

Australia Small Cap Income Unit Class

TAMIM Fund

At 31 August 2024



Dear Investor,

We provide this monthly report to you following conclusion of the month of August 2024.

The TAMIM Small Cap Fund was down -0.64% (net of fees) during the month, versus the Small Ords down -2.02%.

Over the last 12 months the fund is up +17.35% net of fees versus the Small Ords up +8.51%.

The month of August was an uphill battle for the Fund. The month began with global markets selling off aggressively on the back of a partial unwinding of the yen carry trade. Global markets sold off between -5% and up to -20% in Japan in just a matter of 2-3 days. The Fund is not immune from general market volatility and so we spent the rest of the month peddling hard to regain those early month losses.

Market sentiment eventually recovered and the focus was back to fundamentals and the August reporting period. Share price directions were now driven by each company's individual results performance and the corresponding market reaction to it.

Overall the majority of our holdings performed to expectations or exceeded them. Those that disappointed and where the original investment thesis was broken, we exited. There were some cases where our thesis was not broken but the market aggressively sold the stocks down due to certain aspects of the results or the outlook disappointing the market. In those cases, we took time to reassess our position and in some cases reduced our exposure. Unfortunately a combination of market volatility in early August and some late month disappointing results, ended up with the fund being down for the month, although this was after a very strong CYTD performance so far.

The good news is that as we go to print in mid September, the Fund is performing strongly. We will have to see whether that continues until the end of the month, but rest assured we continue to actively manage the portfolio.

We have uncovered some exciting growth companies to add to the portfolio that tick most of the boxes we look for such as founder led, strong profitable growth, cashed up balance sheets and industry leading positions.

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	-0.64%	17.35%	1.63%	8.37%	11.43%	84.64%
ASX Small Ords	-2.02%	8.51%	-2.91%	3.89%	6.39%	42.03%
Cash	0.36%	4.31%	2.69%	1.74%	1.69%	9.94%

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.

Key Facts

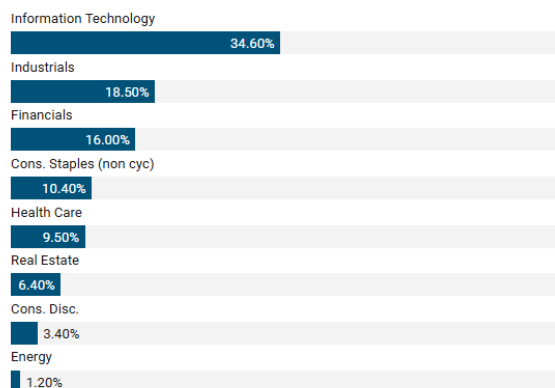
Investment Structure:	Unlisted unit trust
Minimum investment:	A\$100,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater 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\$	\$1.6080	\$1.6040	\$1.6000

Portfolio Allocation

Equity	95.30%
Cash	4.70%



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Some of these companies are utilising AI applications to drive strong sales growth and disrupt competitors.

We discuss some of these in our portfolio update section and also some of the laggards that we still believe present good upside in the next 3-6 months.

As we look forward into the near term, we are still of the view that rate cuts in the US will drive strong investor sentiment towards small/mid caps. In addition, once the uncertainty of the US presidential elections is resolved in early November, we believe the market will rally into the year end and into 2025 and beyond.

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 October.

Sincerely yours,

Ron Shamgar and the TAMIM Team.

Portfolio highlights:

Comms Group (ASX: CCG) is a leading provider of innovative cloud communications solutions, secure modern workplace services, global unified communications, and wholesale telecommunications services. The company operates primarily in Australia and the Asia Pacific region, where it serves a diverse range of corporate clients, particularly in the mid-market segment.



Comms Group's cloud communications services are designed to enable businesses to operate more efficiently and securely, offering solutions that include voice, data, and video communication capabilities integrated into a single, unified platform. This approach not only reduces costs but also enhances collaboration and productivity for its clients.

In addition to its core cloud communications offerings, Comms Group provides secure modern workplace solutions that cater to the growing demand for remote and flexible work environments. These solutions are particularly relevant in today's business climate, where companies are increasingly adopting digital transformation strategies to stay competitive. By offering secure, scalable, and flexible workplace solutions, Comms Group helps businesses adapt to the evolving needs of the modern workforce.

The company's wholesale services division offers telecommunications services to other carriers and service providers, generating additional revenue streams and enhancing its overall market position. This diverse range of offerings enables Comms Group to capture multiple market segments and provides a strong foundation for sustainable growth.

Comms Group's FY24 results were exceptional, surpassing market expectations and setting the stage for a promising future. The company reported a record revenue of \$55.5 million and an underlying EBITDA of \$6.6 million, both exceeding guidance. A particularly notable aspect of Comms Group's financial performance is that over 90% of its revenue is recurring, driven entirely by organic growth.

Additionally, Comms Group has shown significant improvements in its cash flow, with operating cash flow up by 150% and free cash flow increasing by 200%. These improvements highlight the company's ability to generate substantial cash, which is crucial for funding future growth and potential acquisitions. The declaration of an inaugural dividend of 0.25 cents per share, potentially yielding 4-9% in FY25, further underscores Comms Group's commitment to delivering shareholder value.

Looking ahead, Comms Group has provided an optimistic outlook for FY25, targeting 5-10% organic revenue growth and over \$7 million in underlying EBITDA. The company is focused on becoming a leading provider of cloud communications and secure modern workplace solutions across the Asia Pacific region. A key element of this strategy involves cross-selling secure modern workplace solutions to its existing telecommunications customers.

Furthermore, Comms Group is exploring strategic growth opportunities through selective acquisitions, aiming to expand its footprint and enhance its service offerings. Importantly, Comms Group is targeting a net debt-neutral

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position by June 2025, reflecting its prudent financial management and commitment to maintaining a strong balance sheet.

One of the standout features of Comms Group is the alignment between the board, management, and shareholders. At a recent Extraordinary General Meeting (EGM) in June 2024, the board was awarded 7 million shares that vest between 12.5 cents and 20 cents, compared to the current share price of 7 cents. The board collectively holds 23% of the company, with the Managing Director being the second-largest shareholder. This substantial insider ownership ensures that management's interests are closely aligned with those of shareholders, a trait we value highly in potential investment opportunities.

The telecommunications industry is inherently a consolidating one, where new challengers consistently emerge to take market share from larger incumbents. Over time, these challengers often become the consolidators, acquiring smaller players to expand their market presence. A decade ago, we witnessed this trend with M2 Telecom (ASX: MTU) and Vocus (ASX: VOC), who merged after acquiring several smaller listed players.

In recent years, Aussie Broadband (ASX: ABB) and Superloop (ASX: SLC) have emerged as successful challengers in the industry and are now in the consolidation phase, acquiring smaller peers to strengthen their market positions. We have benefited significantly from owning shares in Symbio (ASX: SYM), which was acquired by Aussie Broadband last year, and have also seen strong returns from our investment in Superloop.

Given the current market dynamics, we believe that Comms Group is a highly attractive target for both Aussie Broadband and Superloop. At a valuation of FY25 EV/EBITDA of just 3.5x, Comms Group presents a compelling opportunity that is too good to pass up. We anticipate a potential takeover within the next 6-12 months at a 6-8x multiple, representing a substantial upside of +71% to +128% from current levels.

Bravura Solutions (ASX: BVS) reported an impressive return to profitability following significant transformation efforts. The company achieved gross revenue of \$250.4 million, marginally surpassing FY23, with operating earnings reaching \$25.8 million eclipsing the prior period by \$26.1 million. The growth was driven by a substantial reduction in operating expenses, which fell 10% to \$231 million. The strategic cost-cutting measures included a reduction in headcount and reorganisation of occupancy requirements. As a result, Bravura posted an adjusted net profit after tax of \$8.8 million, marking a \$31.9 million improvement from the previous year.



Bravura's FY24 performance reflects the success of its recent restructuring, which has restored the company to a positive cash operating earnings. The company is in a strong net cash position with \$90 million as of June 30 2024, with a net cash inflow of \$14.2 million and an additional \$56 million of cash payment due in FY25 we discuss further below. Despite the success, Bravura has opted not to declare a dividend in FY24 but with a view to paying dividends in FY25.

Looking ahead, Bravura aims to further strengthen its financial position by targeting cash operating earnings of \$28 million to \$32 million in FY25.

Earlier in the month the company announced a proposed capital return as part of its capital management strategy. The return of up to \$75.3 million has been further enhanced by an additional \$20 million on-market buyback of up to 10% of the company. The strategy will be funded by existing cash reserves and proceeds from its recent agreement with Fidelity International.

This agreement with Fidelity International, includes granting them a perpetual, non-exclusive licence to use and develop the Sonata software platform. The deal includes a £29 million payment (\$56 million AUD), with £24 million due upon software delivery in August 2024 and the balance in early 2025. While Bravura retains intellectual property rights, the move is designed to streamline Bravura's operations.

We believe that while it may have a minor revenue impact in FY26, there will be minimal effect on profitability. While Bravura's transformation continues, the company is moving into its next phase of sustainable growth with some large potential new logo wins being tendered and prospect of further work in the U.K. market with existing clients. In addition Continued cost reduction initiatives and a focus on maintaining a strong balance sheet remain at the forefront of the company's future plans.

ClearView Wealth (ASX: CVW) has delivered strong performance for FY24, reinforcing its strong market position in the Australian life insurance sector. This year, the company's underlying net profit after tax (NPAT) rose by 25% to \$35.3 million. ClearView's new business market share increased to 11%, up from 9% in the previous year, indicating an expanding presence in the market.



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Gross premiums rose by 10% to \$358.1 million, driven by strong customer acquisition and retention efforts. Life insurance underlying NPAT improved by 23% to \$39.5 million, reflecting effective management and favourable market conditions. Underscoring the success of ClearView's strategies in attracting new customers, new business growth expanded by 34% to \$33.7 million, up from \$25.2 million in FY23.

In line with its strong financial performance, ClearView declared an interim dividend of 1.5 cents per share in March 2024 and a final dividend of 1.7 cents per share in September 2024, bringing the total FY24 dividend to 3.2 cents per share. ClearView's net assets stand at \$353.2 million, with an embedded value of \$591.1 million (including franking credits), equivalent to 91.4 cents per share.

ClearView has maintained a clear strategic focus on its life insurance business, simplifying its operations to become a dedicated life insurer.

A cornerstone of this strategy is ClearView's technology transformation, aimed at providing greater flexibility and enabling customised solutions tailored to the evolving needs of customers and distribution partners.

This strategic direction is supported by the company's exit from wealth management and the sale of its advice business to Centerpoint Alliance (CAF). This divestiture enables ClearView to concentrate fully on life insurance, driving growth in its most profitable segments. We estimate the wealth division exit to complete in March 2025.

Looking forward, ClearView remains optimistic about sustaining its growth trajectory, targeting an FY26 underlying margin of 11-13%. This expected margin expansion will be driven by scale efficiencies, increased underwriting risk exposure, and cost savings from the company's technology initiatives. This will also yield higher dividend payments.

ClearView appears well-positioned to seize future market opportunities, and we anticipate the stock will re-rate to its fair value of 90+ cents as it proves these targets during FY26 (next 12-15 months).

Austco Healthcare Limited (ASX: AHC) delivered an outstanding performance in FY24, marked by record-breaking revenue and profit figures.

The company reported a 39% increase in revenue, reaching \$58.2 million, and an impressive 213% growth in net profit after tax (NPAT) to \$7.1 million. Growth in unfilled contracted orders continued with \$50.3 million (as of 15 August 2024) representing confirmed contracted orders from customers that have not yet been fulfilled and, as such, no revenue recognised.



These results display Austco's successful execution of its growth strategy, which combines organic expansion with strategic acquisitions.

A significant portion of the revenue growth was driven by the acquisitions of Teknocorp and Amentco, which contributed \$6.5 million and \$2.7 million, respectively. Organic growth also played a crucial role, particularly in the North American and Asian markets.

The gross margin for FY24 was AUD 30.7 million, an increase of 37% from the previous year, although the gross margin percentage slightly declined due to the integration of the lower-margin acquired businesses. The company anticipates that as integration progresses, margins will improve in the medium term.

Austco's strategic focus on expanding its software and subscription-based revenue streams was evident, with Software and SMA revenues growing by 9% to \$9.3 million.

This growth represents a key opportunity for Austco to further integrate and expand these revenue streams within the newly acquired businesses. The company also made significant strides in reducing its cost base, with overhead expenses increasing only slightly relative to revenue growth. This cost discipline, combined with strong operating leverage, enabled Austco to more than double its operating earnings, which exceeded the top end of the company's guidance.

Austco's outlook for FY25 appears promising, bolstered by its record-high unfilled contracted orders. The company plans to continue leveraging its recent acquisitions to drive further revenue growth, particularly in the high-growth markets of North America and Asia. Austco's strategic roadmap includes launching innovative products, forming strategic partnerships, and exploring potential mergers and acquisitions, all of which are expected to strengthen its market position and contribute to long-term profitability.