

Trilogy trust promises security and yield

Mike Taylor

Trilogy Funds Management is positioning to launch a new income product specifically aimed at intermediated investors – the Trilogy First Mortgage Income Trust.

Confirming the company's preparedness to launch the new product, Trilogy's executive chairman Roger Bacon said it would be comprised of a portfolio consisting of only registered first mortgages, and all loans would be protected by capital loss insurance from Lloyd's of London.

"This is a good package of security for investors," he said.

Bacon said Trilogy had taken a sound basic concept and added several enhancements, including an innovative product structure and capital insurance protection, while providing an anticipated trust yield of 7.75 per cent a year, paid monthly.

"It's an interesting time to be bringing a new income product to the market," he said. "Investors are very concerned about the security of some property-based income products and perhaps rightly so.

"From our research and also from adviser feedback, the two key features that investors are looking for in an income product are security and yield, in that order," Bacon said. "If you can provide these two critical characteristics, both investors and advisers will be happy going forward."

He said he believed it was an opportune time for the release of a new income product in circumstances where the Trust was fully compliant with the Managed Investment and Corporations legislation.

"We envisage it will be advantageous for investors requiring income yield diversification or just a more competitive mortgage trust option," Bacon said.

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