

MSQUARED HIGH YIELD MORTGAGE INCOME FUND MONTHLY REPORT | MAY 2025



MARKET & PORTFOLIO UPDATE

Msquared Capital is pleased to present the May 2025 monthly update for the Msquared High Yield Mortgage Income Fund. As the financial year comes to a close, there is a sense of cautious optimism surrounding Australia's economic outlook. Recent interest rate cuts, alongside anticipated further reductions by the Reserve Bank, are intended to ease cost-of-living pressures and stimulate economic growth. The property market has begun to respond positively, with renewed buyer confidence and early indicators of price growth in major cities. These developments signal a promising start to the new financial year for Msquared Capital and we have seen a substantial increase in borrower enquiry. At the end of May 2025, the Fund was well diversified across 47 loans with a weighted portfolio loan term of 6.53 months and a weighted LVR of 68.45%. The Fund's cash balance was 2.16%, following a succession of loan investments, and we are continuing to source high-quality opportunities for re-deployment. The annualised return of the Fund remained at 10.10% p.a.*

RECENT RETURNS (ANNUALISED)*

May 25	10.10% p.a.
April 25	10.10% p.a.
March 25	10.10% p.a.

FUND METRICS

No. of Loans in Fund	47
Weighted Portfolio LVR	68.45%
Weighted Portfolio Loan Term	6.53 months
Loans Settled in Last 90 Days	18
Loans Repaid in Last 90 Days	11

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.

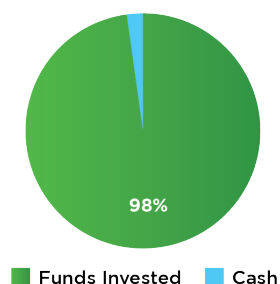
DISCLAIMER

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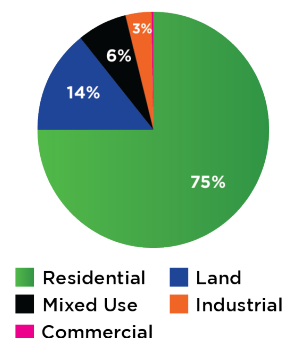
KEY FUND INFORMATION

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	SQM Ratings

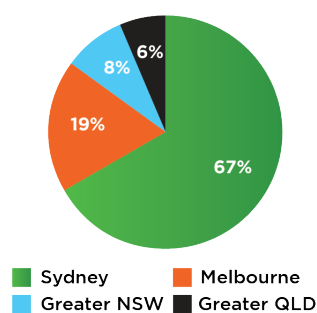
CAPITAL ALLOCATION



SECURITY TYPE



GEOGRAPHICAL LOCATION



LOAN PURPOSE

