

Tanggram Investment Fund - Spark

Investment report - Mar 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 **MSC6556AU***

Unit Price **\$1.00***

Minimum initial investment **\$5,000***

Minimum additional investment **\$100***

Distribution frequency **Monthly***

Minimum holding period **6 Months***

Withdrawal **Monthly***

Subject to minimum holding period

*See PDS for details



March 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 Spark	0.50%	1.48%	2.89%	5.78%	5.37%	5.31%

*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.**

According to the Reserve Bank of Australia's (RBA)¹ Financial Stability Review in March 2024, while Australian households are facing significant pressure from rising interest rates, widespread defaults on loans have not yet been observed.

The RBA considers overall financial risks in Australia to be manageable, but the potential risk in Australian commercial property loans, mainly stemming from possible disinvestment by foreign investors, should be carefully monitored.¹

In the future, we will continue to monitor potential risks and devote greater caution in reviewing loans for commercial properties.

Market update

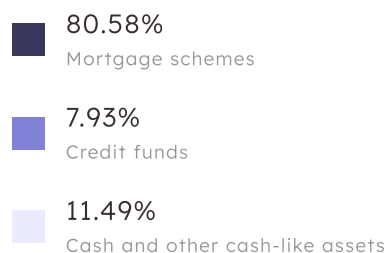
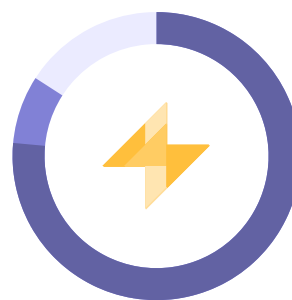
The Reserve Bank of Australia (RBA) raised the interest rate by a total of 125 BPs in 2023. This interest rate hike has posed significant challenges to the Australian economy, with GDP growing by only 2%, and per capita GDP experiencing negative growth in 2023.²

According to the ABS, the monthly CPI indicator rose a total of 3.4 percent in the 12 months to February 2024. However, as of February 2024, headline inflation has held steady at 3.4 percent for a third consecutive month, indicating that the escalating trend of inflation in Australia has cooled off, facing its bottlenecks. Although the unemployment rate has increased slightly compare to the lowest level, the growth rate remains at a very low level.³

In March, the Reserve Bank of Australia (RBA) maintained the cash rate at 4.35%, while the Federal Reserve decided to keep its benchmark interest rate unchanged at 5.25%-5.5%. This release aligns with our earlier projections, suggesting that the RBA is more likely to consider a rate cut later this year, following the move of the Federal Reserve.⁴

Notably, on March 19, the Bank of Japan announced its first interest rate rise in nearly 17 years, signalling that the global interest rate hikes have reached a peak at this time. We expect central banks worldwide to adopt a more determined attitude towards rate cuts in the near future.⁵

Average allocation for March 2024



*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.rba.gov.au/publications/fsr/2024/mar/at-a-glance.html>
- <https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release>
- <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/monthly-consumer-price-index-indicator/feb-2024>
<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>

4. <https://www.rba.gov.au/media-releases/2024/mr-24-05.html>
<https://www.federalreserve.gov/newsevents/pressreleases/monetary20240320a.htm>
5. https://www.boj.or.jp/en/mopo/mpmdeci/mpr_2024/mpr240319d.pdf

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.