

# INVESTMENT UPDATE

March 2024

Aiming to generate consistent returns  
with the objective of safeguarding  
investor capital

**Mountain Monthly Income Fund Ordinary Class**

## How does it work?

The Mountain Monthly Income Fund aims **to generate stable returns 4% above the RBA cash rate** while safeguarding investor capital. It employs a diversified investment strategy, including bonds, cash, secured loans, and securitized debt instruments. The fund adjusts its portfolio based on market conditions, supported by rigorous analysis.



**Target Return\***

**8.35%**

(net of Fees, excluding tax)

**Fact Sheet**



\* The Target Return is calculated by RBA Cash Rate plus 4% p.a. as at 15 September 2023 and to be determined by the Trustee and the Investment Manager based on the current official interest rates and market conditions for non-bank lending. The Trustee and the Investment Manager may change the Target Return from time to time by giving prior 30 days notice to investors. Target Returns are not guaranteed as the actual returns of the Fund and will depend on the performance of the assets of the Fund.

## Fund Performance

**February 2024**

**Monthly Target Return**

0.66%

**Net Return**

0.57%

**RBA Cash Rate**

0.36%

**Net Excess Return**

0.21%

# Seven significant housing and economic trends since the COVID-19 pandemic happened:

- ✓ Housing values surged by 32.5%, despite cyclical fluctuations influenced by policy changes and demographic shifts. The market experienced dips and peaks, with a notable rise in values since February 2023.
- ✓ Rental markets tightened with a 32.4% increase in rents since March 2020, contributing to a vacancy rate of around 1%.
- ✓ Monetary policy played a pivotal role, stimulating housing demand while temporarily suppressing activity as interest rates rose from mid-2022. Borrowers coped well with higher mortgage rates, despite initial concerns about a 'fixed rate cliff'.
- ✓ Inflation soared due to fiscal stimulus, low interest rates, and global supply chain disruptions exacerbated by the Ukraine conflict. This has led to speculation about potential rate cuts.
- ✓ Labor markets tightened post-lockdowns, although they are now showing signs of loosening. Unemployment rates are forecasted to remain below 4.5% until at least mid-2026.
- ✓ Demographic factors influenced housing trends, with sustained demand despite closed borders. Internal migration favored regional markets initially but has since normalized, while open borders led to record-high overseas migration.
- ✓ Despite high housing demand, a supply response has been lacking. Dwelling completions remained relatively stagnant during the pandemic due to supply chain constraints, labor shortages, and increased construction costs.

Source: [https://www.corelogic.com.au/news-research/news/2024/seven-ways-covid-changed-housing-trends?utm\\_medium=email&utm\\_source=newsletter&utm\\_campaign=au-rea-property-pulse](https://www.corelogic.com.au/news-research/news/2024/seven-ways-covid-changed-housing-trends?utm_medium=email&utm_source=newsletter&utm_campaign=au-rea-property-pulse)

## Market Insight (Toorak)



The housing market in Toorak exhibits a stable **5.5% stock on the market**, with a total of **156 listings** available for potential buyers. This indicates a healthy level of inventory, offering a range of options for those seeking to invest or settle in this sought-after locale.



The unit market reflects resilience with a **5.3% stock on the market**, boasting **257 listings**. This suggests a consistent demand for apartment-style living within Toorak, catering to various preferences and lifestyles.

\*Market stock refers to the properties available for sale during the year leading up to January 2024.

\*\*Listings indicate the number of properties advertised for sale specifically in January 2024.

Source: <https://www.corelogic.com.au/our-data/recent-sales?postcode=3142>

# What are Commercial mortgage-backed security CMBS?

The inclusion of CMBS within the Mountain Monthly Income Fund Portfolio Strategic Asset Allocation underscores our commitment to delivering a diversified, income-generating portfolio to our investors.

If you want to learn more of the strategic role CMBS may play in your investment portfolio, we invite you to explore the Mountain Monthly Income Fund further.

[Know more about CMBS](#)



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You must read further information in its entirety about the Fund and the Ordinary Class of the Fund contained in the information Memorandum before making a decision to invest. No investment can be made based on the information contained in this summary. The Trustee and Investment Manager do not guarantee the performance of the Fund or the capital of your investment in the Fund. For more information, please contact us.

Only applications from wholesale investors under Section 761G of the Corporations Act 2001 (Cth) of Australia will be considered. Submissions that do not meet the qualifying criteria will not be processed. Applicants are responsible for ensuring their compliance with the relevant provisions of Section 761G and for providing all required documentation.