

# Trilogy Monthly Income Trust

APIR: TGY0003AU

Adviser Investment report: *December 2021*

## Investment at a glance

**Investment type:**

Unlisted pooled mortgage trust

**Launch:**

February 2007

**Minimum initial investment:**

\$10,000

**Preferred method of payment:**

Direct debit, BPAY (Please contact us if intended payment method is not listed)

**Unit price**

\$1.00<sup>^</sup>

**Withdrawals:**

Four months; see PDS and TMD for details.

**Automatic reinvestment:**

Available

**Funds Under Management (FUM):**

\$572,488,945 (as at 31 December 2021)<sup>^^</sup>

**Weighted Average Loan-to-Valuation Ratio:**

62.69% ("as-if complete")<sup>^^</sup>

**Current liquidity:**

24.73% of the portfolio is currently allocated to cash and investments considered liquid.<sup>^^</sup>

**Total number of loans:**

126

**Loans in default/arrears:**

1.94% based on FUM<sup>^^</sup>

**RE management fee:**

0.96% p.a (inclusive of GST) of the total funds under management. Additional fees are charged to the Trust relating to the assets; see PDS for details.

**Entry and exit fees:**

Nil; other fees and costs apply and you should read the PDS for details.

**Risks:**

This product carries capital, distribution and other risks. You should consider Section 6 of the PDS before investing.

## 5.15% PA\*

December 2021 net distribution rate annualised. Variable Rate. Past performance is not reliable indicator of future performance.

## Historical performance\*\*

1 Year	5 Years	Since Launch (2007)
5.63% pa	7.06% pa	7.57% pa

## Performance

The Trilogy Monthly Income Trust (Trust) returned a net distribution rate of 5.15% p.a.\* annualised to investors for the month of December 2021.

As at 31 December 2021, there were 126 loans in the portfolio with a weighted average Loan to Valuation Ratio (LVR) of 62.69% ("as-if complete")<sup>^</sup> and an average approved loan size of \$5.07 million.

Fifteen new loans were settled during the month – six in Victoria, six in New South Wales and three in Queensland. This included five residential construction loans, three land development loans, three bridging loans, two commercial construction loans, a development site acquisition and a residual stock loan.

During December, the value of loan drawdowns was \$19.12 million. Loan repayments totalled \$36.67 million, including the full repayment of eight loans.

\*Equivalent net distribution rate annualised paid to investors for the month ended 31 December 2021. All distribution rates quoted are net of fees, costs and taxes and assume no reinvestment of distributions. Past performance is not a reliable indicator of future performance. Variable rate.

\*\*All distribution rates quoted are net of fees, costs and taxes and assume no reinvestment of distributions. Past performance is not a reliable indicator of future performance.

<sup>^</sup>Whilst the unit price is fixed, capital losses can occur in circumstances where an asset of the Fund incurs a capital loss.

<sup>^^</sup>All figures are based on unaudited figures as at 31 December 2021 and may be subject to change. 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 Trilogy Monthly Income Trust ARSN 121 846 722 is a registered pooled mortgage fund and investments can only be made on the application form accompanying the Product Disclosure Statement (PDS) dated 17 December 2018 and by considering the Target Market Determination (TMD) dated 1 October 2021 issued by Trilogy Funds Management Limited (Trilogy Funds) ABN 59 080 383 679 AFSL 261425 and available from [www.trilogyfunds.com.au/tmit](http://www.trilogyfunds.com.au/tmit). Information included in this communication about investment yield and returns should be considered only as part of a balanced review of all the features, benefits and risks associated with the product. Please read the PDS in full. Investments in Trilogy Funds' products are not bank deposits and are not government guaranteed. This information has been prepared for the use of licensed advisers only.



## Outlook

Our Portfolio Managers are reporting continued demand for construction funding as developers seek new and fast-tracked opportunities, supported by positive property valuations and broad buyer demand.

As a result, the Trust has a positive loan pipeline in place which we expect will flow through to settlements in the early part of 2022.

The impact of the recent COVID-19 Omicron strain on the construction sector remains to be seen. Our Lending team is monitoring the changing environment closely and will proactively manage any potential issues.



In December, we were pleased to settle a loan for the construction of four townhouses in Malvern East, Victoria – a suburb located 13 km south-east of the Melbourne CBD.

**APPROVED LOAN AMOUNT:** ~ \$4.51 million

**APPROVED LOAN TERM:** 18 months

**APPROVED 'AS-IF-COMPLETE' LVR:** 59% of the GRV (incl. GST)

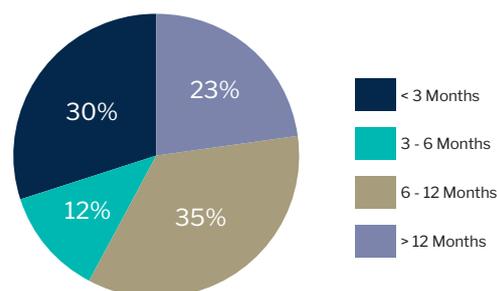
## Independent research

We are pleased to announce that Foresight Analytics awarded the Trust a 'Very Strong' investment rating<sup>\*\*\*</sup> for the second consecutive year in their November 2021 report released late last year.

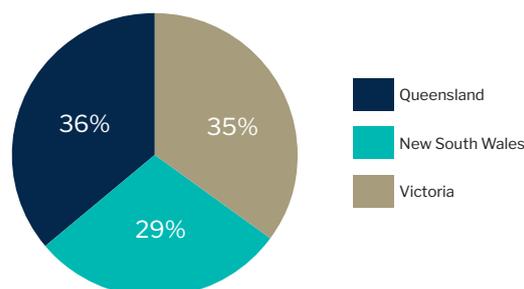


## Fund data

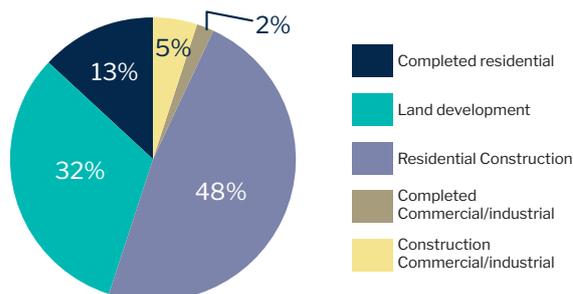
### Maturity of portfolio loans<sup>^</sup>



### Geographic spread<sup>^</sup>



### Loan diversity<sup>^</sup>



## Platform availability

Hub24

Macquarie Wrap

Netwealth

Allan Gray

Australian Money Market

Mason Stevens

OneVue

Powerwrap

Uxchange

**Also available for direct investment**

<sup>^</sup>All figures are based on unaudited figures as at 31 December 2021 and may be subject to change. Some figures have been rounded to the nearest percent.

<sup>\*\*\*</sup>The information contained in the Foresight Analytics report and encapsulated in the investment rating is of a general nature only. The report and rating reflect the opinion of Foresight Analytics 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.

<sup>^^</sup>The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

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