

**Msquared Mortgage Income Fund**

**ARSN 682 099 350**

Interim Financial Report 1 July 2025 to 31 December 2025

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**Directors' Report  
For the half-year ended 31 December 2025**

The directors of One Managed Investment Funds Limited (ACN 117 400 987; AFSL 297 042) (the "Responsible Entity"), the Responsible Entity of Msquared Mortgage Income Fund (ARSN 682 099 350) (the "Fund"), present their report, together with the financial statements, for the half-year ended 31 December 2025 and the independent auditor's report thereon.

**Information about the Directors and Senior Management**

The names of the directors and company secretaries of the Responsible Entity, in office during the half-year ended 31 December 2025 and up to the date of this report are:

<b>Name</b>	<b>Title</b>
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

The Responsible Entity's registered office is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, 2000.

**Directors' Report (continued)**  
**For the half-year ended 31 December 2025**

**Principal activities**

The Fund was constituted on 20 June 2022 and commenced operations by allotting units to investors on 23 August 2022. The Fund became a registered management investment scheme (ARSN 682 099 350), domiciled in Australia, on 14 November 2024.

The principal activity of the Fund during the half-year was to invest in a range of loans sourced by the Investment Manager in accordance with the Fund's Constitution and its Product Disclosure Statement ("PDS"). The current PDS is dated 12 December 2024.

The Fund did not have any employees during the financial half-year.

<b>Fund Service</b>	<b>Provider</b>
Responsible Entity	One Managed Investment Funds Limited (ABN 47 117 400 987)
Investment Manager	Msquared Capital Retail Funds Management Pty Ltd (ABN 64 679 611 146)
Custodian	Perpetual Corporate Trust Limited (ABN 99 000 341 533)
Registry Service Provider	One Registry Services Pty Ltd (ABN 69 141 757 360) (up to 30 September 2025) Caruso Software AU Pty Ltd (ABN 28 672 398 382) (commenced on 1 October 2025)
Auditor	BDO Audit Pty Ltd (ABN 33 134 022 870)
Fund Administrator	Unity Fund Services Pty Ltd (ABN 16 146 747 122)

**Results**

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of the financial statements. The profit attributable to unitholders for the half-year ended 31 December 2025 was \$2,464,724 (31 December 2024: \$1,236,692).

**Distributions**

In respect of the financial half-year ended 31 December 2025, the Fund declared \$2,534,322 (31 December 2024: \$1,236,692) in distribution entitlement to unitholders, of which \$443,139 (30 June 2025: \$367,128) was payable as at 31 December 2025.

**Significant changes in state of affairs**

Effective 1 October 2025, Caruso Software AU Pty Ltd (ABN 28 672 398 382) became the new registry service provider replacing One Registry Services Pty Ltd (ABN 69 141 757 360).

**Directors' Report (continued)**  
**For the half-year ended 31 December 2025**

**Subsequent events**

To the best knowledge and belief of the Directors, there has not been any matter or circumstance occurring subsequent to the end of the half-year ended 31 December 2025 that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

**Likely developments and expected results of operations**

The Fund will continue to be managed in accordance with the Constitution and Investment objectives as detailed in its PDS dated 12 December 2024.

**Environmental regulation and performance**

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. Further information on likely developments in operations of the Fund and the expected results of the Fund have not been included because there have been no known significant breaches of any other environmental requirements applicable to the Fund.

**Indemnification of directors, officers and auditors**

During or since the financial half-year, the Fund has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Fund or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Fund. In addition, the Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Fund.

**Directors' Report (continued)**  
**For the half-year ended 31 December 2025**

**Auditor's independence declaration**

A copy of the Auditor's Independence Declaration is set out on page 5.

Signed in accordance with a resolution of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle  
Director  
25 February 2026

**DECLARATION OF INDEPENDENCE BY FIONA NARIELWALLA TO THE DIRECTORS OF ONE MANAGED INVESTMENT FUNDS LIMITED, THE RESPONSIBLE ENTITY OF MSQUARED MORTGAGE INCOME FUND**

As lead auditor for the review of Msquared Mortgage Income Fund for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Msquared Mortgage Income Fund.



**Fiona Narielwalla**  
**Director**

**BDO Audit Pty Ltd**

Sydney, 25 February 2026

**Msquared Mortgage Income Fund****Statement of Profit or Loss and Other Comprehensive Income  
For the half-year ended 31 December 2025**

	Note	1 July 2025 to 31 December 2025 \$	1 July 2024 to 31 December 2024 \$
<b>Revenue</b>			
Interest income		1,766,386	738,679
Distribution income		1,399,859	846,190
<b>Total revenue</b>		<b>3,166,245</b>	<b>1,584,869</b>
<b>Expenses</b>			
Administrative expenses		147,789	46,952
Responsible Entity fees	7(a)	27,079	66,776
Management fees	7(b)	473,796	234,449
Provision for expected credit loss/impairment	4(a)	52,857	-
<b>Total expenses</b>		<b>701,521</b>	<b>348,177</b>
<b>Profit for the half-year</b>		<b>2,464,724</b>	<b>1,236,692</b>
<b>Other comprehensive income for the half-year</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the half-year</b>		<b>2,464,724</b>	<b>1,236,692</b>

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

**Msquared Mortgage Income Fund****Statement of Financial Position  
As at 31 December 2025**

	Note	31 December 2025 \$	30 June 2025 \$
<b>Assets</b>			
Cash and cash equivalents		4,692,803	4,338,675
Receivables		258,091	306,795
Financial assets	4	<u>71,445,791</u>	<u>56,322,381</u>
<b>Total assets</b>		<u><b>76,396,685</b></u>	<u><b>60,967,851</b></u>
<b>Liabilities</b>			
Trade and other payables		261,202	178,284
Distribution payable		443,139	367,128
Interest retention monies on mortgage loans		2,657,738	1,194,796
Interest payable	7(d)	28,236	9,989
Application money received in advance		<u>122,244</u>	<u>40,000</u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<u><b>3,512,559</b></u>	<u><b>1,790,197</b></u>
<b>Net assets attributable to unitholders (Equity)</b>	6	<u><b>72,884,126</b></u>	<u><b>59,177,654</b></u>

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

## Msquared Mortgage Income Fund

### Statement of Cash Flows For the half-year ended 31 December 2025

	Note	1 July 2025 to 31 December 2025 \$	1 July 2024 to 31 December 2024 \$
<b>Cash flows from operating activities</b>			
Interest received		3,416,143	1,127,738
Distribution received		1,286,578	797,864
Payment to suppliers		<u>(572,329)</u>	<u>(377,671)</u>
<b>Net cash provided by operating activities</b>		<u>4,130,392</u>	<u>1,547,931</u>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of Loan Products		21,073,659	4,529,497
Investment in Loan Products		(13,732,927)	(11,397,705)
Proceeds from disposal of Direct Loans		11,312,883	6,143,000
Investment in Direct Loans		<u>(33,829,883)</u>	<u>(8,214,000)</u>
<b>Net cash used in investing activities</b>		<u>(15,176,268)</u>	<u>(8,939,208)</u>
<b>Cash flows from financing activities</b>			
Proceeds from units issued and application monies		16,445,779	10,275,185
Redemption of units		(2,587,464)	(996,811)
Distributions paid to unitholders		<u>(2,458,311)</u>	<u>(1,166,825)</u>
<b>Net cash provided by financing activities</b>		<u>11,400,004</u>	<u>8,111,549</u>
<b>Net increase in cash and cash equivalents</b>		<b>354,128</b>	<b>720,272</b>
Cash and cash equivalents at the start of the half-year		<u>4,338,675</u>	<u>1,279,173</u>
<b>Cash and cash equivalents at the end of the half-year</b>		<u>4,692,803</u>	<u>1,999,445</u>

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

## Msquared Mortgage Income Fund

### Statement of Changes in Equity For the half-year ended 31 December 2025

	Note	Total equity \$
Balance at 1 July 2024		24,985,460
<b>Comprehensive Income</b>		
Profit for the half-year		1,236,692
Other comprehensive income		-
<b>Total comprehensive Income for the half-year</b>		<b>1,236,692</b>
<b>Transactions with unitholders in their capacity as owners</b>		
Units issued		9,909,906
Units issued upon reinvestment of distributions		365,278
Redemptions		(996,811)
Distributions declared	6	(1,236,692)
<b>Balance at 31 December 2024</b>	<b>6</b>	<b>34,263,833</b>
Balance at 1 July 2025		59,177,654
<b>Comprehensive income</b>		
Profit for the half-year		2,464,724
Other comprehensive income		-
<b>Total comprehensive Income for the half-year</b>		<b>2,464,724</b>
<b>Transactions with unitholders in their capacity as owners</b>		
Units Issued		15,577,301
Units issued upon reinvestment of distributions		786,233
Redemptions		(2,587,464)
Distributions declared	6	(2,534,322)
<b>Balance at 31 December 2025</b>	<b>6</b>	<b>72,884,126</b>

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

## **Msquared Mortgage Income Fund**

### **Notes to the Financial Statements For the half-year ended 31 December 2025**

#### **1. General Information**

Msquared Mortgage Income Fund (the "Fund") (ARSN 682 099 350) is a registered managed investment scheme. The Fund was constituted on 20 June 2022 and commenced operations by allotting units to investors on 23 August 2022. The Fund became a registered managed investment scheme, domiciled and incorporated in Australia on 14 November 2024. These interim financial statements ("interim financial statement") are as at and for the six months ended 31 December 2025.

The principal activity of the Fund during the period was to invest in a range of loans sourced by the Investment Manager in accordance with the Fund's Constitution and its Product Disclosure Statement ("PDS"). The current PDS is dated 12 December 2024.

The investments are made by:

- (a) directly making Loans to Borrowers (Direct Loans) through a security trustee structure; and/or
- (b) investing into the units in Msquared Contributory Mortgage Income Fund issued by Msquared Capital Pty Ltd (ACN 622 507 297; AFSL 520 293) as the trustee during the financial half-year ended 31 December 2025, the proceeds of which are used to make loans that meet the Lending Guidelines of the Fund (Loan Products).

Msquared Capital Pty Ltd retired as the trustee and One Managed Investment Funds Limited (ACN 117 400 987; AFSL 297 042) (the "Responsible Entity") was appointed as the Responsible Entity of the Fund on 5 November 2024. The Responsible Entity's registered office is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, 2000.

The Responsible Entity has appointed Msquared Capital Retail Funds Management Pty Ltd (ABN 64 679 611 146) (the "Investment Manager") as the new investment manager of the Fund effective 5 November 2024 replacing Msquared Capital Funds Management Pty Ltd (ABN 27 644 643 274) (the "Former Manager") who acted as investment manager from 20 June 2022 to 4 November 2024.

The financial statements comply with the recognition and measurement requirements in Australian Accounting Standards Board (AASB), the presentation requirements in AASB as modified by AASB 1060, and the disclosure requirements in AASB 1060. The Fund is classified as a "disclosing entity" under the Corporations Act 2001, the basis of preparation is Tier 1 - General Purpose.

The financial statements of the Fund were authorised for issue by the directors of the Responsible Entity on the date the Directors' Declaration was signed.

#### **2. Adoption of new and revised Accounting Standards**

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and are effective for the current financial reporting half-year ended 31 December 2025.

Any new or amended Accounting Standards and Interpretations that are not yet mandatory have not been early adopted.

## **Msquared Mortgage Income Fund**

### **Notes to the Financial Statements**

**For the half-year ended 31 December 2025**

#### **3. Basis of preparation**

These half-year financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 "Interim Financial Reporting."

The accounting policies applied in these interim financial statements are the same as those applied in the annual financial statements for the year ended 30 June 2025 unless otherwise stated.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2025 and any public announcements made in respect of the Fund during the Interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements have been prepared on an accrual basis and are based on historical costs, with the exception of financial assets at fair value through profit or loss. The Statement of Financial Position has been prepared in order of liquidity.

These half-year financial statements are presented in Australian dollars with amounts rounded to the nearest dollar.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## Msquared Mortgage Income Fund

### Notes to the Financial Statements For the half-year ended 31 December 2025

#### 4. Financial assets

	31 December 2025	30 June 2025
	\$	\$
<b>Financial assets at fair value through profit or loss</b>		
Loan Products (via Msquared Contributory Mortgage Income Fund)	<u>26,123,143</u>	<u>33,463,876</u>
<b>Total financial assets at fair value through profit or loss</b>	<u>26,123,143</u>	<u>33,463,876</u>
<b>Financial assets at amortised cost</b>		
Mortgage loans	<u>45,401,750</u>	<u>22,884,750</u>
<b>Total financial assets at amortised cost</b>	<u>45,401,750</u>	<u>22,884,750</u>
Less: Allowance for expected credit loss/impairment	4(a) <u>(79,102)</u>	<u>(26,245)</u>
<b>Total financial assets</b>	<u>71,445,791</u>	<u>56,322,381</u>

At the reporting date, the entity was invested into mortgage loans as per the above schedule. These loans are primarily variable-interest instruments, with interest rates ranging from 7.99% to 10.50% per annum, and interest is paid monthly. The loans have maturity periods up to 1.87 years.

All loan investments are secured by real property assets. No significant defaults or impairments were identified during the reporting period.

In relation to the Loan Products via Msquared Contributory Mortgage Income Fund (MCMIF), these investments represent investment into a unit class issued in MCMIF referable to the mortgage loan MCMIF participates in, either solely or in syndication with other funds under the same security trustee structure as is applicable to Direct Loans funded by the Fund. The key distinction with these loan products is that they receive net interest income, in the form of distributions, after payment of management fees. Given the structure of these products, they have been classified separately as financial assets at fair value through profit or loss.

#### (a) Expected Credit Loss (ECL) Provision – Mortgage Investments

	31 December 2025	30 June 2025
	\$	\$
12-Month ECL	<u>78,913</u>	<u>26,245</u>
Lifetime ECL	189	-
Specific ECL	-	-
<b>Total</b>	<u>79,102</u>	<u>26,245</u>

## Msquared Mortgage Income Fund

### Notes to the Financial Statements

For the half-year ended 31 December 2025

#### 4. Financial assets (continued)

##### (a) Expected Credit Loss (ECL) Provision – Mortgage Investments (continued)

	31 December 2025	30 June 2025
	\$	\$
Opening balance	26,245	73,000
Increase/(decrease) in ECL provision	52,857	(46,755)
Realised impairment losses	-	-
<b>Closing balance</b>	<b>79,102</b>	<b>26,245</b>

In determining the ECL provision, the Fund assesses all mortgage investments (including Loan Products investments via Msquared Contributory Mortgage Income Fund) by categorising them, based on risk profiles, into the following categories:

- 12-Month ECL - this represents a provision on investments where there is no significant increase in credit risk since initial recognition. The provision calculated is an estimation of the expected credit loss that is attributable to a possible default event within the next 12 months, based on the probability factors.
- Lifetime ECL - this represents a provision on investments where there has been a significant change in the credit risk since initial recognition but is not specifically impaired. The provision calculated is an estimation of the lifetime expected credit loss that is attributable to a possible default event over the life of the investment, based on the probability factors.
- Specific ECL - this represents a provision on investments where there has been a significant change in the credit risk since initial recognition and have been identified as specifically impaired. The provision calculated is an estimation of the expected shortfall between the net proceeds from the disposal of the underlying security (after all associated costs to recover) and the outstanding balance receivable, including accrued charges.

The risk criteria used to determine the ECL categorisation and method of provisioning are as follows:

- Loan to Value Ratio (LVR);
- Loan purpose;
- Loan term;
- Quality of collateral provided, location of collateral and securities and guarantees provided;
- Loan performance and arrears / default status;
- Past performance of similar loans;
- Past performance and experience with borrowers;
- Nature of communications with borrowers in arrears and default; and
- Forward looking economic indicators and market conditions.

The LVR is a key measure when determining the amount of the loan advanced based on the value of any security granted in respect of the loan. LVR is calculated as the ratio of the approved amount of the loan against the value of the security property on an "as is" basis. The LVR Ranges stated below are reflective of the Fund's funding contribution by way of participation in the loan (either directly or through investment into Msquared Contributory Mortgage Income Fund) against the value of the security. All loans are secured by registered first mortgages, and nearly always benefit from additional securities, such as general security agreements and personal guarantees provided by directors or controlling parties related to the borrower.

## Misquard Mortgage Income Fund

### Notes to the Financial Statements For the half-year ended 31 December 2025

#### 4. Financial assets (continued)

##### (a) Expected Credit Loss (ECL) Provision – Mortgage Investments (continued)

The investments are then classified into the following risk profiles based on the above criteria:

- Performing - complying with all terms and there has been no significant increase in credit risk since initial recognition.
- Moderate Risk - there are characteristics which indicate an increase in credit risk from initial recognition but are generally complying with all key terms.
- Elevated Risk - there are characteristics that indicate higher credit risk from initial recognition including non-compliance with key terms. This category includes investments past maturity date.
- Recovery Action - the lender of record has commenced legal action against the borrower and/or guarantors through initiating court proceedings or by appointing receivers or agents.

The following table sets out the allocation of investments amongst the ECL categories and risk profiles based on the relevant criteria as at reporting date:

#### 31 December 2025

	12-Month Category \$	Lifetime Category \$	Specific Category \$	Total Investments \$	LVR Range
Performing	44,771,750	630,000	-	45,401,750	27.21% to 70%
Moderate Risk	-	-	-	-	-
Elevated Risk	-	-	-	-	-
Recovery Action	-	-	-	-	-
<b>Total</b>	<b>44,771,750</b>	<b>630,000</b>	<b>-</b>	<b>45,401,750</b>	<b>27.21% to 70%</b>

#### 30 June 2025

	12-Month Category \$	Lifetime Category \$	Specific Category \$	Total Investments \$	LVR Range
Performing	22,884,750	-	-	22,884,750	11% to 65%
Moderate Risk	-	-	-	-	-
Elevated Risk	-	-	-	-	-
Recovery Action	-	-	-	-	-
<b>Total</b>	<b>22,884,750</b>	<b>-</b>	<b>-</b>	<b>22,884,750</b>	<b>11% to 65%</b>

## Msquared Mortgage Income Fund

### Notes to the Financial Statements For the half-year ended 31 December 2025

#### 4. Financial assets (continued)

##### (b) LVR Analysis – Mortgage Investments

The following table represents the LVR profile of all mortgage investments:

	31 December 2025	30 June 2025
	\$	\$
65% to 70%	8,650,000	300,000
50% to 65%	27,044,750	14,494,750
Below 50%	9,707,000	8,090,000
Closing balance	45,401,750	22,884,750

#### 5. Fair value measurement

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis. The Fund has no assets and liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

##### Level 1:

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

##### Level 2:

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

The Fund's Level 2 financial instrument includes indirect mortgage investments via the Msquared Contributory Mortgage Income Fund (MCMIF) referred to as Loan Products, which is not traded in an active market. The fair value of the investment is based on the price of the unit within a unit class in MCMIF, which is generally issued at \$1 per unit, although the unit price may be impaired in the event of losses in the underlying mortgage loans. This valuation reflects the net asset value of the relevant MCMIF unit class. The technique used is a market-based approach with observable inputs, consistent with Level 2 measurement under AASB 13.

## Msquared Mortgage Income Fund

### Notes to the Financial Statements For the half-year ended 31 December 2025

#### 5. Fair value measurement (continued)

##### Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

The following table shows an analysis of financial instruments held at 31 December 2025 recorded at fair value and presented by level of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2025				
Financial assets designated at fair value through profit or loss:				
Units in unlisted unit trusts	-	26,123,143	-	26,123,143
<b>Total</b>	-	<b>26,123,143</b>	-	<b>26,123,143</b>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2025				
Financial assets designated at fair value through profit or loss:				
Units in unlisted unit trusts	-	33,463,876	-	33,463,876
<b>Total</b>	-	<b>33,463,876</b>	-	<b>33,463,876</b>

##### Transfers between levels

There have been no transfers between levels for the half-year ended 31 December 2025.

##### Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

## Msquared Mortgage Income Fund

### Notes to the Financial Statements For the half-year ended 31 December 2025

#### 6. Net assets attributable to unitholders

##### *Premium Units*

	31 December 2025	30 June 2025	31 December 2025	30 June 2025
	No. of Units	No. of Units	\$	\$
Opening balance	59,174,106	-	59,115,415	-
Units Issued	15,497,301	31,079,314	15,497,301	31,079,314
Units Issued upon reinvestment of distributions	783,100	535,601	783,100	535,601
Redemptions	(2,587,464)	(4,385,057)	(2,587,464)	(4,385,057)
Conversion from MMIF Units class	-	31,944,248	-	31,944,248
Profit for the period/half-year	-	-	2,460,762	1,797,286
Distributions declared	-	-	(2,530,353)	(1,855,977)
<b>Closing balance</b>	<b>72,867,043</b>	<b>59,174,106</b>	<b>72,738,761</b>	<b>59,115,415</b>

##### *Ordinary Units*

	31 December 2025	30 June 2025	31 December 2025	30 June 2025
	No. of Units	No. of Units	\$	\$
Opening balance	62,223	-	62,239	-
Units issued	80,000	62,000	80,000	62,000
Units issued upon reinvestment of distributions	3,133	223	3,133	223
Profit for the period/half-year	-	-	3,962	835
Distributions declared	-	-	(3,969)	(819)
<b>Closing balance</b>	<b>145,356</b>	<b>62,223</b>	<b>145,365</b>	<b>62,239</b>

**Msquared Mortgage Income Fund****Notes to the Financial Statements  
For the half-year ended 31 December 2025****6. Net assets attributable to unitholders (continued)***Total*

	31 December 2025	30 June 2025	31 December 2025	30 June 2025
	No. of Units	No. of Units	\$	\$
Opening balance	59,236,329	25,058,459	59,177,654	24,985,460
Units issued	15,577,301	38,658,635	15,577,301	38,658,635
Units issued upon reinvestment of distributions	786,233	901,103	786,233	901,103
Redemptions	(2,587,464)	(5,381,868)	(2,587,464)	(5,381,868)
Profit for the period/half-year	-	-	2,464,724	2,961,743
Distributions declared	-	-	(2,534,322)	(2,947,419)
Closing balance	73,012,399	59,236,329	72,884,126	59,177,654

*Capital risk management*

The Fund considers its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications.

Daily applications are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Redemptions are processed in response to withdrawal offers, with the Responsible Entity taking into account the liquidity of the Fund's underlying assets when making the withdrawal offers. Net assets attributable to unitholders are representative of the expected cash outflows on redemption. In accordance with the provisions of the Fund's constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

**7. Related Party Transactions***(a) One Managed Investment Funds Limited (the "Responsible Entity")*

One Managed Investment Funds Limited (ACN 117 400 987) was appointed as Responsible Entity of the Fund on 5 November 2024.

The key management personnel of the Responsible Entity, during the half-year ended 31 December 2025 are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

The following fees were paid or payable to the Responsible Entity out of the Fund's assets during the half-year ended 31 December 2025:

## Msquared Mortgage Income Fund

### Notes to the Financial Statements

For the half-year ended 31 December 2025

#### 7. Related Party Transactions (continued)

##### (a) One Managed Investment Funds Limited (the "Responsible Entity") (continued)

	31 December 2025	30 June 2025
	\$	\$
Responsible Entity Fees paid	22,188	28,703
Responsible Entity Fees payable	4,891	4,400
<b>Total</b>	<b>27,079</b>	<b>33,103</b>

No fees or remuneration were paid directly to the key management personnel from the Fund during the financial half-year ended 31 December 2025.

##### *Administration and Accounting fees*

Administration and accounting services were provided by Unity Fund Services Pty Ltd (ACN 146 747 122) (the "Administrator"), which is an entity associated with the Responsible Entity. Administration and accounting fees of \$30,663 (inclusive of the net effect of GST) were incurred for the financial half-year ended 31 December 2025, of which \$21,362 (inclusive of the net effect of GST) was paid and \$9,301 (inclusive of the net effect of GST) was payable to the Administrator (30 June 2025: \$38,877 was incurred and \$10,790 was payable).

There were no other fees paid or payable to the Administrator for the financial half-year ended 31 December 2025.

##### *Registry fees*

Registry services were provided by One Registry Services Pty Limited (ACN 141 757 360) (the "Registrar") up until 30 September 2025, which is an entity associated with the Responsible Entity. Registry fees of \$14,034 (inclusive of the net effect of GST) were incurred and paid for the financial half-year ended 31 December 2025 (30 June 2025: \$30,192 was incurred and \$9,894 was payable).

##### (b) Msquared Capital Retail Funds Management Pty Ltd (the "Investment Manager")

The Responsible Entity, pursuant to the investment management agreement, has delegated to the Investment Manager the responsibility for managing the Fund on a day to day basis. The Investment Manager has been appointed by the Responsible Entity as the asset manager responsible for implementing the investment strategy as outlined in the PDS. The primary duties of the Investment Manager include:

- seeking investment opportunities for the Fund that meet its investment criteria
- managing the Fund's investments;
- managing the capital of the Fund;
- managing the Fund's assets and liabilities;
- making recommendations to the Responsible Entity with respect to determining distributable income payable to Unitholders.

## **Msquared Mortgage Income Fund**

### **Notes to the Financial Statements For the half-year ended 31 December 2025**

#### **7. Related Party Transactions (continued)**

##### *(b) Msquared Capital Retail Funds Management Pty Ltd (the "Investment Manager") (continued)*

The key management personnel of the Investment Manager for the financial half-year ended 31 December 2025 are:

<b>Name</b>	<b>Title</b>
Paul Miron	Managing Director
Paul Myliotis	Managing Director

The following fees were paid or payable to the Investment Manager out of the Fund's assets during the half-year ended 31 December 2025:

	<b>31 December 2025</b>	<b>30 June 2025</b>
	<b>\$</b>	<b>\$</b>
Management Fees paid	<u>301,213</u>	<u>293,843</u>
Management Fees payable	<u>172,583</u>	<u>75,734</u>
<b>Total</b>	<b><u>473,796</u></b>	<b><u>369,577</u></b>

There were no other fees paid or payable to the Investment Manager for the financial half-year ended 31 December 2025.

##### *(c) Investments in related parties*

	<b>31 December 2025</b>	<b>30 June 2025</b>
	<b>\$</b>	<b>\$</b>
Mortgage loans (via Msquared Contributory Mortgage Income Fund)	<u>26,123,143</u>	<u>\$33,463,876</u>

##### *(d) Msquared High Yield Mortgage Income Fund*

The Fund received \$78,312 (30 June 2025: \$49,300) interest income on behalf of Msquared High Yield Mortgage Income Fund direct loans, of which \$28,236 (30 June 2025: \$9,989) remains unsettled as at 31 December 2025. However, this balance was fully settled subsequent to 31 December 2025.

#### **8. Commitments and contingencies**

There were no commitments or contingencies at 31 December 2025.

#### **9. Subsequent events**

To the best knowledge and belief of the Directors, there has not been any matter or circumstance occurring subsequent to the end of the half-year ended 31 December 2025 that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

## Msquared Mortgage Income Fund

### Directors' Declaration For the half-year ended 31 December 2025

In accordance with a resolution of the directors of the Responsible Entity, the directors declare that:

- (a) The financial statements and notes, as set out on pages 6 to 20:
  - (i) comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
  - (ii) comply with International Financial Reporting Standards as Issued by the International Accounting Standards Board as described in Note 3 to the financial statements; and
  - (iii) give a true and fair view of the financial position as at 31 December 2025 and of the performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



Frank Tearle  
Director  
25 February 2026

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unitholders of Msquared Mortgage Income Fund

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Msquared Mortgage Income Fund (the Fund), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Fund does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Fund's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Fund, would be the same terms if given to the directors as at the time of this auditor's review report.

### Responsibility of the directors for the financial report

The directors of the Fund are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**



**Fiona Narielwalla**

**Director**

Sydney, 25 February 2026