Credit Unit Class
TAMIM Fund

At 31 December 2023

YIELD: 7.21% p.a.

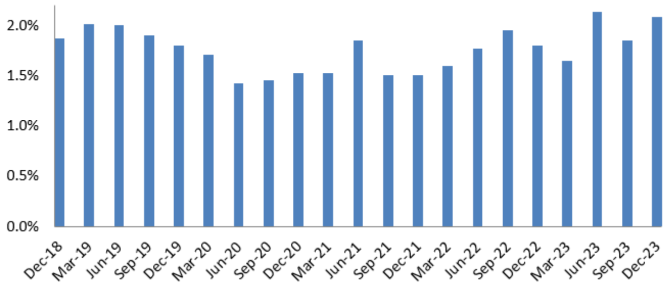
Manager Allocations:

Manager A	Property/SME	19.3%
Manager B	1st Mortgages	13.0%
Manager C	SME	18.9%
Manager E	Property/Assets	19.0%
Manager F	Property/Assets	16.0%
Other		13.8%

Debt Structure Allocations:

Senior Secured	85.3%
Mezzanine	3.8%
Unsecured	0.0%
Cash	10.9%

Quarterly Distributions:



TAMIM Fund: Credit generated a 0.66% return in December, resulting in a twelve-month net return to investors of 7.75% with all underlying allocations performing as expected. Since inception, the portfolio has delivered an annualised return of 7.21% p.a. net of all fees. Over the five years and three months since inception, the Fund has only had one negative month and has paid a quarterly distribution of between 1.4 and 2.1% every quarter. The next quarterly distribution is scheduled to be paid on 16 May 2024. TAMIM remains committed to investing with larger, more established managers and avoiding those that are unproven, especially in the current environment. We also continue to focus on senior secured exposure through deals secured by real assets or business cash flows.

Key Facts

Investment Structure:	Unlisted unit trust
Minimum investment:	A$100,000
Applications:	Processed monthly
Redemptions:	Quarterly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Quarterly
Management fee:	1.25% p.a.
Performance fee:	Nil
Buy/Sell Spread:	+0.20%/-0.20%
Exit fee:	Nil
Administration & expense recovery fee:	0.15%
Unsecured debt limit:	5% of Fund assets
Target yield:	RBA Cash Rate + 6.75%
APIR code:	CTS6709AU

NAV (cum distribution)

	Buy Price	Mid Price	Redemption Price
AU$	$1.0229	$1.0209	$1.0188

Contact

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Monthly Return Stream

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2018	-	-	-	-	-	-	-	-	-	0.46%	0.38%	1.02%	1.87%
2019	0.60%	0.54%	0.84%	0.62%	0.61%	1.25%	0.60%	0.58%	0.70%	-0.46%	0.59%	0.70%	7.41%
2020	0.60%	0.59%	0.52%	0.49%	0.53%	0.77%	0.45%	0.61%	0.30%	0.65%	0.51%	0.52%	6.75%
2021	0.43%	0.52%	0.58%	0.52%	0.51%	0.61%	0.47%	0.52%	0.58%	0.57%	0.48%	0.62%	6.61%
2022	0.51%	0.36%	0.62%	0.57%	0.61%	0.90%	0.48%	0.58%	0.78%	0.52%	0.48%	0.75%	7.43%
2023	0.61%	0.11%	0.75%	0.70%	0.56%	0.86%	0.52%	0.61%	0.71%	0.65%	0.76%	0.66%	7.75%

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Manager A

During the quarter, the underlying portfolio entered into four new loans. In addition, one loan was partially repaid. There was windfall gain from a deeply discounted bond position being recalled at par.

Regular funding of the underlying fund's committed facilities occurred in line with loan schedules and the manager continues to work on their pipeline of potential new investments. Since inception, $537.9m in loans have been repaid. This capital has been progressively reinvested, consistent with the manager's philosophy of recycling capital. In terms of the wider portfolio, the underlying loans performed generally as expected and the manager continues to see opportunities for new positions in line with investment parameters. The portfolio opportunities are spread across Specialty Lending, Real Estate and Opportunistic Credit - with a continued focus on increasing the average loan term of the underlying fund.

Portfolio weighted average initial LVR is 61% (excluding cash). Term weighted average loan life is 0.70 years.

Manager B

The manager's portfolio continues to perform well and all loans are within their covenants. The portfolio is 88% invested across first mortgage opportunities with the balance being held in cash.

Manager C

As at 31 December 2023 the underlying loan portfolio was invested in 22 loans. The December quarter saw $120m in loan settlements and continuing strong growth in the pipeline of loan opportunities. The average loan maturity of the underlying portfolio is 15 months. Interest rates remain consistent with the underlying manager's stated objectives.

The underlying manager's outlook remains positive. The team continues to observe strong demand from borrowers. Rising interest rates and higher input costs have increased margin pressure on many Australian businesses. This has directly impacted company valuations and the availability of equity capital for growth. Structurally, banks continue to reduce cashflow lending to middle market companies and equity capital market liquidity remains constrained, and at significantly lower valuations. Despite this, demand for financing is continuing to grow which is sustaining strong lending volumes, improving pricing power and enhancing lender protections. While the prolonged period of higher interest is supporting increased yields, the limited alternative capital sources is creating increased opportunity to incorporate equity-like instruments, such as warrants, which in combination is further enhancing risk adjusted returns for investors.

Despite the anticipated increase in insolvencies and a softening in consumer demand due to diminishing savings, a considerable number of businesses are positioned to outperform, attributable to robust demand for their products or services and/or the quality of their management teams. The underlying manager has a proven record of selecting companies that successfully trade through challenging economic conditions. These companies have predictable recurring revenue and earnings with strong management teams and healthy operating margins that can withstand changes in market conditions. Consequently, the underlying manager maintains a positive outlook on our ability to identify and lend to companies that are well-positioned to deliver throughout 2024 and beyond.

Manager E

October
The underlying fund was fully deployed during the month with cash below 5% of assets managed. One new loan settled during October, secured against South Australian cropping and grazing assets. The loan facilitated the acquisition of a new grazing property and is structured to reduce debt via conditional subsequent asset sales. Bond & equity markets globally were mostly negative in October with volatility jumping higher (VIX and MOVE) supporting CDS spreads. Bond yield curves steepened (US 10y tested 5%) and bond volatility (~8bps a day on average in October) kept investor risk appetite low. Domestic CPI and retail sales both showed resilience in consumer spending and will likely prompt the RBA to drive reference rates still higher in 2023. Currently the underlying manager expects a 5-10% correction in rural land prices from 2022 highs, based on their observed loan book transactions and 1H 2023 having the lowest volume of rural sales in 28 years (Rural Bank). With the weighted average LVR of agricultural loans at 57% they are confident that there's sufficient equity buffer to navigate any asset price corrections over the next 12-18 months. Due diligence continued on $350m of senior secured loan opportunities across Residual Stock Facilities, Mixed Farming and Resources.

November
There was a major reversal in economic expectation during November which saw markets pricing the end of the rate-rising cycle globally. Bonds rallied strongly during November (S&P ASX AU 10 Year T-Bond Index up 4.5%), and Credit Default Swap (CDS) spreads tightened, with our hedge detracting 0.3% from performance for the month. One new loan was added to the underlying fund in November financing the construction of a large format retail centre in Seaford, South Australia, 30km south of Adelaide. The project attracted strong leasing interest, with five of the six available tenancies already preleased to national big box tenants, including Supercheap Auto and National Tiles. During the month, the underlying fund's largest agricultural loan (2.8% allocation) received a partial repayment due to a $20m property sale. The mixed farming dairy and cropping property was sold to a farming business via an off-market property sales campaign and is the culmination of a six-month due diligence process on the property. Based on the residual security position, the effective LVR for the loan is 56%. Two mainstream banks have

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provided refinance terms on the residual debt balance which is expected to occur Q1 2024. In partnership with Northern Australia Infrastructure Facility (NAIF) and the Queensland Government, the underlying manager closed their first natural resources loan. With a strong ESG element across environmental clean-up, social impact through 200 jobs for indigenous and local community, the loan will finance CAPEX to process gold tailings at the historic Mount Morgan mine, located 30km from Rockhampton. The investment is expected to be fully repaid within three years of operation and will benefit from partially locking in the current record-high gold prices above AUD 3,100 per ounce. Investment opportunities are increasing in the target sectors.

December
The US 10-year treasury yields closed the year at 3.9%, more than 100bps lower than the 5% October peak, and credit spreads tightened during December. Lower yields and the likely taming of inflation should see a more stable macroeconomic environment in 2024, all else equal, and drive a significant increase in hard asset transactions from a multi-decade low base in 2023. One new loan settled during the month with one of Australia's largest sweet corn and green beans producers. The loan will represent 1.8% of the underlying fund with an LVR of 52%. The business has farming properties along the east coast of Australia, from Townsville, QLD to Mafra, VIC. This geographic spread protects against specific weather risks and allows the business to supply the major supermarkets year-round. The recent heavy rainfall events in Far North Queensland did not impact the farms. The underlying fund portfolio was unaffected by the December rain events on Australia's east coast. Minor flooding delayed some orchard CAPEX for an avocado producer near Brisbane, however no existing trees were damaged. A farming asset in Bundaberg did experience a one-week delay when harvesting watermelons. Liquidity and transactions are starting to increase in New Zealand (NZ), with activity for two key loans in the portfolio expected to reduce the underlying fund's NZ exposure to less than 30% by 2H 2024. The first loan is the refinance of a Queenstown development site, reducing the allocation to this investment from 3.5% to 1.6%, with the residual loan balance secured over commercial real estate assets in Auckland that will settle within six months. The second loan is an allocation of 7.9% against secured property assets in Mangawhai, New Zealand, 80km north of Auckland, and a property at Jack's Point, Queenstown. The borrower executed a key Heads of Agreement to sell the site. A real estate fund will purchase the properties worth around $75m by mid-2024. This will reduce the LVR from 55% to less than 40% on residual assets.

The investment pipeline for 1H 2024 is significant, with over $1.3bn in commercial real estate opportunities under review across new residential, residual stock facilities, hotels and mixed-use projects. The underlying manager is focused on residential investments in the $75–$125m range, particularly in Residual Stock Facilities, apartment construction and retirement villages. They have over $500m of agriculture real estate opportunities across horticulture, pre-farmgate, irrigated cropping, port infrastructure and food processing.

Manager F

The underlying fund's investment strategy is to invest in a diversified portfolio of investments across private credit, structured finance and real estate asset-backed credit. The investment philosophy has a bias towards downside protection and is focused on unlocking attractive returns relative to reasonable or controlled levels of risk.

The underlying fund exceeded its distribution and total return targets for the 12 months to December 2023. The Fund has a real estate credit investment that earns a profit share rather than interest. This investment is being restructured to lock in a higher profit share (an increase from 25% to 32%), a fixed return paid in priority to equity profit and a lower investment amount (partial repayment), to compensate for a tenor extension and increase in the senior debt limit. The result is a reduction in risk (lower investment and priority return) and a lower return as project profit expectations are reduced. The underlying manager continues to take a selective approach to new investments, seeking to capitalise on discrete opportunities that provide attractive returns for the risk. The full effects of the increases in interest rates have not been fully seen in the market and inflation will take time to reduce to the Reserve Bank of Australia (RBA)'s target range.

As at 31 December 2023, the underlying fund has 22 active investments with a weighted average remaining term of 1.9 years.