

MCP MASTER INCOME TRUST

TRUST INFORMATION

Trust

MCP Master Income Trust (MXT) ARSN 620 465 090

Responsible Entity

The Trust Company (RE Services) Limited ACN 003 278 831; AFSL 235 150

Manager

Metrics Credit Partners Pty Ltd (MCP) ACN 150 646 996; AFSL 416 146

Investment Objective

Provide monthly cash income, low risk of capital loss and portfolio diversification by actively managing diversified loan portfolios and participating in Australia's bank-dominated corporate loan market. The Manager seeks to implement active strategies designed to balance delivery of the Target Return, while seeking to preserve investor capital.

Investment Strategy

To create a diversified exposure to Australian corporate loans generally reflecting activity in the corporate loan market and with the resultant diversity by borrower, industry and credit quality. Through active portfolio risk management, the Manager will seek to preserve investor capital.

Target Return

RBA Cash Rate +3.25% pa net of fees.

Investment Highlights

// Experienced and active management team with proven track record.
 // Monthly cash income from floating rate Australian direct lending.
 // Attractive risk-adjusted returns from a diversified portfolio.
 // Portfolio diversification in Australian corporate fixed income.
 // Attractive fee structure and stable Net Asset Value (NAV) backing.

UNIT PRICE AND NAV⁽¹⁾

ASX Ticker Code	MXT
Price / NAV (share)	\$2.07 / \$2.02
Market Cap. / NAV	\$534m / \$520m
Unit Pricing	Daily
Distributions	Monthly ⁽²⁾
Website	metricscredit.com.au

MARKET AND INVESTMENT ACTIVITY

Heading into calendar year end, primary market activity was robust in November with ~A\$5.2b of club-style and syndicated corporate loan transactions reaching financial close (vs A\$7.7b pcp). Notable transactions included refinancings of existing bank facilities by property group Charter Hall Investment Management, rail freight company Aurizon Holdings and petroleum and production company Woodside Petroleum.

A number of notable acquisition financings also occurred during the month with funds managed by US-based private equity group The Blackstone Group securing an acquisition facility to acquire a portfolio of logistics assets from ASX-listed Goodman Group, while industrial building materials company James Hardie Industries secured a euro-dollar loan to fund the acquisition of German-based fibre gypsum board producer Fermacell.

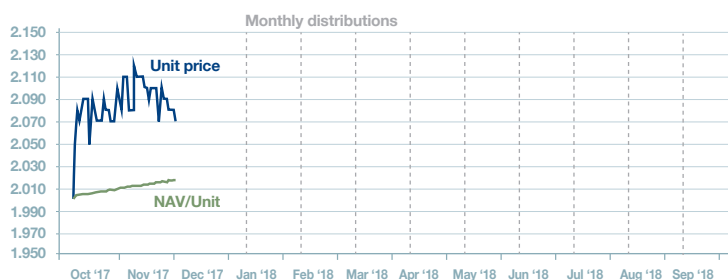
Private toll road developer and operator Macquarie Atlas Roads also arranged a Euribor loan facility to increase its ownership interest in French toll-road operator Autoroutes Paris-Rhin-Rhone. The end of the year is typically a busy period for the Australian corporate loan market as borrowers and bankers look to lock-in

financing prior to the calendar year end and holiday season. The December transaction pipeline includes the financing for the new Metro Tunnel PPP (Public-Private Partnership) in Melbourne as well as the refinancing of the Royal Adelaide Hospital PPP construction facility now that the project is built.

ASX-listed oil and gas exploration and production company Beach Energy is currently syndicating a facility financing part of its Lattice Energy acquisition (from Origin Energy) and SME tax and accounting software provider MYOB has also arranged a facility to acquire Reckon's accounting practice software business. All of this suggests activity will remain strong into the new year.

Since listing MXT, MCP has deployed a large portion of proceeds raised⁽³⁾ with the remainder largely committed to transactions that will close over coming months. Of funds deployed MCP funds have completed a variety of commercial real estate loans reflecting the attractive risk adjusted returns currently available in this market, as well as several facilities to financial sponsor owned businesses and listed large corporate borrowers. MXT IPO proceeds are expected to be fully invested by mid-Q1'18.

NAV/UNIT AND UNIT PRICE PERFORMANCE



FUND PERFORMANCE

(%)	1mth	3mth	1yr	3yr ⁽⁴⁾	5yr ⁽⁴⁾	Incep ⁽⁵⁾
Net Return	0.35	-	-	-	-	0.82
RBA Cash Rate	0.12	-	-	-	-	0.22
Distribution	-	-	-	-	-	-

NOTE: Past performance is not a reliable indicator of future performance.

RESEARCH

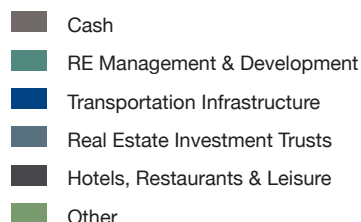
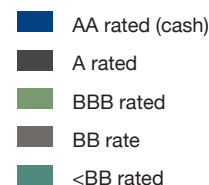


PLATFORMS

AMP North	AMP	PortfolioCare	Asgard	BT
Panorama	BP Wrap	CFS FirstWrap	HUB24	IOOF
Macquarie Wrap	MLC Navigator	MLC Wrap	Netwealth	

MCP MASTER INCOME TRUST

PORTFOLIO CONSTRUCTION

Industry Allocation⁽⁶⁾Credit Quality⁽⁷⁾

OTHER FUND SETTINGS

Number of Individual Investments	68	Interest Duration (days) ⁽⁸⁾	23
Investment Grade (%) ⁽⁷⁾	74%	Credit Duration (years) ⁽⁹⁾	2.1

NET RETURNS

(%)	Jan	Feb	Mar	April	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD
2018	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	0.46	0.35	-	0.82

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NOTES

1. As at close of business 30 November 2017. 2. Commencing January 2018. 3. Note MXT invests in underlying MCP funds which engage in direct lending activities. 4. Annualised. 5. ASX listing 9 October 2017. 6. MSCI and Standard & Poor's' Global Industry Classification Standard Industry. 7. Rated by MCP including where not rated by public rating agencies. 8. Weighted average to next interest rate roll on underlying loans and cash. 9. Weighted average to final maturity on underlying loans and cash.

ABOUT THE MANAGER

MCP is an Australian debt-specialist fund manager with significant direct lending expertise in the Australian corporate loan market. MCP manages funds on behalf of investors seeking opportunities in credit and fixed income markets.

MCP's Investment Team has significant corporate and institutional lending experience and currently manages wholesale funds in excess of \$2.5 billion.

ENQUIRIES

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