

2023 TAMIL ENDOWMENT FUND ANNUAL REPORT

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ABOUT US

OUR AIMS

- Create a permanent pool of capital, the endowment
- Invest our endowment to sustainably provide yearly grants that are available for both operational and project costs
- Through targeted funding and advisory services enable our partners to access large institutional grant programmes

THE WHY

- Lack of long-term sustainable funding sources for Tamil organisations
- Hesitancy by funders to provide for operational expenses that are critical for growing the impact of a charity i.e. salaries for high calibre staff
- Limited life span of organisations
- High key person risk in organisations
- Limited collaboration between organisations

YEAR IN REVIEW

- This year has been about proving the concept of the endowment. To that end, we have invested capital, and the portfolio is now sized over £1000 and has achieved strong returns.
- Our funding policy, is to distribute 3% of the investment fund (averaged over 3 years) into our grant pot. For 2023, the grant allocation is £30. Whilst small, we are excited to think of ways to maximise its impact potential. It is worth noting that this is an amount that will continue to grow and we are confident we can perpetually provide in funding.
- We established our first advisory programme with ANBU UK. They are a Tamil charity focused on providing important services to the community and have built a strong platform from which they can continue to grow their impact. This year, we worked on their donor due diligence framework, and we are in the process of rebuilding their finance team. We remain excited to work with ANBU UK as they also rebuild their management team.
- We collaborated with the Tamil Professional Network and London School of Economics Tamil Society to host a panel event focused on asset management. Given the young audience, we started the event with a presentation on asset management and the key stakeholders in the investment value chain. The slide deck is on our website, under events. The panel event was unique, with over 7 Tamil panellists from a range of asset classes [listed equity, private equity, real estate, private credit, infrastructure]. We had over 20 attendees and naturally the event went over the allocated time given the passionate speakers and attendees. We are excited to make this event an annual tradition with Tamil University Societies.
- This year we launched our Instagram account, which now has over 100 organically grown followers. We are grateful for the support and look forward to sharing our progress.

Investment Fund

£1010

Annual Return

12.3%*

Cash Return

£110

Grant Allocation 2024/25

£30

*Annual return is calculated on a money weighted basis

YEAR AHEAD

Recruitment

- Over the year we have been refining our investment philosophy, from which we have devised a new investment team structure. We are aiming to add 1-2 new investment professionals to align with this new approach.
- To support our advisory and funding programme we aim to recruit a permanent funding director who can manage our partnerships and focus on how best to use our grant capital.

Events

- We aim to continue our panel event with universities next year and create a Tamils in Asset Management event / social for working professionals. From our asset management panel this year, we saw great merit in experienced peers meeting each other.

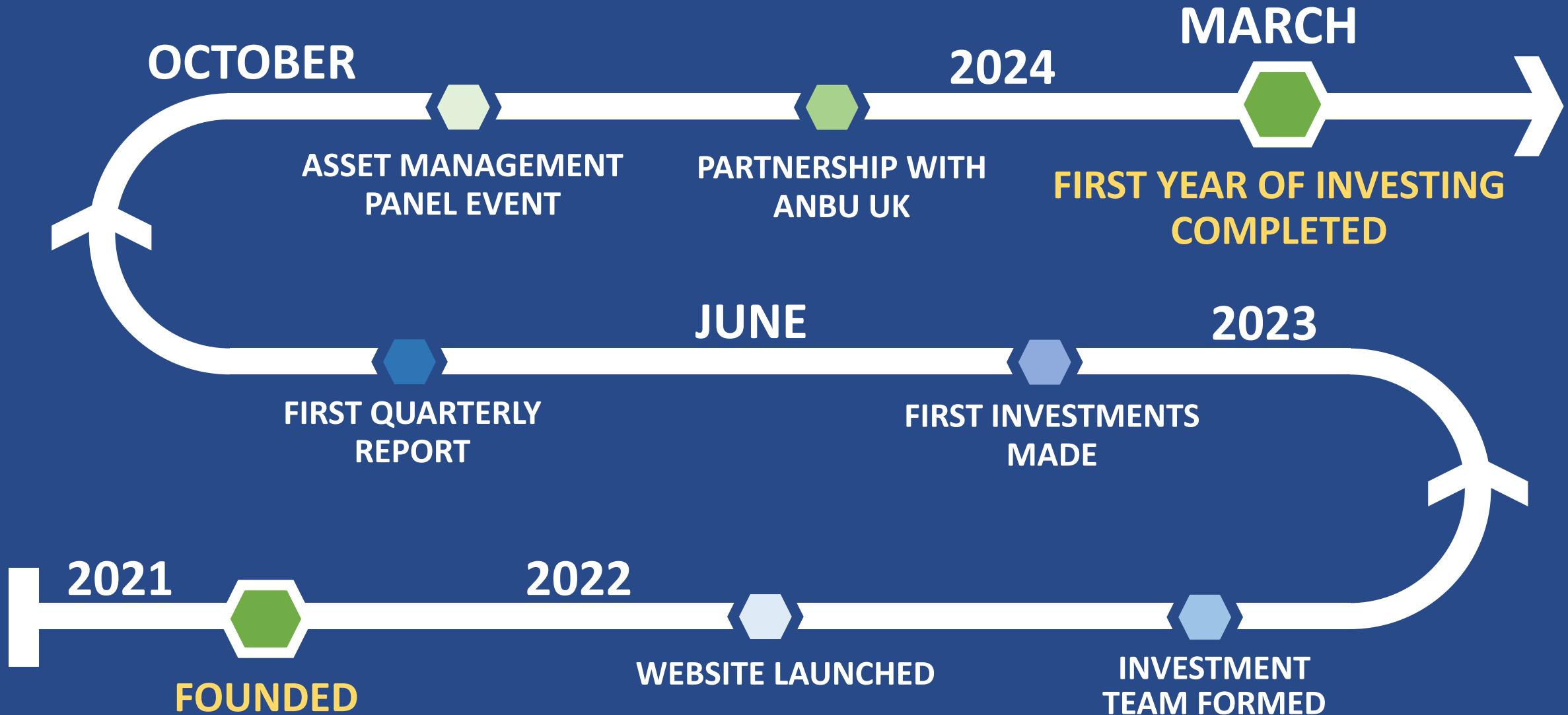
Advisory and Funding Programme

- We aim to add our first grant and advisory relationship, where we will spend this year's grant allocation.

Tamil Endowment Fund Advisory Board

- We aim to start putting together a committee of key stakeholders who can advise and hold the endowment accountable to delivering its maximum potential.

MILESTONES



ANNUAL INVESTMENT REPORT

- This year, the team has invested in 6 funds.
- Initial priority was selecting a fund that invests in high quality profitable companies to provide our core listed equity exposure. Over time we found the portfolio had relatively muted performance during strong risk-on periods and so we added two new managers that had a dedicated growth focus. This added to the fund's performance, particularly from November 2023, as markets were particularly bullish on the prospects of interest rate cuts.
- We invested and then divested our investment in a real estate fund. Whilst there were sectoral diversification benefits from the position, given our limited capital, we had difficulties in appropriately sizing the position.
- To diversify our growth positions, we added two dynamic strategies. These funds invest across “value” and “growth” stocks. These positions have proved to be particularly good diversifiers, exhibiting resilient performance in both bullish and bearish periods.
- We invested and maintain a notable infrastructure holding as a defensive position.
- Overall, we are pleased with the portfolio's investment performance, which is in line with our long-term target return.

Asset Class	Strategic Asset Allocation	Asset Allocation	Performance
			April 23 – Dec 23
Listed Equity	60%	80.5%	16.0%
Fixed Income	7.5%		
Infrastructure	15%	19.5%	-1.0%
Real Estate	5%		
Natural Resources	5%		
Diversifying Strategies	7.5%		
Total	100%	100%	12.3%

OUR NEW INVESTMENT APPROACH

Strategy	Example Investments / Themes		Target Allocation	Current Allocation
Growth	• Small Companies • Emerging Markets	• Thematic / Sector Specialists • Above Average Growth Companies	55%	54%
All Weather	• Income Strategies	• Multi-strategies (Growth / Value)	30%	30%
Defensive	• Absolute return / Hedge Funds • Value Investing • Commodities	• Bonds and Inflation Linked • Infrastructure • Alternative Strategies	15%	18%

- Over the year, we reviewed our strategic allocation and investment philosophy and have decided to move towards a new portfolio construction approach that is acutely focused on risk and return.
- Our new approach is centred around 3 sleeves: Growth, All Weather and Defensive. This framework, that goes beyond an asset classes, enables us to consider the full spectrum of available opportunities.
- We use Hargreaves Lansdown as our investment platform, which provides us access to 1000+ unique funds, from which we want to pick 8-10 funds.
- The investment team going forward will be built around these 3 sleeves (Growth, All Weather and Defensive) and will be supplemented by an overarching investment strategy team that manages the aggregate portfolio.

INVESTMENT REVIEW IN DETAIL

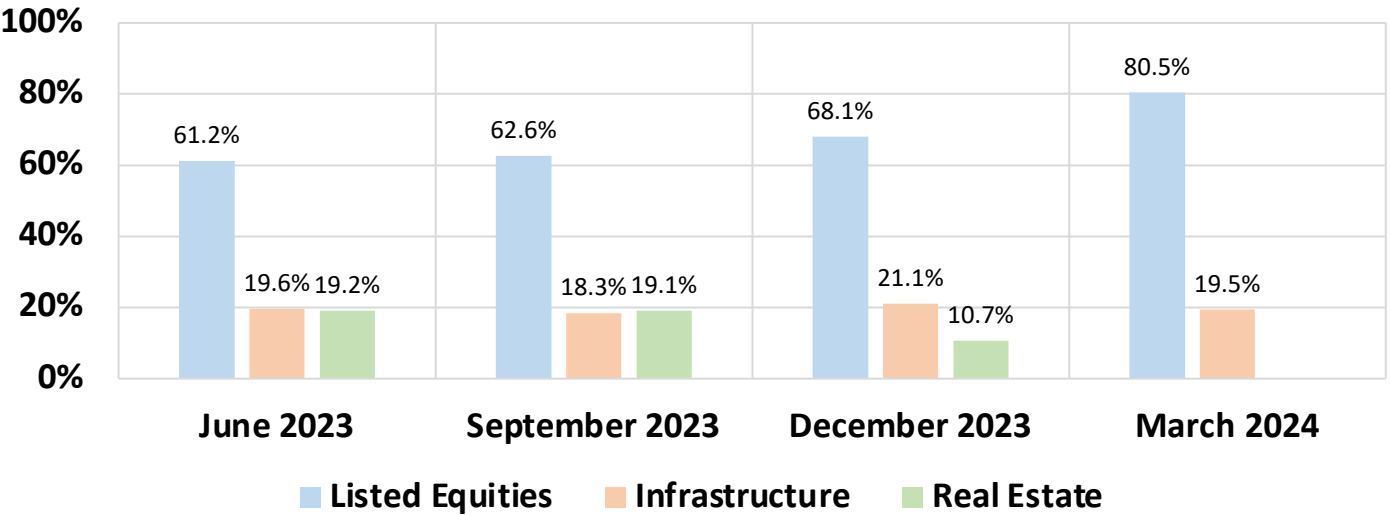
- Equity markets in 2023 began enthusiastically over prospective developments in Artificial Intelligence. With Artificial Intelligence exposure concentrated within the technology sector (one of three sectors to outperform the MSCI World over the year), 'growth' stocks outperformed, despite interest rates increasing meaningfully over the period.
- By the end of July 2023, expectations over the future path of interest rates were once again the key driver of equity performance. Almost paradoxically, positive economic data was not translating into positive equity performance - the prospect that a strong economy may contribute to inflationary pressures (or at least embolden the Federal Reserve to maintain interest rates at elevated levels) fuelled market expectations of 'higher-for-longer' interest rates. The perceived impact this would have on valuations created a headwind for equities.
- From November 2023 to March 2024, these expectations however sharply reversed, fuelling an extraordinary two-month market bounce that more than offset all the declines seen over the prior quarter. This rally lifted almost all corners of the market higher.

Sleeve	Commentary
Growth Return: 17.8%	Growth orientated funds performed very well over the period. We had underwritten two funds over the year and remain happy with their performance. Both managers have consistently ranked in 1 and 2 nd quartiles over all time periods.
All-Weather Return: 13.4%	Our all-weather positions performed in line with expectations. Our 3 funds in this sleeve are focused on high quality, cash generative businesses with a significant income generation bias.
Defensive Return: - 1%	Currently, there is one infrastructure fund in this sleeve. Defensive sectors such as utilities, have stable long-term contracts which are particularly valuable in volatile economic periods. We remain comfortable with our infrastructure fund, which has performed well against its peer group. Over time we will look to add further funds in this sleeve.

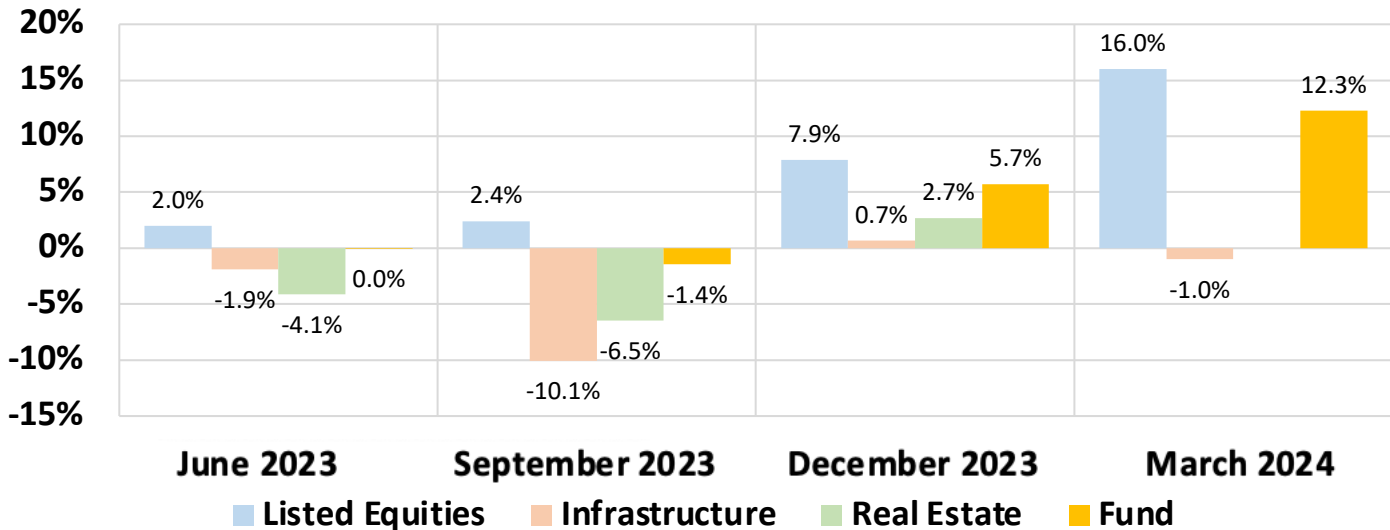
DETAILED EXPOSURES

Figures may not always sum to 100% due to rounding

Asset Allocation



Fund & Asset Class Performance



Sector	Jun-23	Sep-23	Dec-23	Mar-24
Consumer Discretionary	2.7%	3.1%	5.5%	6.1%
Consumer Staples	10.9%	6.8%	4.6%	5.5%
Energy	1.9%	1.5%	1.8%	2.3%
Materials	1.6%	3.6%	3.4%	4.5%
Industrials	10.9%	10.7%	12.5%	13.5%
Health Care	11.5%	11.9%	10.7%	12.2%
Financials	7.4%	5.5%	7.3%	9.6%
Technology	16.3%	18.3%	20.2%	23.0%
Real Estate	19.7%	19.1%	11.8%	1.5%
Communication Services	2.2%	5.5%	5.9%	7.1%
Utilities	13.0%	12.9%	14.2%	13.4%
Cash and Equiv.	1.9%	1.0%	2.0%	1.5%

Regional Exposure	Jun-23	Sep-23	Dec-23	Mar-24
North America	52.9%	79.2%	68.9%	69.5%
Europe – Inc. UK	38.8%	13.3%	22.6%	25.0%
Asia and Pacific	4.8%	5.5%	3.9%	3.3%
South & Central America	1.1%	0.9%	1.2%	1.0%
Cash and Equiv.	1.3%	1%	2%	1.3%
Other	1.1%	0%	1.4%	0.0%

Perpetual growth and allocation of funds to Tamil causes and organisations