the business. McPherson's divestment of the Multix brand, coupled with a strengthened balance sheet and its strategic alliance with Chemist Warehouse, enhances its focus on health, wellness, and beauty. With a compelling valuation, we believe McPherson's is an attractive prospect.

The company's transformation and current valuation make it an appealing takeover target amid rising merger and acquisition activity in the market.