

Tangram Investment Fund - Seed

Investment report - Apr 2024

Investment strategy

To invest indirectly in a diversified portfolio of loan assets aiming to generate a steady stream of income and preserving investor capital.

APIR Code **MSC1582AU***

Unit Price **\$1.00***

Minimum initial investment **\$1,000***

Minimum additional investment **\$100***

Distribution frequency **Monthly***

Minimum holding period **3 Months***

Withdrawal **Monthly***
 Subject to minimum holding period

*See PDS for details



April 2024 net distribution target rate** annualised.

Risks

This product carries performance, market liquidity, and other risks. You should consider Section 7 of the PDS before investing.

Risk level

Low



Historical performance**

Inception: 1 Nov 2019

| Historical Performance | 1 Month | 3 Months | 6 Months | 1 Year | 3 Year | Since inception p.a. |
|------------------------|---------|----------|----------|--------|--------|----------------------|
| Tangram Seed | 0.43% | 1.31% | 2.50% | 4.93% | 4.51% | 4.44% |

*After fees and expenses but before any tax

**Target return is not guaranteed. Past performance is not indicative of future performance. All investments carry risks. For more information, see PDS.

Fund update

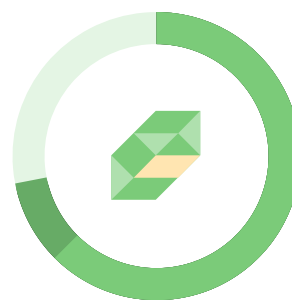
In this month, Tanggram Seed and Spark maintained the current target return rates unchanged.

Tanggram Seed: The target return rate of 5.20% p.a.**

Tanggram Spark: The target return rate of 6.05% p.a.**

To enhance the liquidity of our investment portfolio, we have decided to fully withdraw from the Banner Low LVR Income Fund for both Tanggram Seed and Tanggram Spark. The withdrawn funds will be reallocated to other underlying funds in which we currently invest. This decision is consistent with the Product Disclosure Statement (PDS) and does not impact the risk exposure or target market determination (TMD). Meanwhile, we are also planning to introduce new funds into our existing investment portfolio.

Average allocation for April 2024



| | |
|--------|---------------------------------|
| 59.13% | Mortgage schemes |
| 8.76% | Credit funds |
| 32.11% | Cash and other cash-like assets |

Market update

In March, both Australia and the United States experienced higher-than-expected inflation, further reducing market expectations of an interest rate cut by the Reserve Bank of Australia(RBA).

According to the latest data from the Australian Bureau of Statistics (ABS), the Consumer Price Index (CPI) rose 1.0 percent in the March 2024 quarter, which is higher than the market expectation of 0.8 percent. Annually, the CPI increased by 3.6 percent over the twelve months to the March 2024 quarter, exceeding the 3.5 percent expected.¹

In the United States, the CPI increased by 0.4 percent in March, higher than the market expectation of 0.3 percent and matching the increase seen in February. The year-on-year CPI rose 3.5 percent in March, surpassing the expected 3.4 percent and higher than the 3.2 percent rise in February.²

Although the inflation figures have shown a noticeable decrease compared to the peak in June 2022, there still remains a distance from the Federal Reserve Bank's target of 2%. We believe that the core reason for the higher-than-expected inflation increase is the rise in commodity prices due to geopolitical conflicts in the Middle East.

Affected by inflation, market expectations for an interest rate cut by the RBA this year have dropped to zero, according to data from the Cash Rate Futures Market as of April 30th.³

*After fees and expenses but before any tax. **Target Returns are not guaranteed. Risks apply. Historic performance is not indicative of future performance. For more, see PDS and TMD.

Source:

- <https://www.abs.gov.au/media-centre/media-releases/cpi-rose-10-march-2024-quarter>
<https://www.theguardian.com/australia-news/2024/apr/24/australia-inflation-rate-consumer-price-index-march-quarter>
- <https://www.bls.gov/news.release/cpi.nr0.htm>
<https://www.theguardian.com/business/2024/apr/10/us-inflation-march-cpi>
- <https://www.asx.com.au/markets/trade-our-derivatives-market/futures-market/rba-rate-tracker>

We anticipate that high inflation and interest rates will undermine the growth of the Australian economy, leading to increased market uncertainty going forward. In response, we will act more prudently in risk management in the future.

This information was prepared by Tanggram Capital Pty Ltd (ACN 630 041 020 AR 001305609), who is an authorised representative of Cache Investment Management Ltd (ACN 624 306 430 AFSL 514 360) (Cache). The Tanggram Investment Fund is issued by Melbourne Securities Corporation Limited (ACN 160 326 545 AFSL 428289), as disclosed in the Product Disclosure Statement (PDS). All information is general information only and does not take into account your personal circumstances, financial situation or needs. Before making a financial decision, you should read the relevant PDS and Target Market Determination (TMD) to consider whether the product is right for you and whether you should obtain advice from a professional financial adviser. Past Performance is not indicative of future performance. All investments carry risk. Performance is not guaranteed.