Australia Small Cap Income Unit Class
TAMIM 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 Small Cap Fund was up 0.83% (net of fees) during the month, versus the Small Ords down -1.39% and the ASX300 up +0.92%.

CYTD the fund is up +3.01% net of fees versus 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 +19.53% return (net of fees) versus the Small Ords +9.35% 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

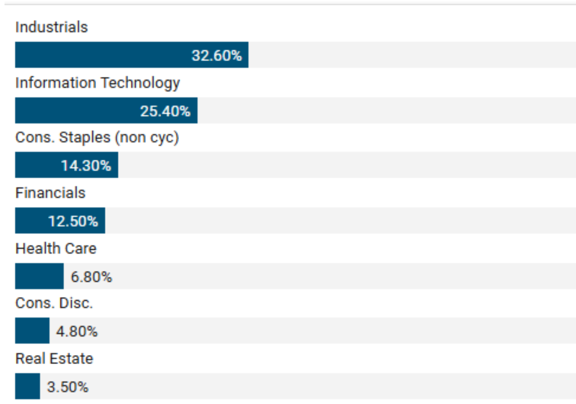
Investment Structure:	Unlisted unit trust
Minimum investment:	A$100,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater 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:	CTS8008AU

NAV

	Buy Price	Mid Price	Redemption Price
AU$	$1.6083	$ 1.6043	$1.6003

Portfolio Allocation

Equity	88.50%
Cash	11.50%



Portfolio Performance

Inception: 1/1/2019	1 month	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)	Since inception (total)
Small Cap Income	0.83%	19.53%	3.14%	9.76%	11.35%	80.50%
ASX Small Ords	-1.39%	9.35%	-1.56%	3.70%	6.32%	40.07%
Cash	0.36%	4.27%	2.46%	1.63%	1.61%	9.16%

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Portfolio highlights:

SRG Global (ASX: SRG) announced several large contract wins valued at $350m across Australia which include multi year term contracts secured in the Health, Building, energy and Resources sectors. Highlights include:

• Specialist facades contracts with repeat clients across NSW, VIC and WA
• Tailings dams facilities works with repeat client in WA
• Renewable energy project for structural remediation works with existing client
• Specialist design and construct contract in the resources sector for concrete tanks

Overall over $500m of new contracts secured in Q4 of the FY24 financial year. SRG continues to go from strength to strength, underpinned by a strong growth profile and recurring earnings base approaching 80% of their overall earnings. The company is trading on 4x EV/EBITDA and a PE of 12x with a dividend yield of 4.5% ff. We think the stock is worth at least $1.00+ now.

Centrepoint Alliance (ASX: CAF) a provider of advice and business services to financial advice firms throughout Australia, released a trading update.

Previous earnings guidance in February 2024 indicated a range of $8m to $9m EBITDA (pre LTI and one-off costs for FY24). Pleasingly, the Company is now forecasting the upper end of this range with an outcome expected of between $8.75m and $9m EBITDA with further growth expected in FY25.

Key factors behind this strong financial performance include:

• Growth in the licensee services revenue due to the full year impact of advisers recruited during the 2023 financial year.
• Ongoing prudent expense management, particularly the efficiencies leveraged from the operating model and technology enabled productivity savings.
• The successful integration of Financial Advice Matters Group which was acquired in December 2023 has resulted in FAM's earnings contribution exceeding initial expectations.

In addition, CAF continues to lead the market in financial adviser recruitment with 556 authorized representatives as at 9th May 2024, an increase of 46 since the start of this financial year. In contrast, 7 of the top 10 licensee companies continue to see net losses of financial advisers. CAF trades on 7x EBITDA and pays 9.5% gross dividend yield. The sector should continue to consolidate and we expect CAF to be acquired in the future. With COG recently acquiring 19% of CAF and CUP acquiring listed peer, Diverger, we think CAF makes logical sense to be next.

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.

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.