

MSQUARED HIGH YIELD MORTGAGE INCOME FUND MONTHLY REPORT | JANUARY 2025



MARKET & PORTFOLIO UPDATE

Msquared Capital is pleased to present the January 2025 monthly update for the Msquared High Yield Mortgage Income Fund (the Fund). The year has started with a significant move from the RBA, cutting the official cash rate to 4.10% p.a., aligning with market expectations. However, we believe this decision is somewhat premature, as inflation remains above the 3% target and unemployment has yet to reach 4.5%. While the cut provides relief to many Australian households, it appears influenced by market and political pressures and could be risky if made too hastily. At the end of January, the Fund was well diversified across 47 investments with the average loan term of the portfolio being 6.52 months. The Fund remains primarily secured against residential property, comprising 83% of the portfolio. Where appropriate, the Manager will consider a re-balance of the portfolio to increase the diversification of property security type. The Fund now has exposure to five geographic regions. As at the end of January 2025, the weighted LVR of the fund was 66.85% with the annualised return remaining at 10.35% p.a.*

RECENT RETURNS (ANNUALISED)*

January 25	10.35% p.a.
December 24	10.35% p.a.
November 24	10.35% p.a.
October 24	10.35% p.a.
September 24	10.35% p.a.

FUND METRICS

No. of Loans in Fund	47
Weighted Portfolio LVR	66.85%
Weighted Portfolio Loan Term	6.52 months
Loans Settled in Last 90 Days	13
Loans Repaid in Last 90 Days	12

OBJECTIVES OF THE FUND

- To provide investors an opportunity to access **high quality, registered mortgage** investments through a professionally managed structure.
- The provision of **monthly income** distributions at a targeted minimum net return of **9.00% p.a.**

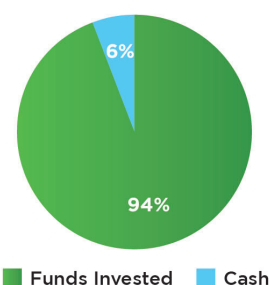
DISCLAIMER

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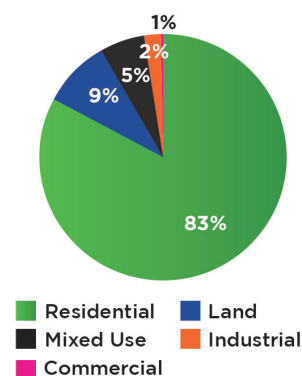
KEY FUND INFORMATION

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	Evergreen Ratings SQM Ratings

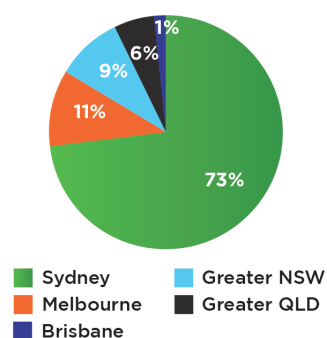
CAPITAL ALLOCATION



SECURITY TYPE



GEOGRAPHICAL LOCATION



LOAN PURPOSE

