

MSQUARED HIGH YIELD MORTGAGE INCOME FUND MONTHLY REPORT | MARCH 2025



MARKET & PORTFOLIO UPDATE

Msquared Capital is pleased to present the March 2025 monthly update for the Msquared High Yield Mortgage Income Fund. Global stock markets have plummeted following the Trump administration announcement that the US will be imposing steep tariffs on many of its trade partners. Following Trump's self-described "Liberation Day", the US stock market saw its worst week since the onset of the Coronavirus pandemic. Locally, the Australian share market (ASX:200) fell more than 6pc at the market open on 7 April 2025. As markets continue to respond to Trump's trade hardball, speculation about inflation and future rate cuts are in full swing with many economists now predicting the next RBA rate cut to be as early as May 2025. Following the tight monetary policy that persisted during the 'Covid Years', it is crucial that the RBA is cautious to not drop rates too quickly to ensure inflation is kept at bay. Periods of heightened volatility for equities, such as the one we are currently enduring, serve as a timely reminder of the importance of diversifying your investment portfolio with exposure to private credit. At the end of March 2025, the Fund was well diversified across 36 loans with a weighted portfolio loan term of 6.18 months and a weighted LVR of 67.99%. The Fund's cash balance was 20.31%, following a succession of loan repayments, and we are continuing to source high-quality opportunities for re-deployment. The annualised return of the Fund is 10.10% p.a. which moved down in-line with the February rate reduction by the RBA..

RECENT RETURNS (ANNUALISED)*

March 25	10.10% p.a.
February 25	10.35% p.a.
January 25	10.35% p.a.
December 24	10.35% p.a.
November 24	10.35% p.a.

FUND METRICS

No. of Loans in Fund	36
Weighted Portfolio LVR	67.99%
Weighted Portfolio Loan Term	6.18 months
Loans Settled in Last 90 Days	6
Loans Repaid in Last 90 Days	18

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.

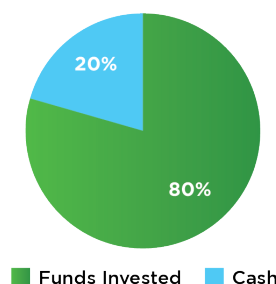
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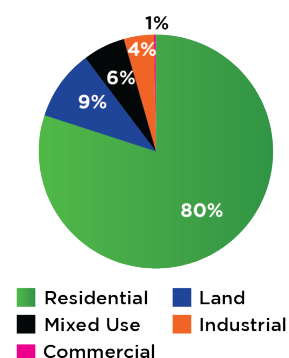
KEY FUND INFORMATION

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

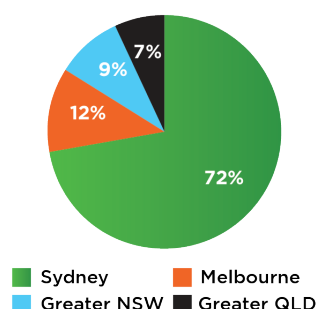
CAPITAL ALLOCATION



SECURITY TYPE



GEOGRAPHICAL LOCATION



LOAN PURPOSE

