

Summary | Australia All Cap

INVESTMENT STRATEGY



The TAMIM Australia All Cap strategy uses a value based approach to identifying companies that meet our fundamentals based investment process. We aim to generate long term capital growth by targeting companies exhibiting strong financial capabilities of growing earnings, cash generation and industry tailwinds.

Investment Objective: Generate absolute returns above long term equity market returns.

INVESTMENT PROCESS

We use a bottom up investment approach that can be broken down into 5 steps:

Idea generation - ASX company news flow, broker research and company roadshows, news publications and social media forums.

Company research - We conduct a company analysis on its business model, industry structure and future catalysts.

Financial analysis and modeling - We are looking for businesses that meet our key investment criteria.

Management meeting and analysis - We look at management historical track record and alignment with shareholders (remuneration/incentives/shareholding)

Valuation and portfolio allocation - Each company is valued using a range of valuation approaches. Portfolio allocation based on margin of safety and financial strength of the business.

Key Investment criteria include:

- Revenue visibility - recurring or contracted revenue
- Industry leadership
- Earnings growth 10%+ over next 2 years
- High cash conversion and free cash generation
- Low capex
- Conservative balance sheet (interest cover, debt/equity)
- ROE and ROIC 10%+
- Management with track record and aligned to shareholder interest
- Discount to Intrinsic valuation
- Identifiable catalysts for share price re rate

We use a **strict criteria on when to sell:**

- Fundamentals have changed
- Share price exceeds our valuation
- Better opportunities with larger upside elsewhere

PORTFOLIO COSTRUCTION & RISK CONTROL

To mitigate the key risks, risk control is built into the investment process:

- Flexible cash holding (0-100%)
- Allocate bigger positions into businesses we understand best, have a large margin of safety and exhibit strong financial characteristics
- Leverage, liquidity, quality of management, competitive threats and execution risk.
- Diversified portfolio - by company and industry. Targeting 20 to 50 stocks.
- Active management visitation and careful monitoring of holding news flow.
- Adjustment of holding exposure to reflect conviction and valuation.

Ron Shamgar
Head of Australian Equities
Portfolio Manager

Ron was the co-founder of TBF Investment Management (The Boat Fund) and was Portfolio Manager of the TBF Small Cap Value Growth Fund from 2013 to 2018 achieving a 15%+ annualised net return since inception. At TBF, Ron was responsible for research, company analysis, portfolio construction and marketing the Fund. Ron has a passion for value investing and believes in a systematic approach to researching and evaluating businesses with a strong bias on assessing management teams. He has been investing actively on the ASX for over 15 years. Ron holds a Bachelor of Manufacturing and Management Engineering from the University of New South Wales.

INVESTMENT STRUCTURES

The Australia All Cap strategy is available in both a unit trust (TAMIM Fund) and individually managed account (IMA) structure. The differences in fees, expenses and portfolio construction are as follows:

TAMIM Fund: Australia All Cap

<p>Investment structure: <i>Unlisted Unit Trust</i> (only available to wholesale or sophisticated investors)</p> <p>Minimum investment: \$100,000</p> <p>Management fee: 1.25% p.a.</p> <p>Administration & expense recovery fee: Up to 0.35%</p> <p>Exit fee: Nil</p> <p>Performance fee: 20% of performance in excess of hurdle</p> <p>Hurdle: RBA Cash Rate + 2.5%</p> <p>Lock up period: Nil</p> <p>Buy/Sell spread: +0.25%/-0.25%</p> <p>Applications: Monthly</p> <p>Redemptions: Monthly with 30 days notice</p> <p>Distributions: Semi-annual</p>	<p>Management Style: Active</p> <p>Benchmark: ASX 300</p> <p>Number of securities: 20-50</p> <p>Single security limit: 10% (typically 5%)</p> <p>Investable universe: ASX (focus on ASX 300 ex20)</p> <p>Market capitalisation: Any</p> <p>Derivatives: No</p> <p>Leverage: No</p> <p>Portfolio turnover: < 25% p.a.</p> <p>Cash (typical): 0-100% (10-40%)</p> <p>Investment Horizon: 3-5+ years</p>
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Individually Managed Account (IMA)

<p>Investment structure: <i>Individually Managed Account</i> (only available to wholesale or sophisticated investors)</p> <p>Minimum investment: \$250,000</p> <p>Management fee: 1.5% p.a.</p> <p>Administration & expense recovery fee: Nil</p> <p>Exit fee: 1% if exit within 12 months</p> <p>Performance fee: 20% of performance in excess of hurdle</p> <p>Hurdle: RBA Cash Rate + 2.5%</p> <p>Pricing & Reporting: Daily</p>	<p>Management Style: Active</p> <p>Benchmark: ASX 300</p> <p>Number of securities: 10-40</p> <p>Single security limit: 10%</p> <p>Investable universe: ASX (focus on ASX 300 ex20)</p> <p>Market capitalisation: Any</p> <p>Derivatives: No</p> <p>Leverage: No</p> <p>Portfolio turnover: < 25% p.a.</p> <p>Cash (typical): 0-100% (10-40%)</p> <p>Investment Horizon: 3-5+ years</p>
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