

Trilogy Monthly Income Trust

TRILOGY

6.15% PA*

March 2021 net distribution rate

INVESTMENT REPORT | MARCH 2021

Variable Rate. Past performance is not reliable indicator of future performance.

AT A GLANCE

Investment type

Unlisted Pooled Mortgage Trust

Inception

February 2007

Minimum initial holding period

Two months; see PDS for details.

Withdrawals

Four months; see PDS for details.

Automatic reinvestment

Available

Minimum additional investment

\$1,000

Method of payment

Direct debit, BPAY and EFT

Weighted Average Loan-to-Valuation Ratio

63.10% ("as-if complete")[^]

Total number of loans

94

Risks

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

INDEPENDENT RESEARCH



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PERFORMANCE

The Trilogy Monthly Income Trust (Trust) delivered a net distribution of 6.15% p.a.* to investors for the month of March.

As at 31 March 2021, there were 94 loans in the portfolio with a weighted average approved LVR of 63.10% and an average loan size of \$3.64 million.

Of the eight loans settled in March, three are with repeat borrowers and six are for projects in Victoria, with one each in New South Wales and Queensland. All of these loans are for townhouse construction projects with developments ranging from four to 13 townhouses.

The value of draw-downs in March was \$11.29 million. As flagged in the recent Company Update, there were also significant loan repayments in the month, totalling \$56.99 million, as demand for quality residential projects has continued to rise. This includes the full repayment of six loans.

HISTORIC PERFORMANCE ¹

1 YEAR	5 YEARS	SINCE INCEPTION
6.46% PA	7.46% PA	7.69% PA

*Equivalent net distribution rate paid to investors for the month ended 31 March 2021. Past performance is not a reliable indicator of future performance. Variable rate.

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 issued by Trilogy Funds Management Limited (Trilogy) ABN 59 080 383 679 AFSL 261425 and available from 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 by reading the PDS. Investments in Trilogy's products are not bank deposits and are not government guaranteed. This information has been prepared for the use of licensed advisers only.

¹ 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.

² The information contained in the Australia Ratings Analytics report and encapsulated in the investment rating is of a general nature only. The report and rating reflect the opinion of Australia Ratings Analytics 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.

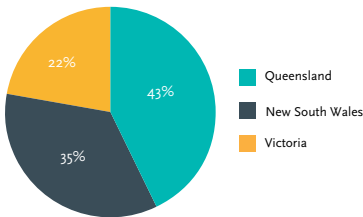
[^] All figures are based on unaudited figures as at 31 March 2021 and may be subject to change. LVR is based on valuation inclusive of GST. Some figures have been rounded to the nearest percent.

Trilogy Monthly Income Trust

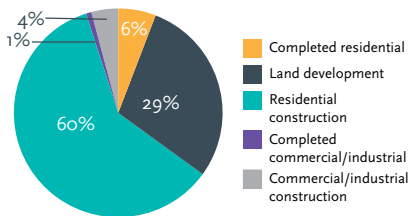
TRILOGY

INVESTMENT REPORT | MARCH 2021

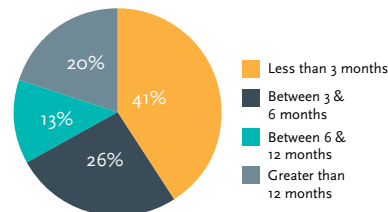
GEOGRAPHIC SPREAD[^]



LOAN DIVERSIFICATION[^]



MATURITY PROFILE OF LOANS[^]



OUTLOOK

The property market, particularly the residential property market, is currently experiencing the growing pains of increased buyer activity.

While forecasts from the big banks of 10% growth per annum over the next two years are positive for property owners, they create stresses for other parts of the market, including first home buyers seeking to enter the market, landowners seeking the highest sale prices (and therefore holding back stock) and residential lot developers seeking to purchase land at prices which enable them to develop financially viable projects.

There is also increased competition in the property development and construction financing sector as more financiers seek to take advantage of the growing market. We have experienced these types of stresses before and do expect the market to regain its equilibrium over the coming months.

To meet the changing marketplace, we are proactively growing our Lending team, broadening the pool of developers and brokers and seeking other avenues to build our loan pipeline.

We are confident that combined with our competitive market offering and our reputation for proactive loan management, which sees us have many repeat borrowers, these actions will result in an increased number of quality loans and positive outcomes for the Trilogy Monthly Income Trust's loan portfolio.

LOAN IN SPOTLIGHT



Loan details

We have recently seen the successful completion of a residential project by a repeat client for which we provided finance to. This project involved the construction of two Hampton-style homes in the inner-city suburb of Toowong, Brisbane.

Loan specifics

Approved loan amount: ~ \$2.4 million

Approved loan term: 10 months

Approved 'as-if-complete' LVR: 60% of the Gross Realisable Value (incl. GST)

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