MSQUARED HIGH YIELD MORTGAGE INCOME FUND
MONTHLY REPORT | NOVEMBER 2025

MARKET & PORTFOLIO UPDATE

Inflation surprisingly ticked up to 3.8%, driven by the housing, energy and services sectors. The RBA expects higher inflation for longer, making further rate cuts unlikely in early 2026. APRA was the true wildcard in November, delivering its first pre-emptive strike on property investor activity. Its intervention may temper the market, but given the significant undersupply, we expect property prices to remain relatively stable in the near term. Australia's property market is incredibly resilient; historically Sydney's sharpest property correction has been just 14% peak-to-trough.

We saw particularly strong demand from borrowers this month and we have increased our exposure to businesses looking to grow, seeking a capital injection to refinance or acquire before the close of 2025. The High Yield fund is continuing to pay a distribution of 10.00% p.a. The Fund is well diversified across 52 investments, with a weighted average loan term of 7.57 months and a weighted average loan-to-value ratio of 69.30%

RECENT RETURNS (ANNUALISED)*

November 25	10.00% p.a.
October 25	10.00% p.a.
September 25	10.00% p.a.

FUND METRICS

No. of Loan Investments in Fund	52
Weighted Portfolio LVR	69.30%
Weighted Portfolio Loan Term	7.57 months
Loans Settled in Last 90 Days	19
Loans Repaid in Last 90 Days	21

OBJECTIVES OF THE FUND

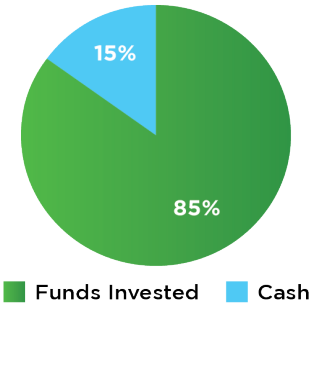
01 **To provide investors an opportunity to access high quality, registered mortgage investments through a professionally managed structure.**

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

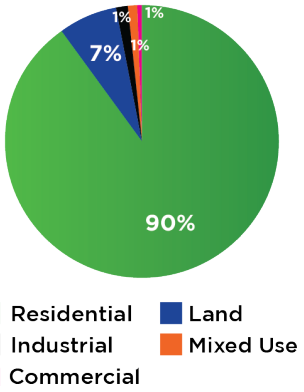
KEY FUND INFORMATION

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

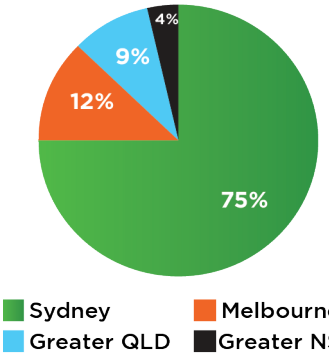
CAPITAL ALLOCATION



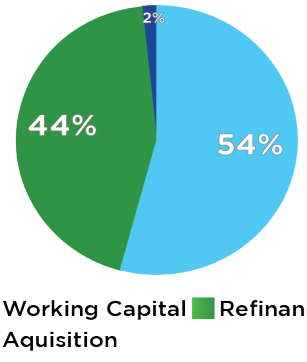
SECURITY TYPE



GEOGRAPHICAL LOCATION



LOAN PURPOSE



DISCLAIMER

This document is prepared by Msquared Capital Pty Ltd ACN 622 507 297 AFSL 520293 (Msquared Capital) for general information only. It does not consider individual investors' particular circumstances, investment objectives and needs and does not constitute financial, tax or legal advice. The document is not an invitation, offer or inducement to invest. Prospective investors should consider the Fund's Constitution and Information Memorandum and seek independent advice before making any decision to acquire, continue to hold or dispose of units in the Fund. Msquared does not guarantee the accuracy, reliability, nor completeness of this document. Investments in the Fund's products are not bank deposits and the performance of the Fund, return of capital or payment of distributions are not guaranteed. *Past performance is not indicative of future performance.

MSQUARED CAPITAL
Level 12, 88 Pitt Street, Sydney NSW 2000
p 02 9157 8608
e info@msqcapital.com.au
w msquaredcapital.com.au