

MSQUARED HIGH YIELD MORTGAGE INCOME FUND MONTHLY REPORT | FEBRUARY 2025



MARKET & PORTFOLIO UPDATE

Msquared Capital is pleased to present the February 2025 monthly update for the Msquared High Yield Mortgage Income Fund (the Fund). Recent developments in global financial markets have been marked by increased volatility as the Trump administration advances its 'America First' economic agenda. This policy shift—characterised by tariffs and renegotiated trade agreements—has had far-reaching effects, including in Australia, where the U.S. has refused to grant exemptions for steel and aluminium exports. As a key trading partner of the U.S., Australia's response to this escalating trade dispute is set to be a significant point of contention in the lead-up to the May election. These rapidly evolving geopolitical events have a direct and indirect impact on our inflation expectations which heightens the risk of a global recession and increasing political instability. We should expect greater volatility throughout 2025 and investors should consider the benefits of private credit with its low correlation to listed equities. At the end of February 2025, the Fund was well diversified across 40 loans with a weighted portfolio loan term of 6.56 months and a weighted LVR of 66.76%. The Fund's cash balance was 16%, following a succession of loan repayments, and we are continuing to source high-quality opportunities for re-deployment. The annualised return of the Fund remained at 10.35% p.a.*

RECENT RETURNS (ANNUALISED)*

February 25	10.35% p.a.
January 25	10.35% p.a.
December 24	10.35% p.a.
November 24	10.35% p.a.
October 24	10.35% p.a.

FUND METRICS

No. of Loans in Fund	40
Weighted Portfolio LVR	66.76%
Weighted Portfolio Loan Term	6.56 months
Loans Settled in Last 90 Days	7
Loans Repaid in Last 90 Days	17

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.

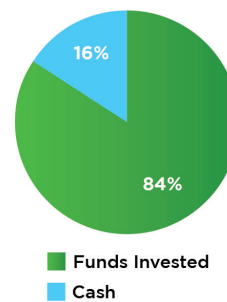
DISCLAIMER

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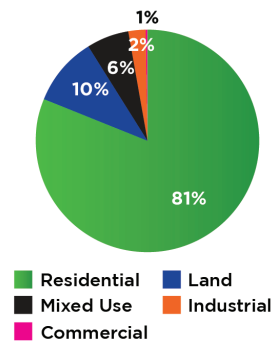
KEY FUND INFORMATION

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

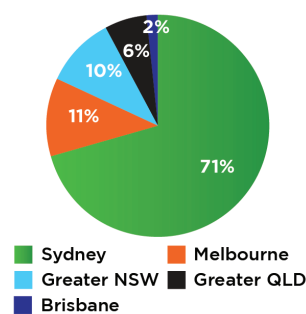
CAPITAL ALLOCATION



SECURITY TYPE



GEOGRAPHICAL LOCATION



LOAN PURPOSE

