Credit Unit Class
TAMIM Fund

At 31 March 2020

YIELD: 7.41% p.a.

Manager Allocations:

Manager A	Property/SME	8.6%
Manager B	1st Mortgages	23.8%
Manager C	SME	24.2%
Manager D	Property	37.1%
Other		6.3%

Debt Structure Allocations:

Senior Secured	71.6%
Mezzanine	6.6%
Unsecured	4.2%
Cash	17.6%

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 2019	1.71%

Market Commentary

The Fund generated a 0.52% return in March, resulting in a twelve-month net return to investors of 7.11% 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 is dealing with the Covid-19 crisis better than most of the world. Active cases now stand at just under 700. The Morrison government has released a framework for relaxation of the social distancing requirements over the next few months however it is still up to the state governments to put this into practise.

Manager A

The manager's portfolio was invested across fifteen assets with approximately 4% of the portfolio being held in cash. During March investments into existing positions continued to occur. A new opportunistic credit investment was funded during the month. There

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$	$0.9973	$0.9953	$0.9933

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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%										1.72%

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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has been a continued redeployment of the funds received in January. 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 portfolio is 70% invested across first mortgage opportunities with the balance being held in cash. During March the manager moved to reduce its pipeline by removing any potential investments it felt would be impacted by the social distancing regimens. They have also reduced risk appetite and increased return requirements where appropriate.

Manager C

As at the end of March 2020 the loan portfolio stood at 84.1% invested, representing 30 loans. Six new loans were settled during the month. The average loan maturity is 20 months. All loans within the portfolio are performing. A focus of the investment team over the quarter (and into April) has been to maintain regular contact with all borrowers, ensuring that real time data is made available, it is stress tested and internally risk rated. The underlying manager has been pleased with the responsiveness of all portfolio companies and with the appropriate actions they have taken within their respective businesses. By design, the investment manager selects and lends to borrowers with recession resistant business models and, while it remains challenging to predict short and medium-term financial conditions, the loan portfolio is in a healthy condition. Pleasingly, several borrowers have reported material revenue growth since commencement of the COVID-19 pandemic. These include an online book retailer, a curb-side recycler and a company that builds e-commerce capabilities for businesses.

Capital protection remains the key priority and the underlying portfolio is currently holding modestly higher levels of cash to enable both the support of existing borrowers and the allocation to new opportunities as they emerge. The underlying credit team continues to assess all loan opportunities in line with their process yet moderating as needed to the prevailing market conditions. While the momentum of existing and new lending opportunities has slowed over the past six weeks, the team is anticipating an increased number of attractive loan opportunities emerging, especially as the large banks continue to lack the capacity to engage 'new-to-bank' borrowers while they focus on supporting their significant existing portfolios. This dynamic will further widen the funding gap and, for corporate borrowers seeking liquidity, they continue to observe a willingness to pay a premium interest rate for the certainty of capital.

Manager D

The manager made one new property mezzanine debt investment during the month and provided further mezzanine funding secured against the Consumer Finance loan book. Deployment remains within the target range, as at 31 March the manager held 64 non-cash investments.

The asset realisation strategy for Ralan is continuing, keeping a close view on the potential impacts of COVID-19. The Arncliffe development is now 86% complete, noting that the majority of required construction materials are either onsite or in transit. Strict OHS regulations are in place in relation to the build, which has slowed progress, with the revised completion date now July 2020. Engagement is underway with pre-sale purchasers of the apartments, with more than 50 purchasers having recontracted their sales. The underlying manager continues to roll out their strategic asset realisation plans for both the sale of the Sapphire development (currently in due-diligence phase with an interested buyer) and the residual stock of the Ruby Apartments in the Gold Coast, which has substantially slowed due to the COVID-19 pandemic. The manager believes that the balance of the portfolio continues to perform as expected in all material respects.