

AUGUST 2026

Msquared High Yield Mortgage Income Fund

APIR MSQ3218AU | Wholesale Investors Only

M² MSQUARED CAPITAL
9.50% pa¹

Current income

Fund overview

A diversified portfolio of loans secured by first and second registered mortgages over Australian real estate, focused on capital preservation and monthly income.

The Fund does not invest in specialised securities or loans to related parties. It is not geared.

Portfolio characteristics as at 31 August 2026

Average weighted LVR 66.77%

Average weighted term 5.67 months

Loan investments² 69

Number of borrowers 55

Cash balance 9.11%

Settled in last 90 days 11

Repaid in last 90 days 10

In arrears 30-90 days 2

In arrears 90+ days 5

Value of loans in arrears 9.09%

Market outlook⁴

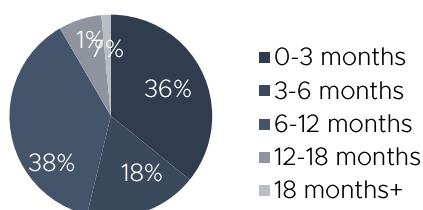
Australia's economy continues to face inflationary pressures, with elevated costs across housing, energy and services contributing to a more challenging outlook for monetary policy. While economic growth has remained resilient, persistent inflation and a tight labour market have increased expectations that interest rates will remain elevated for longer, or potentially move higher, as the Reserve Bank of Australia works to return inflation to its target range. Higher borrowing costs continue to place pressure on households and businesses, although strong population growth and infrastructure investment continue to support underlying economic activity.

Despite affordability constraints, Australian residential property fundamentals remain underpinned by limited housing supply, strong migration and tight rental markets. These structural factors continue to support demand for residential assets and contribute to resilient property valuations across many markets. Against this backdrop, private credit remains well positioned, benefiting from higher base rates, strong demand for non-bank lending and the ongoing retrenchment of traditional lenders. With a focus on disciplined underwriting, capital preservation and real asset-backed security, private credit continues to offer attractive risk-adjusted income opportunities for investors seeking stable returns in a higher interest rate environment.

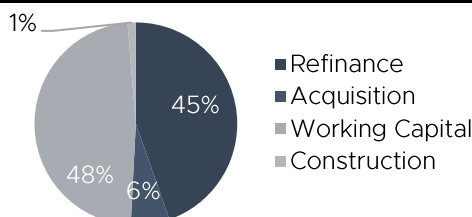
Loans in arrears represented 9.09% of funds invested as at 31 August 2026. Subsequent to the reporting date, as at 23 September 2026, this had reduced to 6.58%.

Performance & portfolio exposure as at 31 August 2026^{1,3}

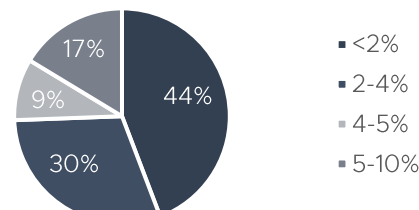
Loan term



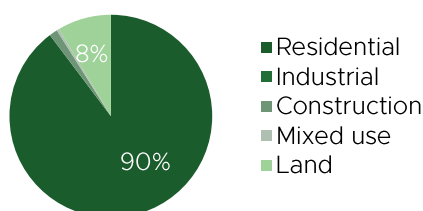
Loan purpose



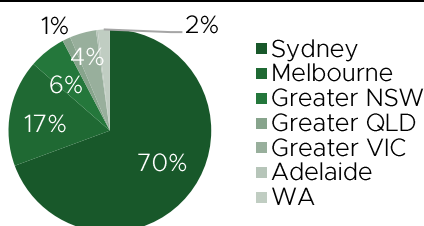
Loan position size



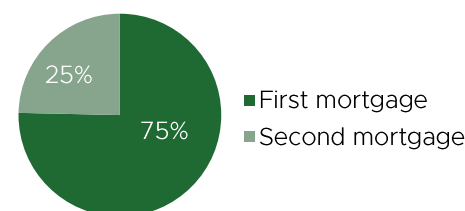
Property type



Property geography



Mortgage type



	1M	3M	6M	1Y pa	3Y pa	Inception pa
Performance ¹	0.80%	2.39%	4.71%	9.69%	10.09%	9.92%

¹ Net of fees, costs & expenses, pre-tax, not compounded, annualised for periods over 12 months. Past performance not a reliable indicator of future performance.

² Fund invests through Direct Loans and Loan Products issued by Msquared Capital. ³ Weighted % of loan investments as % of funds invested ⁴ Manager's views as at 31 August 2026. Forward-looking statements are not forecasts or guarantees; actual outcomes may differ materially.

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About Msquared Capital

Msquared Capital is an investment firm that lends to Australian businesses backed by real estate

We offer transparent and reliable access to private credit, whether you are investing alongside us to build your wealth or borrowing from us to grow your business.

Msquared Capital has been trusted by hundreds of investors and brokers, successfully deploying over \$1.5 billion into commercial loans for private investors, advisers and institutions.

We can set every complex lending scenario up for success. Being closer to the borrower is how greater financial certainty is created.

Investment management team

Our investment team are former brokers, coupling private market debt expertise with experience gleaned at Australia's largest financial institutions. They are supported by a team of loan originators, credit analysts, lawyers and compliance experts. All decisions must be unanimously approved by an independently chaired investment committee.

Paul Miron, Co-Founder

Almost 30 years' experience as a broker and banker, structuring complex transactions for sophisticated borrowers. He held senior roles at major banks.

Paul Myliotis, Co-Founder

Over 20 years' experience as a broker, with senior roles held within PWC's tax division. He has a focus on commercial and residential finance and structuring complex transactions.

How to invest

Investors can transact through a financial adviser or speak to our investor team.

email: Marc Abrams m.abrams@msqcapital.com.au

email: Michael Herman m.herman@msqcapital.com.au

website: www.msquaredcapital.com.au

registry: investor.msquaredcapital.com.au/invest

Why invest

Target higher income through all market conditions from a defensive private credit segment.

The fund has a 9% p.a. return target. It will typically generate a higher yield from defensive loans in favourable market conditions.

To achieve a higher yield, it has exposure to second registered mortgages over defensive real estate assets. In supportive market conditions, it may tactically include a limited exposure to blue-chip construction and development.

Fund facts

Asset class	Private credit
Security	First & second registered mortgages
Maximum LVR	80%
Inception	June 2022
Objective ⁵	9% p.a.
Distributions	Monthly
Distribution source	Income
Minimum investment	\$50,000
Minimum term	12 months
Redemptions	Quarterly
Unit price	\$1.00
Platforms	Netwealth Mason Stevens

⁵Past performance is not a reliable indicator of future performance.

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