# Credit Unit Class
# TAMIM Fund

At 31 March 2022

## YIELD: 6.93% p.a.

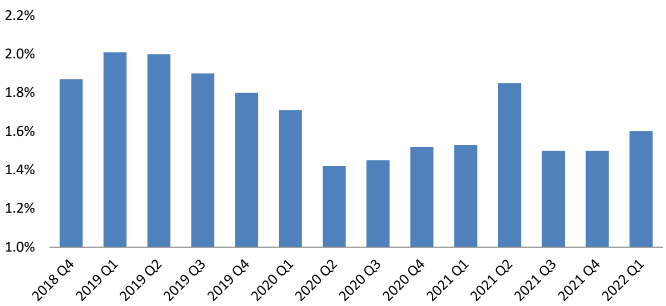
**Manager Allocations:**

| | | |
|---|---|---|
| Manager A | Property/SME | 20.8% |
| Manager B | 1st Mortgages | 17.3% |
| Manager C | SME | 18.1% |
| Manager E | Property/Assets | 19.7% |
| Manager F | Property/Assets | 11.6% |
| Other | | 12.4% |

**Debt Structure Allocations:**

| | |
|---|---|
| Senior Secured | 81.5% |
| Mezzanine | 6.2% |
| Unsecured | 0.3% |
| Cash | 12.0% |

**Quarterly Distributions:**




TAMIM Fund: Credit generated a 0.62% return in March, resulting in a twelve-month net return to investors of 6.57% with all underlying allocations performing as expected. Since inception, the portfolio has delivered an annualised return of 6.93% p.a. net of all fees. Over the three years and six months since inception, the Fund has only had one negative month and has paid a quarterly distribution of between 1.5 and 2.0% every quarter. The quarterly distribution for March 2022 is 1.60% and was paid on 18 May 2022. 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 |
| **Lock up period:** | 18 months |
| **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

| | Buy Price | Mid Price | Redemption Price |
|---|---|---|---|
| **AU$** | $1.0021 | $1.0001 | $0.9981 |

## 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% | | | | | | | | | | 1.50% |

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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**Manager A**

Performance of the underlying portfolio during both the month and quarter was in line with targets as cash was redeployed into new investments. The underlying manager continues to see companies seeking new financing opportunities.

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 with a continued focus on increasing the average loan term of the underlying fund as cash is reinvested. Two loans were repaid during the quarter while two new loans were entered into. Since inception of the underlying fund, 25 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 generally performed as expected and the manager continues to see opportunities for new positions in line with their investment parameters. These 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 68% (excluding cash). Term weighted average loan life is 1.33 years.

**Manager B**

The manager's portfolio continues to perform well and all loans are within their covenants. The portfolio is 92% invested across first mortgage opportunities with the balance being held in cash.

**Manager C**

As at 31 March 2022, the underlying loan portfolio was invested in 27 loans. The March quarter saw significant activity in the pipeline. The average loan maturity of the underlying portfolio is 19 months. Interest rates remain consistent with the underlying manager's stated objectives and all loans within the portfolio are performing.

Consistently larger loan amounts than in past years alongside scheduled increases to existing borrowers accounted for the meaningful loan activity in Q1, despite the slowdown in activity experienced over the Christmas period. The March quarter settlements redeployed the large borrower repayments of December 2021 and a deep pipeline is now seeing traction that is expected to result in strong new loan settlements in the June 2022 quarter. The gross portfolio yield was slightly improved over Q1 and is expected to increase over Q2 2022. There have been no noticeable changes to spreads or tolerance for covenants in the market over the last quarter.

The underlying portfolio executed its first convertible note as a new tranche to an existing borrower. The convertible note was structured to have senior security; this is not market standard (convertible notes are normally unsecured) and materially benefits the underlying fund. Overall, borrower demand remains strong. The underlying manager continues to monitor the portfolio and assess new lending opportunities with strong consideration for supply chain, inflationary and geopolitical risks. They are especially focused on investing in loans to companies that have robust gross and net margins, insulating them from supply chain or input cost volatility.

**Manager E**

The underlying loan portfolio income was up for the quarter due to new investments settled and two existing loan extensions, where opportunities arose to earn forecast IRRs above the underlying fund's target return and at LVRs less than 60%. Credit Default Swap (CDS) spreads narrowed in March as concern about credit defaults in global markets stemming from the Russian/Ukraine conflict lessened after February peaks. CDS responsiveness to credit market risk is why the manager utilises it as a cost-effective credit insurance investment strategy for the underlying fund. As part of their balanced portfolio approach, they continue to maintain a high-level of investment diversification.

The portfolio comprises of 43 senior secured loans diversified across three primary asset classes and fourteen sub-sectors. The portfolio is additionally diversified by geographic spread and borrowers. On a macro level, they are closely tracking inflationary pressures and supply chain challenges both within their target investment sectors and globally. There are clear indications that demand for residential housing will remain robust in 2022 and into 2023, with Domain showing vacancy rates at a record low of 1% nationwide in March and residential dwelling values having increased 21.6% year-on-year (CoreLogic), the highest annual growth rate since 1989. The manager's investments team focused heavily on loan due diligence in March with six new investments scheduled to settle in April.

**Manager F**

During the quarter, the underlying manager made two new investments, one structured finance investment and one real estate credit investments, for a total of $11m. The manager also funded a $0.3m drawdown on an existing structured finance investment while successfully exiting one real estate credit investment for $0.3m.

As at the end of the March 2022 quarter, the underlying fund had a cash balance of 16%. There is a strong pipeline for the underlying fund; split between private credit, real estate investments and structured finance. The underlying manager expects cash to be materially deployed by the end of next quarter. The underlying portfolio is invested into fifteen active positions and has a weighted average remaining term of 2.5 years.