

MSQUARED HIGH YIELD MORTGAGE INCOME FUND MONTHLY REPORT | JANUARY 2024



MARKET & PORTFOLIO UPDATE

January saw the Australian economy gradually cool as the effects of tighter monetary policy weighed on demand and inflation continued to moderate, with expectations that it will return to the 2-3% target range in 2025. The tone has now shifted to when interest rates will be cut, with the RBA and major banks expecting the Cash Rate to fall from its 4.35% high by mid-late 2024. Australia's property market continues to see an undersupply, with demand remaining strong in tandem with strong population growth. In January, Msquared Capital saw more high-quality transactions enter the portfolio. The Msquared High Yield Mortgage Income Fund continued to perform strongly in January, returning 10.35% p.a. The Fund has 43 loans and a weighted portfolio LVR of 63.72%, remaining well-diversified and positioning itself for another strong year.

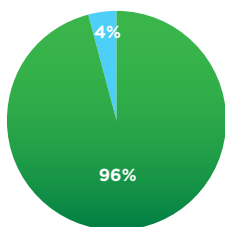
RECENT RETURNS (ANNUALISED)

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

FUND METRICS

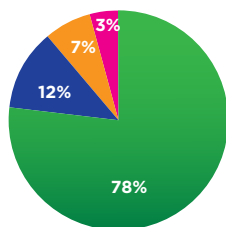
No. of Loans in Fund	43
Weighted Portfolio LVR	63.72%
Weighted Portfolio Loan Term	8.35 months
Loans Settled in Last 90 Days	19
Loans Repaid in Last 90 Days	12

CAPITAL ALLOCATION



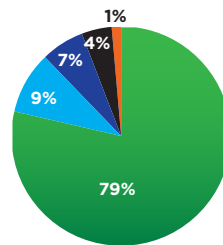
■ Funds Invested ■ Cash

SECURITY TYPE



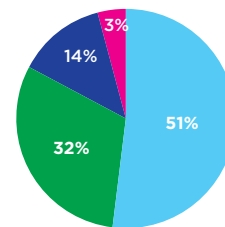
■ Residential ■ Land
■ Industrial ■ Construction

GEOGRAPHICAL LOCATION



■ Sydney ■ Greater NSW
■ Brisbane ■ Greater QLD
■ Melbourne

LOAN PURPOSE



■ Working Capital ■ Refinance
■ Aquisition ■ 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

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