September 2026

Msquared Mortgage Income Fund

ARSN 682 099 350 | Ordinary Units

MSQUARED CAPITAL

7.25% p.a.[1]

Current income

Fund overview

A diversified portfolio of commercial loans secured by first registered mortgages over Australian real estate.

It does not invest in higher-risk real estate, vacant land, specialised securities, construction and development. It does not invest in loans to related parties. The Fund is not geared.

Portfolio characteristics as at 30 September 2026	
Average weighted LVR	58.18%
Average weighted term	7.85 months
Loan investments[4]	56
Number of borrowers	53
Cash balance	4.56%
Settled in last 90 days	6
Repaid in last 90 days	6
In arrears 30-90 days	1
In arrears 90+ days	2
Value of loans in arrears	1.35%

Market outlook[5]

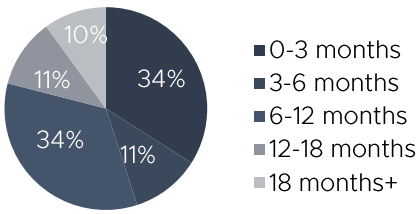
The RBA lifted the cash rate to 4.60% in late September, its fourth increase this year, as inflation remains stubbornly high: headline CPI was 4.0% and trimmed mean 3.6% in the year to August. While the August figure did come in softer than expected, the September figures showed renewed inflationary pressure, with headline CPI rising to 4.3%. This has increased expectations of a further rate increase at the RBA's November meeting.

Meanwhile, the labour market is softening, with unemployment at 4.7% in September, its highest level since COVID. The RBA has signalled it is prepared to tolerate unemployment of 4.5–5% to bring inflation under control. These conditions are now flowing through to private credit, where recent developer failures have tested the sector. We see this as a soft credit crunch rather than a freeze. Money is still available, but it is costlier and more selective. Defaults are likely to rise, especially among highly leveraged developers, but whether a default turns into a loss will depend on a variety of factors including how each loan was structured at the outset.

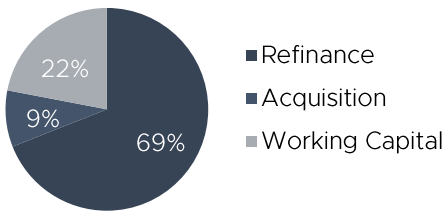
The Manager remains focused on selecting Loans that meet the Fund's Lending Guidelines: each is secured by a registered first ranking Mortgage, with the Fund's investment into the Loan limited to 70% of the value of the Security Property at the time the Loan is approved and the Fund does not invest into Loans that are for the purpose of construction or development of the Security Property or are secured by vacant land or a development project. Given current market conditions, the Credit Committee is applying increased scrutiny to each Borrower's exit strategy, including their capacity to sell or refinance the Security Property.

Performance & portfolio exposure as at 30 September 2026[1,3,4]

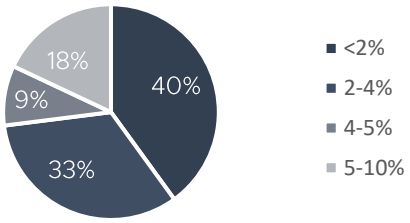
Loan term remaining



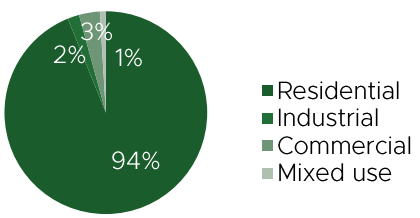
Loan purpose



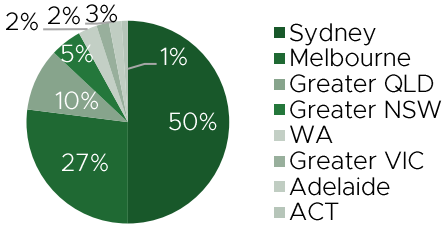
Loan position size



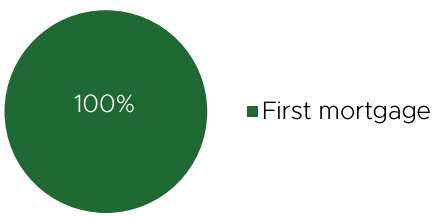
Property type



Property geography



Mortgage type



	1M	3M	6M	1Y p.a.	3Y p.a.[2]	Inception p.a.
Performance[1]	0.59%	1.83%	3.63%	7.17%	7.60%	7.67%

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 has operated as a registered managed investment scheme since Dec 2024. Prior performance based on unit class available to wholesale investors only.
3 Weighted % of loan investments as % of funds invested 4 Fund invests through Direct Loans and Loan Products issued by Msquared Capital. 5Manager's views as at the date of this report. 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 income that stays ahead of inflation with one of Australia's most defensive private credit managers.

Fund facts

Asset class	Private credit
Security	First registered mortgages
Inception[5]	June 2022
Objective[6]	RBA cash rate +2.25% - 3.75% p.a.
Maximum LVR	70%
Distributions	Monthly
Distribution source	Income
Minimum investment	$10,000
Minimum term	None
Redemptions	Monthly (refer to PDS)
Unit price	$1.00
Ratings[7]	SQM High Investment Grade
Platforms	AMP Netwealth Hub24 Mason Stevens

Target market[8]

The Fund is likely to be suitable for investors seeking regular income. The Fund aims to provide investors with a monthly distribution based on the net returns from the Direct Loans, Loan Products and cash. However, the performance of the Fund and repayment of capital are not guaranteed and capital losses can occur in circumstances where an asset of the Fund incurs a capital loss. The Fund is likely to be appropriate for investors who will use it as a satellite or minor component within their portfolio with a medium to high risk/return profile, with a recommended minimum 3-year investment timeframe. Redemptions expected to be offered monthly but not guaranteed.

5 Fund has operated as a registered managed investment scheme since Dec 2024. 6 Target, not forecast, not guaranteed. Net of fees and pre-tax. Past performance is not a reliable indicator of future performance. 7 Report for wholesale investors available on request. 8 You should carefully consider the Product Disclosure Statement (PDS) and Target Market Determination (TMD) for the Fund before making any decision about whether to acquire, or continue to hold, an interest in the Fund which are available at msquaredcapital.com.au and oneinvestment.com.au/msquared/

One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 (OMIFL) is the responsible entity of the Msquared Mortgage Income Fund ARSN 682 099 350 (Fund) and Msquared Capital Retail Funds Management Pty Ltd ACN 679 611 146 (MCRFM) is the investment manager. MCRFM is a corporate authorised representative no. 1312533 of Msquared Capital Pty Ltd ACN 622 507 297 AFSL 520293 (Msquared Capital) in respect of financial services in relation to the Fund provided to wholesale clients as defined in the Corporations Act and a corporate authorised representative no. 1312858 of One Investment Administration Ltd ACN 072 899 060 AFSL 225064 in respect of financial services provided to 'retail clients. The information in this document is general in nature and does not constitute investment or personal financial product advice, and does not take into account your investment objectives, particular needs or financial situation. You should seek independent financial advice. Investments in the Fund's products are not bank deposits and neither OMIFL nor MCRFM guarantee the performance of the Fund or the repayment of any investor's capital, and neither give any representation or warranty as to the reliability, completeness or accuracy of the information contained in this document and do not accept liability for any inaccurate, incomplete or omitted information or any losses caused by using this information. This document has been prepared by MCRFM. Not an offer to invest.