Credit Unit Class
TAMIM Fund

At 31 July 2020

YIELD: 7.32% p.a.

Manager Allocations:

Manager A	Property/SME	12.8%
Manager B	1st Mortgages	21.4%
Manager C	SME	27.7%
Manager D	Property	33.7%
Other		4.3%

Debt Structure Allocations:

Senior Secured	66.0%
Mezzanine	10.1%
Unsecured	4.5%
Cash	19.4%

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%
31 March 2020	1.71%
30 June 2020	1.42%

Fund Commentary

The Fund generated a 0.45% return in July, resulting in a twelve-month net return to investors of 6.24% with all underlying allocations performing as expected. Since inception, the portfolio has delivered an annualised return of 7.32% p.a. net of all fees. As mentioned in last month's report, the fund return has been negatively impacted by the larger than normal cash balances held by the underlying loan portfolios, we are supportive of this approach given the current environment. We believe that caution and a focus on risk is more important than remaining fully invested. TCI envisages that the underlying portfolios will return to a more fully allocated level over the next six months and that will return us to our target of RBA Cash + 6.75%.

Manager A

The manager's portfolio was invested across sixteen assets with

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$	$1.0057	$1.037	$1.0017

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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%						4.03%

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

YIELD: 7.32% p.a.

approximately 15% of the portfolio held in cash. Work continued in relation the portfolio's pipeline of new opportunities. During July the manager increased their exposure to two existing assets. The manager continues to take these opportunities to increase the portfolio's exposures to loans that are already seasoned and performing well. The underlying portfolio's current allocation to cash provides flexibility to pursue new investments and protects against volatility in the market. The manager is witnessing improved pricing and covenant packages in relation to potential new loans as compared to pre COVID – 19 levels. Their disciplined approach to risk and return now provides the portfolio with the opportunity to invest in new loans at appropriate return levels. This discipline of not "chasing deals" as return levels fell during the later half of CY2019 provides the opportunity for the portfolio to make new investments for the medium to long term, with appropriate returns to investors.

As mentioned, the portfolio took the opportunity to increase its exposure to two existing loan exposures. This was on top of regular drawdowns in relation to current loan positions, which continue to occur in line with scheduled draw down requirements. The weighted LVR of the portfolio is 60% with a term weighted life of 1.15 years.

Manager B

The portfolio continues to perform well and all loans are within their covenants. The portfolio is 75% invested across first mortgage opportunities with the balance being held in cash. The manager's pipeline of suitable investments remained strong in July and the manger continued to hold relatively high cash balances in anticipation of additional lending opportunities over the coming months. With the impacts of Covid-19 now relatively well understood by the market, the manager continues to deploy capital in a manner that allows for a continued strengthening of collateral quality.

Manager C

As at the end of June 2020 the loan portfolio stood at 77.6% invested, representing thirty loans. One new loan was settled during the quarter. The average loan maturity is nineteen months. All loans within the portfolio are performing. While maintaining a cautious outlook in a volatile economy, the manager remains pleased with the performance of the loan portfolio, particularly given the impact of COVID-19. Elevated levels of monitoring and close contact have remained in place for the loan portfolio throughout the quarter.

Manager D

During the month, the manager realised three property debt investments, made four new senior debt investments on property and provided further mezzanine funding secured against the Consumer Finance loan book. Deployment remains within the target range. As of 30 July, the manager held 62 non-cash investments.

The underlying portfolio is strategically holding a materially elevated level of liquidity due to the ongoing unusual circumstances – both in the real economy and credit markets – created by the Covid-19 virus. Higher liquidity, while reducing risk, does mean that a larger portion of the portfolio is earning the low return available on cash deposits. The trustee of the underlying portfolio has taken the prudent step of halting recognition of continued interest accrual on its Ralan exposure. The Ralan workout continues to make good progress, ensuring that the impact of this detractor will reduce over time.