

# Trilogy Monthly Income Trust

7.85% P.A<sup>1,2</sup>

## Investment Report: October 2024

### Fund Overview

Key Metrics	
Inception	February 2007
Funds under management	\$813.79m <sup>4</sup>
Total number of loans	124 <sup>4</sup>
Average loan value	\$7.06m <sup>4</sup>
Weighted average LVR	64.64% (as-if-complete) <sup>4</sup>
Weighted average expiry	4.46 months <sup>4</sup>
Fund Information	
Unit price	\$1.00 <sup>5</sup>
Minimum initial investment	\$10,000
Distribution frequency	Monthly
Minimum initial holding period	
Ordinary units	2 months <sup>6</sup>
Platform units	See PDS & TMD for details
Withdrawal notice period	
Ordinary units	4 months <sup>6</sup>
Platform units	See PDS & TMD for details
Responsible entity management fee	0.96% p.a. (including GST) of total funds under management. Additional fees are charged to Trilogy Monthly Income Trust (Trust) relating to the assets <sup>6</sup> .
APIR	Ordinary units – TGY0003AU Platform units – TGY9172AU

### Independent research ratings<sup>7</sup>



### Investment Strategy and Performance

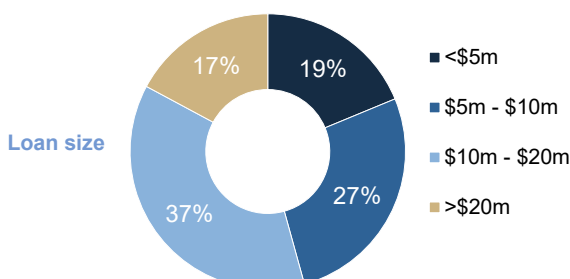
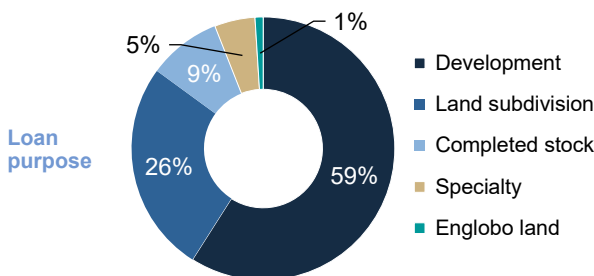
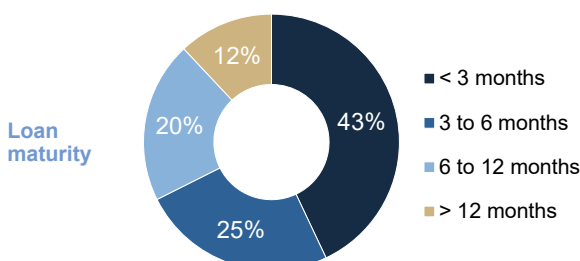
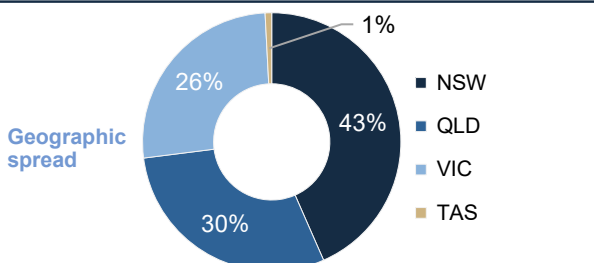
The investment strategy of the Trust is to source loans secured by registered first mortgages held over property, geographically spread across Australia's states and territories. Other assets may be held.

#### Historical Performance<sup>2,3</sup>

1 month	3 month	6 month	1 year	3 year	5 year	Inception
0.67%	2.01%	4.04%	8.03%	6.93%	6.65%	7.49%

Note: 3-year, 5-year and inception data are reported on a per annum basis

#### Fund Snapshot<sup>9</sup>



## Fund and Market Update

The Trust delivered a return of 7.85% p.a. for the month ending 31 October 2024. The Trust settled three new loans, totaling \$43.9 million during the month. All three loans will provide construction funding for various land subdivision projects in Heatherbrae and Thrumster in New South Wales and Top Camp in Queensland. During October, 8 loans were repaid in full and total repayments received of \$81.7m.

Australia's inflation landscape reveals both moderation and persistent underlying pressures. In the third quarter of 2024, headline CPI increased by 0.2% quarter-on-quarter (QoQ), influenced by various rebates and temporary government interventions, particularly in the energy sector. This brought annual headline inflation down to 2.8% from 3.8% in the previous quarter, the lowest level since early 2021. However, core inflation, which excludes volatile items like energy and food, remains high at 3.5%, underscoring steady demand in essential service sectors such as housing, healthcare, and education<sup>9</sup>

On the 5<sup>th</sup> November the RBA left the cash rate at 4.35 per cent, marking one year since the central bank has lifted rates<sup>10</sup>

## Loan in the Spotlight

Top Camp, QLD	
<b>LVR</b>	65.87% (inc. GST)
<b>Loan Amount</b>	\$7,150,000
<b>Loan Term</b>	14 Months
<b>Loan Type</b>	Construction Loan
<b>Details</b>	Funding for a 27 lot residential land sub division project.

## Outlook

Most economists do not expect the RBA to deliver its first cash rate cut until at least February 2025.<sup>11</sup> Despite this, pressure on commercial yields has intensified due to expectations of future rate reductions and increasingly competitive lending practices. The average three-month term deposit rate offered by major banks fell to 3.20% p.a. in September, down from 3.35% p.a. in August. Notably, 218 term deposit rates were reduced by 43 providers during September.<sup>12</sup>

Australia's property market has shown significant regional variation as reported by the Domain House Price Report for the September Quarter. Sydney recorded a modest quarterly growth of 0.6%, while Melbourne experienced a decline of 1.5% in Q3 2024, as increased inventory shifted the market towards buyers. Perth and Adelaide saw robust quarterly growth of 3.1% and 4.2%, respectively, driven by limited housing supply and sustained demand. Brisbane also posted solid growth, with housing prices up 1.5% over the last quarter.<sup>13</sup> ABS data released in late October showed the seasonally adjusted estimate for the number of dwellings approved rose 4.4% in September, after falling 3.9% in August.<sup>14</sup>

Product Disclosure Statement (PDS) is available on the Fund webpage [here](#).

The Target Market Determination (TMD) for Units in the Fund is available free of charge on the Fund webpage [here](#).

- Equivalent net distribution rate annualised paid to investors for the month ended 31 October 2024.
- All distribution rates quoted are variable, net of fees, costs and taxes and assume no distribution reinvestment. Past performance is not a reliable indicator of future performance.
- 3-year, 5-year and inception data are reported on a per annum basis.
- Based on unaudited figures as at 31 October 2024 and may be subject to change. Loan to valuation ratio (LVR) is based on valuation (for development and construction loans, the "as-if complete" valuation) inclusive of GST. Some figures have been rounded to the nearest percent.
- The unit price is fixed, however, capital losses can occur in circumstances where the Trust incurs a capital loss.
- See PDS & TMD for details.
- The information contained in the ForesightAnalytics report and encapsulated in the investment rating is of a general nature only. The report and rating reflect the opinion of ForesightAnalytics and Ratings Pty Limited (AFSL 494552). It does not take into account an individual's objectives, financial situation or needs. Professional advice should be sought before making an investment decision. A fee has been paid by the fund manager for the production of the report and investment rating.
- Calculated on approved loan limit.
- <https://www.afr.com/policy/economy/inflation-tumbles-to-2-8pc-but-no-rate-cuts-until-2025-20241028-p5klxp>
- <https://www.abc.net.au/news/2024-11-05/reserve-bank-rba-rates-on-hold-november-despite-lower-inflation/104557206>
- <https://www.afr.com/policy/economy/rba-to-hold-tight-even-as-inflation-hits-3-year-low-20241027-p5klm5>
- <https://tradingeconomics.com/australia/deposit-interest-rate>
- <https://www.domain.com.au/research/house-price-report/september-2024/>
- [https://www.abs.gov.au/media-centre/media-releases/dwelling-approvals-rise-september-0#:~:text=The%20total%20number%20of%20dwellings,Bureau%20of%20Statistics%20\(ABS\).](https://www.abs.gov.au/media-centre/media-releases/dwelling-approvals-rise-september-0#:~:text=The%20total%20number%20of%20dwellings,Bureau%20of%20Statistics%20(ABS).)