

Credit Unit Class TAMIM Fund

At 31 January 2020

YIELD: 7.47% p.a.

Manager Allocations:

Manager A	Property/SME	8.7%
Manager B	1st Mortgages	23.8%
Manager C	SME	24.6%
Manager D	Property	32.7%
Other		7.2%

Debt Structure Allocations:

Senior Secured	72.2%
Mezzanine	6.2%
Unsecured	4.2%
Cash	17.4%

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 0.60% return in January, bringing the twelve-month net return to 7.40%, with all underlying allocations performing as expected. The unit class paid a 1.8 cent distribution to unit holders at the end of the quarter. Given the delayed nature of the reporting on the Credit unit class (as it awaits pricing information from underlying investments), it would be remiss of us not to comment on the unfolding Covid-19 crisis in Australia and globally. We are not going to comment on the pandemic and the health aspects of what is occurring however it is important to understand the economic impacts of what we are seeing.

This is not a typical financial crisis where an economic slowdown is experienced; this is an economic shut down. The result is we are facing a situation different to the last financial crisis and the impacts of this will continue to evolve in the coming months. Thankfully, we live in a country where the government is able and willing to step in and help citizens and taxpayers. We have seen three stimulus packages (at the date of writing), monetary policy measures and Australia's own quantitative easing introduced. This will no doubt

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%												0.60%

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

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
Lock up period:	18 months
Buy/Sell Spread:	+0.20%/-0.20%
Exit fee:	Nil
Administration & expense recovery fee:	Up to 0.35%
Unsecured debt limit:	5% of Fund assets
Target yield:	RBA Cash Rate + 6.75%

NAV

	Buy Price	Mid Price	Redemption Price
AU\$	\$1.0033	\$1.0013	\$0.9993

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help financial markets, more importantly these stimulus packages have been designed to help people stay employed and connected with their employers. The government is now talking about measures being introduced to help businesses hibernate through this period and ensure they (and therefore jobs) exist on the other side, saving the economy from significant damage. The Credit unit class is primarily invested into senior secured debt which should give comfort on the capital investment front. Our lenders have indicated to us that they are all significantly across their loan portfolios and will be working with borrowers to ensure positive outcomes. We will continue to keep you informed as we move this through this period.

Manager A

The portfolio was invested across twelve assets with approximately 14% of the portfolio being held in cash. January has been a busy month for the portfolio with the return of capital from one matured investment, originating a new asset and deploying funds into an existing deal. The repayment as expected of the real estate asset, the second deal to be repaid, is reflective of the manager's strategy of investing in loans backed by secure underlying property investments. As a consequence, the cash position at month end increased. The manager continues to monitor their cash position closely taking into account new potential lends, ongoing funding requirements and for general liquidity purposes. In terms of the pipeline they are seeing new opportunities. However they are observing some other managers who are willing to drive down yields on potential deals, in order to deploy already-raised investor funds. The manager remains disciplined in their investment process and will only commit investor capital where they see appropriate risk and return. The weighted LVR of the portfolio is 61% with a term weighted life of 1.41 years.

Manager B

The portfolio continues to perform well and all loans are within their covenants. The portfolio is 69% invested across first mortgage opportunities with the balance being held in cash.

Manager C

As at the end of January 2020, the loan portfolio stood at 92.1% invested, representing 26 loans. Two new loans were settled during the month. The average loan maturity is 18 months. All loans within the portfolio are performing.

Manager D

During the month the manager realised two property debt investments and provided further mezzanine funding secured against the consumer finance loan book. Deployment remains within the target range and, as at 31 January, the manager held 60 non-cash investments.

The Ralan asset realisation strategy continues to progress, with the settlement of the Paradise Resort at the end of February 2020. Construction is now more than 80% complete at the Arncliffe development and a sales agent will shortly be appointed to market unsold apartments. Additionally, the 'Sapphire' Budds Beach site is under contract, with due diligence underway. The Arncliffe development is now approximately 75% complete, on track for completion in mid-2020. All other assets over which the manager holds security have either been sold or are in the process of being sold.

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