

MSQUARED HIGH YIELD MORTGAGE INCOME FUND MONTHLY REPORT | MAY 2024



MARKET & PORTFOLIO UPDATE

Recent economic data shows a slowdown in GDP growth to 0.1% for the last quarter, marking the slowest year-on-year growth since 1992 at 1.1%. This news has been cautiously welcomed by capital markets, suggesting a potential cooling of inflation and earlier-than-expected interest rate cuts by the RBA. However, a notable risk lies in housing and services inflation, posing challenges for traditional monetary or fiscal policies to address. Consequently, uncertainty surrounding future inflation levels and interest rate cuts may contribute to ongoing market volatility.

The Fund remains well diversified in these conditions, with the addition of 14 loans in the last 90 days. The Fund returned an income distribution to investors of 10.35% p.a. in May, with a portfolio of 52 loans and a weighted LVR of 64.95%. The Manager continues to see high quality transactions for the Fund and is undertaking due diligence on several.

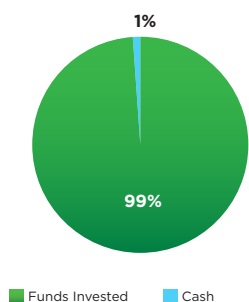
RECENT RETURNS (ANNUALISED)

January 24	10.35% p.a.
February 24	10.35% p.a.
March 24	10.35% p.a.
April 24	10.35% p.a.
May 24	10.35% p.a.

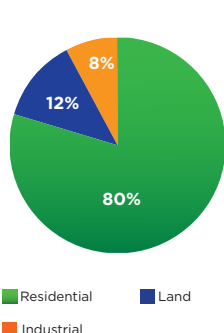
FUND METRICS

No. of Loans in Fund	52
Weighted Portfolio LVR	64.95%
Weighted Portfolio Loan Term	6.82 months
Loans Settled in Last 90 Days	14
Loans Repaid in Last 90 Days	3

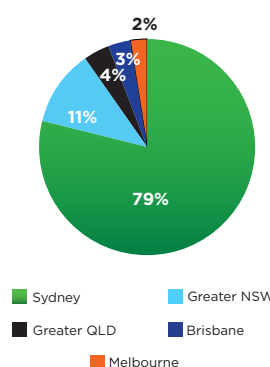
CAPITAL ALLOCATION



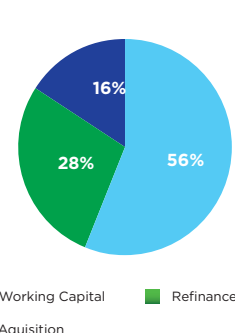
SECURITY TYPE



GEOGRAPHICAL LOCATION



LOAN PURPOSE



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	Evergreen Ratings
Research Ratings	SQM Ratings

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