

Australia All Cap Unit Class Fund

At 30 June 2023



Dear Investor,

We provide this monthly report to you following conclusion of the month of June 2023.

The TAMIM All Cap Fund was up +4.30%. CYTD the fund is up +15.05% net of fees.

During the month the S&P/ASX 300 Accumulation increased +1.73% and is up 6.05% CYTD, with the S&P/ASX Small Ordinaries up +0.03% resulting in a 1.92% return for the CYTD.

The end of June also marked the end of FY23. Just as worries about inflation, recession and geopolitics drove poor returns in FY22, a relaxation of these worries drove a strong rebound in returns over the last financial year (+15.49%). Fortunately, inflation rates are already falling (especially in the US) and so far we have avoided a recession.

All indications are for further falls in inflation in the coming months. This should enable central banks to start easing monetary policy in future. We anticipate another 2-3 hikes at most both here and in the US this calendar year, and potential rate cuts later next year if economies end up entering a recessionary period.

We expect Australian equities to have a strong second half of this calendar year with small caps leading the charge. There are several reasons for our positive view. From a valuation perspective Australian shares aren't expensive. With the MSCI Australia PE sitting around its long term average of 14.6x. Australian industrials (excludes mining stocks) are also not expensive sitting at their long term average of 18.1x PE.



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	4.30%	15.49%	11.63%	10.57%	10.62%	92.58%
ASX 300	1.73%	16.25%	11.68%	7.47%	8.25%	67.35%
Small Ords	0.03%	9.08%	5.36%	2.37%	5.46%	41.24%
Cash	0.34%	2.97%	1.09%	1.07%	1.17%	7.88%

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.

Key Facts

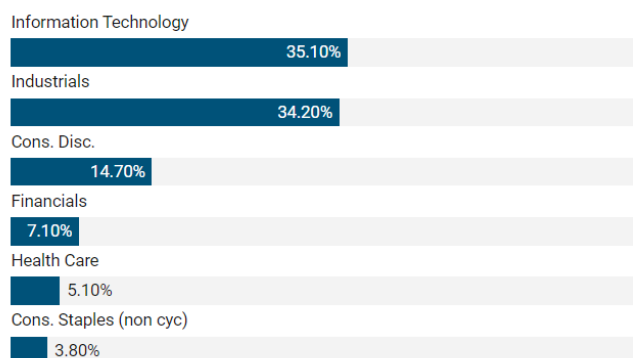
Investment Structure:	Unlisted unit trust
Minimum investment:	A\$100,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater 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\$	\$1.1421	\$1.1392	\$1.1364

Portfolio Allocation

Equity	94.60%
Cash	5.40%

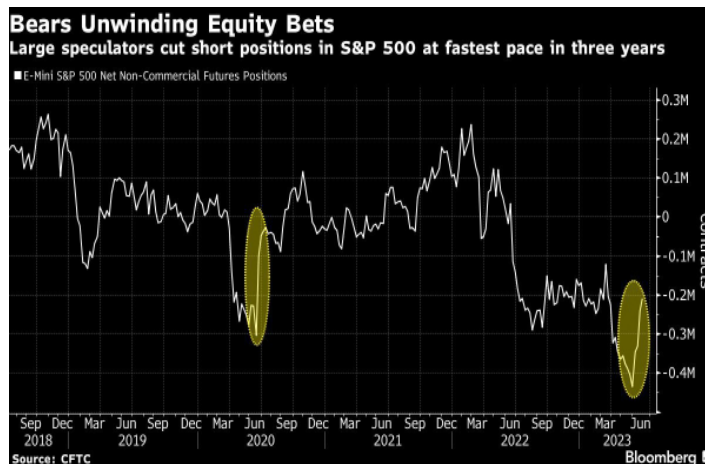
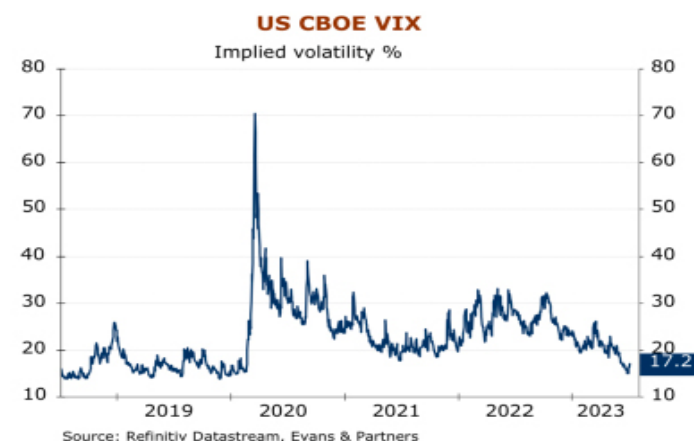


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In addition, volatility as represented by the US CBOE VIX index has dropped to levels not seen since 2019 and bearish traders betting on markets falling are capitulating and covering their short positions at the fastest pace in 3 years. All this bodes well for strong performance in stock markets going forward.



Finally and as we keep reiterating, we expect our portfolios to have a very strong 2H as sentiment shifts towards small and mid cap equities. The upcoming August results period provides another imminent catalyst for share price appreciation.

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

Sincerely yours,

Ron Shamgar and the TAMIM Team.

Portfolio Highlights:

IPD Group (IPG) provided guidance on the Group's full year earnings for the financial year 2023. The Company expects earnings to exceed the FY22 Full Year results due to the continued strong operating performance as previously announced at the half yearly results. Based on unaudited accounts for the 11 months of FY23 trading and a strong June 2023 earnings forecast, the Group provided the following earnings guidance range for the FY23 full year of EBITDA of \$27.1m - \$27.6m (FY22 \$20.2m) and EBIT of \$22.9m - \$23.4m (FY22 \$16.6m).

ipdgroup

Management also indicated that the strong momentum from the first half of FY23 has continued into the second half of the year. With strong tailwinds of the electrification of the economy and the operating environment remaining buoyant. The strong result reinforces the leverage of the IPG operating model.

As we highlighted in our April Webinar, IPG is one of the few or only truly exposed and profitable ASX companies, leveraged to the Electric Vehicle transition over the next 5-10 years. We estimate the

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company will make an accretive acquisition in FY24 utilising their cashed up balance sheet. The stock is fairly priced at current prices of \$4.50 but should continue to maintain its premium multiple if management continues to execute as they have so far since listing 2 years ago.

Task Group (TSK) is a leading provider of technology solutions enabling its global hospitality clients to maximise their customer relationships with an end-to-end cloud-based platform helping clients to improve customer experiences across every transactional touchpoint, including digital customer-facing services, back-of-house and enterprise operations and ability to activate new promotions and build brand loyalty. For example, if you ever used the McDonald's app to order food then you have already used TSK software.



During the month TSK announced a 99% increase in revenue to NZD\$64.9m for the FY23 financial year ending 31 March 2023. This result exceeded the Group's revised guidance (FY23 Guidance: \$59m – \$62m). Recurring Revenue for the combined group in FY23 was \$56.6m, up 123% on pcp (FY22: \$25.4m). Group expenses were maintained with costs increasing by less than 5%.

As a result of the successful turnaround of the Plexure division, the Group posted an improvement in earnings of \$24.9m to deliver adjusted EBITDA of \$11.9m (FY22: -\$12.9m), thereby surpassing the revised FY23 guidance range of \$8.5m - \$9.5m. This resulted in a positive NPAT of \$0.4m (FY22: -\$24.3m). TSK ended the financial year with a net cash position of \$28.3m up 132% on pcp (31 March 2022: \$12.2m), reflecting the Group's balance sheet strength. Underpinning the Group's balance sheet was a net operating cash inflow of \$18.9m for FY23, compared to an \$16.6m outflow in the prior year.

In FY24 management will target organic opportunities, including US expansion among QSR and Sport & Entertainment customers as well as entering new geographies and industries. The Group will also continue to explore new lines of business, including the recently announced acquisition of software IP to support the development and commercialisation of TASK's payments capability. These new capabilities will generate new revenue streams over the medium term, and open up new opportunities to expand its addressable market. Management is also confident that they can deliver strong profitable growth in the year ahead.

We see TSK as an undiscovered growth stock due to the lack of liquidity in the shares and the recent turnaround in its financials. The company intends to move its domicile from NZ to Australia later this year which should improve liquidity. Over time more coverage on the company will emerge and we think the stock is worth at least 60+ cents (10x FY24 EV/EBITDA).

Retail Food Group (RFG) provided a trading update during the month. Key highlights include:

- Appointment of Matthew Marshall as CEO, effective 1 July 2023
- Extension of Executive Chairman Peter George's employment for an additional 2 years
- FY23 underlying EBITDA guidance of \$26.0m to \$29.0m maintained
- Year to Date Domestic network sales have grown 8.5% to \$478m in FY23 despite second half deterioration of trading conditions (H2 domestic network sales growth of 2.2% in the 21 week period)
- Turnaround phase now at a conclusion shifting to a growth focus in FY24 leveraging a stronger balance sheet



The leadership changes come at a time where the turnaround has now been accomplished. RFG has a stable earnings base and a stronger balance sheet which, together with the resolution of legacy regulatory issues provides a firm platform to pursue growth opportunities.

Trading conditions have eased in recent weeks and are showing the effects of an increasingly challenging and dynamic retail environment. The impact on trading conditions of successive interest rate rises, together with general inflationary pressures, has become more apparent in H2. Despite the deterioration in trading conditions in the second half of the year, Same Store Sales and Average Transaction Value remain ahead of prior year across all brands except QSR (Pizza) which reflects the comparison to the prior period of abnormal growth during Covid.

FY23 underlying EBITDA guidance in the range of \$26.0m to \$29.0m, has been maintained, although the expectation is that the result will be at the lower end of the range. We estimate RFG will generate \$10-12m of free cash flow in FY24 and report a relatively clean set of results compared to FY23. We estimate reported profit of circa \$15-18m NPAT which places the stock on an undemanding PE of circa 8x.

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HelloWorld (HLO) announced it had acquired Express Travel Group (ETG) in Australia and New Zealand from current owners Tom Manwaring and Sintack Pty Ltd for \$70 million. ETG operates an air ticket consolidation business, retail travel networks and cruise and package wholesaling in Australia and New Zealand with a national support network and offices in Melbourne, Sydney and Auckland.

The company employs over 100 personnel and encompasses a suite of brands, including Express Tickets, Independent Travel Group, Select Travel Group, Alatus, italk travel & cruise, Creative Cruising AU/NZ, and First Travel Group, YOU Travel, and Lifestyle Holidays in New Zealand.

Consideration for the acquisition will be a mixture of shares and cash with the cash component to be fully funded from HLO's existing cash reserves. The acquisition will be earnings accretive in FY24 and beyond. The consideration represents an FY23 EBITDA multiple of approximately 7x forecast normalised earnings for ETG in FY23 of \$10.0m - \$11.0m.

We estimate HLO FY23 EBITDA of at least \$43m growing to \$55m+ in FY24. Hence this acquisition is materially accretive to the group yet the shares sold off during the month most likely on the back of concerns regarding consumer travel spend potentially slowing down next year. We anticipate HLO to surprise on the upside next 6-9 months and we value the shares at \$3.20+.

