MSQUARED HIGH YIELD MORTGAGE INCOME FUND
MONTHLY REPORT | JULY 2025

MARKET & PORTFOLIO UPDATE

Msquared Capital is pleased to present the July 2025 monthly update for the Msquared High Yield Mortgage Income Fund. While the Australian economic outlook remains cautiously optimistic, the RBA has reduced the cash rate by 0.50% over the course of 2025 and we anticipate interest rate movements will spark increased borrower activity over the coming 12 months. We remain cautious that quantity is different from quality and will only allocate capital to deals that meet our strict lending criteria. To ensure we remain the preferred provider of capital by high quality borrowers, we have lowered the investor rate of return by 0.10% on an annualised basis. We believe that the investor return of 10.00% p.a. for the month of July is a fair reflection of the current portfolio construction. The Fund remained well diversified across 50 investments, with a weighted average loan term of 7.96 months and a weighted average loan-to-value ratio of 66.86%. We are currently seeing attractive deal flow emerge in the private credit space, as more borrowers look to secure working capital, acquire or refinance in this environment.

RECENT RETURNS (ANNUALISED)*

July 25	10.00% p.a.
June 25	10.10% p.a.
May 25	10.10% p.a.

FUND METRICS

No. of Loan Investments in Fund	50
Weighted Portfolio LVR	66.86%
Weighted Portfolio Loan Term	7.96 months
Loans Settled in Last 90 Days	13
Loans Repaid in Last 90 Days	10

OBJECTIVES OF THE FUND

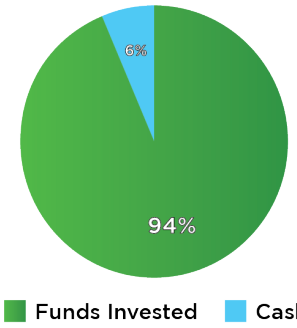
01 **To provide investors an opportunity to access high quality, registered mortgage investments through a professionally managed structure.**

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

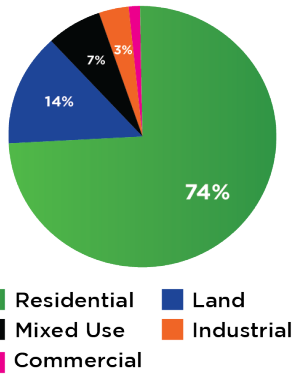
KEY FUND INFORMATION

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	SQM Ratings

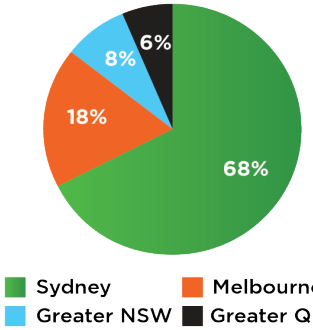
CAPITAL ALLOCATION



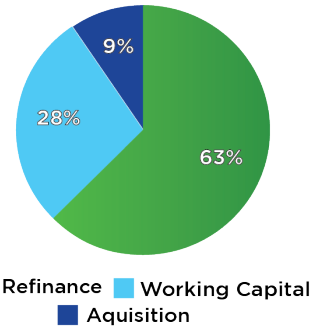
SECURITY TYPE



GEOGRAPHICAL LOCATION



LOAN PURPOSE



DISCLAIMER

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