

MSQUARED HIGH YIELD MORTGAGE INCOME FUND MONTHLY REPORT | OCTOBER 2024



MARKET & PORTFOLIO UPDATE

Msquared Capital is pleased to present the October 2024 monthly update for the Msquared High Yield Mortgage Income Fund. In the aftermath of the US election, economists are getting to work as they weigh up the potential impact four more years of "Trumponomics" will have on the Australian economy. A key talking point is the ripple effect of substantial import tariffs that will be placed on China, with a weakening Chinese economy representing a risk to future Australian export volumes. Separately, the Australian economy is starting to show signs of strengthening on the back of lowering inflation and a steady labour market. There is little rush for the RBA to slash rates, with our prediction being a moderate 0.50% decrease over the next 24 months. However, in Msquared Capital's direct focus is the price weakness that is emerging in the property market due to a combination of low affordability and high interest rates. Notwithstanding this, a robust investment approach and commitment to investment diversification continues to be applied as we select investments for the Fund. At the end of October, the weighted LVR of the fund was 67.87%, with the annualised return remaining at 10.35%. The Fund was diversified across 46 investments and four geographic regions.

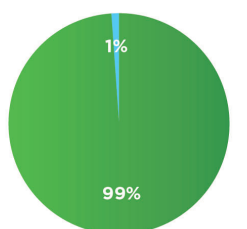
RECENT RETURNS (ANNUALISED)*

October 24	10.35% p.a.
September 24	10.35% p.a.
August 24	10.35% p.a.
July 24	10.35% p.a.
June 24	10.35% p.a.

FUND METRICS

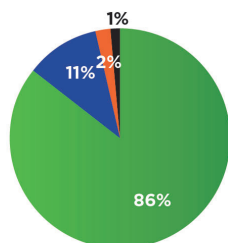
No. of Loans in Fund	46
Weighted Portfolio LVR	67.87%
Weighted Portfolio Loan Term	6.58 months
Loans Settled in Last 90 Days	8
Loans Repaid in Last 90 Days	11

CAPITAL ALLOCATION



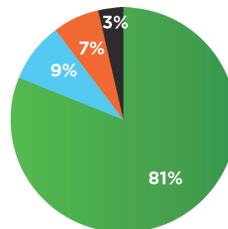
■ Funds Invested ■ Cash

SECURITY TYPE



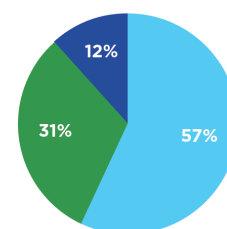
■ Residential ■ Land
■ Industrial ■ Mixed-Use

GEOGRAPHICAL LOCATION



■ Sydney ■ Greater NSW
■ Melbourne ■ Greater QLD

LOAN PURPOSE



■ Working Capital ■ Refinance
■ Aquisition

OBJECTIVES OF THE FUND

01

To provide investors an opportunity to access **high quality, registered mortgage** investments through a professionally managed structure.

02

The provision of **monthly income** distributions at a targeted minimum net return of **9.00% p.a.**

KEY FUND INFORMATION

Maximum LVR	80.00%
Security	Registered Mortgages
Distributions	Payable monthly
Minimum Investment	\$50,000
Minimum Investment Term	12 Months
Redemptions	Quarterly with two months' notice
Investment Grade Research Ratings	Evergreen Ratings SQM Ratings

DISCLAIMER

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