

# MSQUARED HIGH YIELD MORTGAGE INCOME FUND MONTHLY REPORT | FEBRUARY 2024



## MARKET & PORTFOLIO UPDATE

February saw a continuation of the Australian economic cool-down resulting from the RBA's contractionary monetary policy approach. The Australian economy grew by 0.2% in the quarter, the slowest growth rate since the COVID-19 pandemic. We are at an inflection point as we await the inevitable interest rate cut to kick the economy back into gear. The weighted portfolio loan term is 8 months, which leaves the Msquared High Yield Mortgage Income Fund ("the Fund") well positioned to quickly reposition ahead of any material deterioration in the economic environment toward the latter part of the year. In February, the Fund continued to provide a stable return, with the income distribution to investors increasing to 10.35% p.a. The Fund has 42 loans and a weighted portfolio LVR of 62.87%, remaining well-diversified.

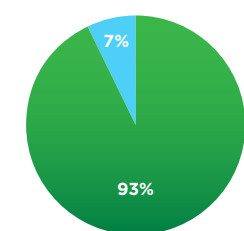
## RECENT RETURNS (ANNUALISED)

October 23	10.30% p.a.
November 23	10.32% p.a.
December 23	10.35% p.a.
January 24	10.35% p.a.
February 24	10.35% p.a.

## FUND METRICS

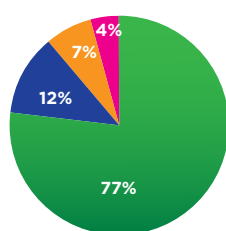
No. of Loans in Fund	42
Weighted Portfolio LVR	62.87%
Weighted Portfolio Loan Term	8.00 months
Loans Settled in Last 90 Days	13
Loans Repaid in Last 90 Days	10

### CAPITAL ALLOCATION



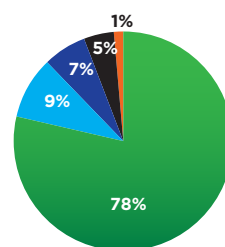
Funds Invested Cash

### SECURITY TYPE



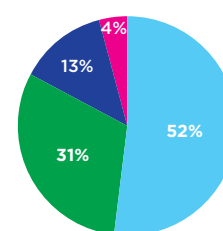
Residential Land Industrial Construction

### GEOGRAPHICAL LOCATION



Sydney Greater NSW Brisbane Greater QLD Melbourne

### LOAN PURPOSE



Working Capital Refinance Acquisition Construction

## 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

Target Minimum Return	9.00%
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

## DISCLAIMER

This document is prepared by Msquared Capital Pty Ltd ACN 622 507 297 (Msquared) 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.