

# Credit Unit Class TAMIM Fund

At 29 February 2020

## YIELD: 7.48% p.a.

### Manager Allocations:

Manager A	Property/SME	9.0%
Manager B	1st Mortgages	24.5%
Manager C	SME	25.4%
Manager D	Property	33.9%
Other		7.2%

### Debt Structure Allocations:

Senior Secured	70.3%
Mezzanine	6.4%
Unsecured	4.4%
Cash	18.9%

### Quarterly Distribution Stream:

31 December 2018	1.87%
31 March 2019	2.01%
30 June 2019	2.00%
30 September 2019	1.90%
31 December 2019	1.80%

### Market Commentary

The Fund generated a 0.59% return in February, resulting in a twelve-month net return of 7.20% to investors with all underlying allocations performing as expected. Again, with the delayed reporting nature of the Credit unit class it is positive to note that Australia seems to be dealing with the Covid-19 crisis better than most of the world. Active cases now stand at just over 1,000 which will likely result in restrictions being eased over the next few weeks around the country. We still have a way to go but it is pleasing that we seem to be well positioned.

An important announcement was made by the Treasurer on the 19th of March. The Morrison government will invest up to \$15bn to enable smaller lenders to continue supporting Australian consumers and small businesses. This is in addition to the \$90bn term funding facility for authorised deposit taking institutions. The Australian Office for Financial Management will be responsible for implementing this program. The lenders in the credit unit class view this as a very significant development as this will allow the AOFM to buy asset

### 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%											1.20%

Note: Returns are quoted net of fees and assuming quarterly distributions are not reinvested. Past performance is no guarantee of future performance.

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### Key Facts

<b>Investment Structure:</b>	Unlisted unit trust
<b>Minimum investment:</b>	A\$100,000
<b>Applications:</b>	Processed monthly
<b>Redemptions:</b>	Quarterly, with 30 days notice
<b>Unit pricing frequency:</b>	Monthly
<b>Distribution frequency:</b>	Quarterly
<b>Management fee:</b>	1.25% p.a.
<b>Performance fee:</b>	Nil
<b>Lock up period:</b>	18 months
<b>Buy/Sell Spread:</b>	+0.20%/-0.20%
<b>Exit fee:</b>	Nil
<b>Administration &amp; expense recovery fee:</b>	Up to 0.35%
<b>Unsecured debt limit:</b>	5% of Fund assets
<b>Target yield:</b>	RBA Cash Rate + 6.75%

### NAV

	Buy Price	Mid Price	Redemption Price
AU\$	\$1.0092	\$1.0072	\$1.0052

### Contact

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backed securities and warehouses and not just residential mortgage backed securities.

### **Manager A**

The portfolio was invested across fourteen assets with approximately 8% of the portfolio being held in cash. February continued at a busy rate, with an investment in a new loan and commitment for an opportunistic credit investment that funded in March. This has effectively redeployed the funds the manager received in January from a maturing real estate loan. As a result, the underlying cash position has reduced to 8%. Overall, the loans within the portfolio have performed in line with the manager's expectations and are medium term in their investment horizon. The manager is in regular communication with borrowers and all of the assets are in compliance with their lending covenants. The weighted LVR of the portfolio is 61% with a term weighted life of 1.46 years.

### **Manager B**

The portfolio continues to perform well and all loans are within their covenants. The special opportunities and programme investments are providing a strong yield with better than expected performance. The portfolio is 67% invested across first mortgage opportunities with the balance being held in cash. February was still flat as the slow return to work from the New Year has dragged.

### **Manager C**

As at the end of February 2020 the loan portfolio stood at 90.7% invested, representing 27 loans. One new loan was settled during the month. The average loan maturity is 19 months. All loans within the portfolio are performing.

### **Manager D**

During the month the Fund realised two property debt investments, made one new property senior debt investment and provided further mezzanine funding secured against the Consumer Finance loan book. Deployment remains within the target range, as at 29 February, the manager held 61 non-cash investments.

The manager continues to progress their asset recovery strategy in relation to the Ralan Group insolvency. We believe that the balance of the portfolio continues to perform as expected in all material respects.

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