



## MCP MASTER INCOME TRUST

**PRODUCT DISCLOSURE STATEMENT**  
MCP MASTER INCOME TRUST  
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  
(ACN 150 646 996; AFSL 416 146)

### FINANCIAL ADVISER

GRANT SAMUEL

AFS Licence 241010

### LEAD ARRANGER AND JOINT LEAD MANAGER

**CommSec**

AFS Licence 238814

### JOINT LEAD MANAGERS

**morgans**

AFS Licence 235410

**ORD MINNETT**

AFS Licence 237121

**WILSONS**

AFS Licence 238383

### DISTRIBUTION PARTNER

**Pinnacle**  
INVESTMENT MANAGEMENT

AFS Licence 322140

### CO-MANAGERS

**BELL POTTER**

AFS Licence 243480

**ShawandPartners**

AFS Licence 236048

**TAYLOR COLLISON**  
Brokers and Investment Advisers  
www.taylorcollison.com.au

AFS Licence 247083

26 FEBRUARY 2018

# IMPORTANT NOTICES

The MCP Master Income Trust ARSN 620 465 090 (**Trust**) is an Australian registered managed investment scheme.

This document is a product disclosure statement (**PDS**) for the purposes of Part 7.9 of the Corporations Act.

This PDS is issued by the Responsible Entity of the Trust. The Responsible Entity of the Trust is The Trust Company (RE Services) Limited ACN 003 278 831 AFSL 235 150 (**Responsible Entity**).

The Responsible Entity has authorised the Manager (defined below) to provide investment and other services to the Trust, pursuant to an Investment Management Agreement entered into between the Responsible Entity and the Manager. The Manager of the Trust is Metrics Credit Partners Pty Ltd ACN 150 646 996; AFSL 416 146 (**MCP** or **Manager**).

The Joint Lead Managers and the Co-Managers will together manage the Offer on behalf of the Trust. The Joint Lead Managers are Commonwealth Securities Limited ABN 60 067 254 399; AFSL 238 814 (**CSL**); Morgans Financial Limited ABN 49 010 669 726; AFSL 235 410 (**Morgans**); Ord Minnett Limited ABN 86 002 733 048, AFSL 237 121 (**Ords**); and Wilsons Corporate Finance Limited ABN 65 057 547 323; AFSL 238 383 (**Wilsons**). The Co-Managers are Bell Potter Securities Limited ABN 25 006 390 772, AFSL 243 480; Shaw and Partners Limited ABN 24 003 221 583; AFSL 236 048; and Taylor Collison Limited ABN 53 008 172 450; AFSL 247 083.

The Joint Lead Manager, Co-Manager, Distribution Partner and Financial Adviser functions should not be considered to be an endorsement of the Offer or a recommendation of the suitability of the Offer for any investor. The Joint Lead Managers, the Co-Managers, the Distribution Partner and the Financial Adviser do not guarantee the success or performance of the Trust or the returns (if any) to be received by investors. Neither the Joint Lead Managers, the Co-Managers, the Distribution Partner, the Financial Adviser nor any other licensee is responsible for, or has caused the issue of this PDS.

## PDS

This PDS is dated 26 February 2018 and a copy of this PDS was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

Neither ASIC nor the ASX (or their respective officers) take any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates. Units issued under this PDS will be issued by the Responsible Entity on the terms and conditions set out in this PDS.

## Not investment advice

The information contained in this PDS is not financial product advice and has

been prepared without taking into account your investment objectives, financial circumstances or particular needs.

Before deciding to invest in the Trust, you should read this PDS in its entirety. You should take into account all risk factors referred to in this PDS (including those in section 8) and consider whether acquiring Units represents an appropriate investment in view of your personal circumstances. You should carefully consider your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and you should seek advice from your professional adviser before deciding whether to invest. You should consider the risk factors that could affect the financial performance of the Trust. There is no guarantee that the Units offered under this PDS will provide a return on capital, lead to payment of distributions or that there will be any increase in the value of the Units. If you wish to apply for Units you must do so using the relevant Application Form.

## Application Form

No person is authorised to give any information or to make any representation in connection with the Offer, which is not contained in this PDS. Neither the Manager, the Responsible Entity, the Distribution Partner, the Financial Adviser nor any other person associated with the Trust guarantees or warrants the future performance of the Trust, the return on an investment made under this PDS, the repayment of capital or the payment of distributions on the Units. Any information or representation in relation to the Offer not contained in this PDS may not be relied on as having been authorised in connection with the Offer by the Responsible Entity, Manager or any other person that may have liability for the content of this PDS.

## No Offer where Offer would be illegal

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Units in any jurisdiction outside Australia and New Zealand. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

## Warning statements for New Zealand investors

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9

of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

## Currency exchange risk

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

## Trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

### No cooling-off rights

Cooling-off rights do not apply to an investment in Units pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

### Rights and obligations attached to the Units

New Units issued under the Offer will be fully paid and rank equally with existing Units from allotment, including in respect of distributions.

Details of the rights and obligations attached to the New Units are summarised in section 14.2 and set out in the Constitution. A copy of the Constitution is available, free of charge, on request from the Manager.

### Electronic PDS

This PDS will be available and may be viewed online at [www.metricscredit.com.au](http://www.metricscredit.com.au). The information on the website does not form part of this PDS.

The Offer pursuant to this PDS is available to persons receiving an electronic version of this PDS within Australia and New Zealand. The Offer made under this PDS is only available to persons receiving this PDS in Australia and New Zealand. The Responsible Entity is entitled to refuse an Application if it believes the Applicant did not receive the Offer in Australia or New Zealand.

Any person accessing the electronic version of this PDS for the purpose of making an investment in the Trust must only access the PDS from within Australia and New Zealand. Applications for Units may only be made on either a printed copy of the Application Form attached to or accompanying this PDS or via the electronic Application Form attached to the electronic version of this PDS, available on the Manager's website.

Units to which this PDS relates will only be issued on receipt of an Application Form issued together with the PDS, whether it will be by a printed copy or an electronic Application Form.

### Pay by BPay®

Eligible Unitholders will receive a personalised Entitlement and Acceptance Form and can pay for Units using BPay®.

Any BPay® payments must be received by the Unit Registry by 5:00pm (AET) on the Closing Date.

### Applying by post and pay by cheque, bank draft or money order

Eligible Applicants can apply by post and pay their Application Monies by cheque, bank draft or money order by completing the Application Form attached to this PDS and following the instructions on the back of the Application Form to lodge your Application.

Your Application Form and Application Monies must be posted so that they are received by the Unit Registry by 5:00pm (AET) on the Closing Date.

During the Offer Period, any person may obtain a paper copy of this PDS free of charge by contacting the Unit Registry on:

Tel: 1300 133 451 (between 9:00am to 5:00pm AET Monday to Friday).

### Disclaimer

No person is authorised by the Responsible Entity, the Manager, the Joint Lead Managers, the Co-Managers, the Distribution Partner or the Financial Adviser to give any information or make any representation in connection with the Offer that is not contained in this PDS. Any information or representation that is not contained in this PDS may not be relied on as having been authorised by the Responsible Entity, the Manager, their directors or any other person in connection with the Offer. The Trust's business, financial condition, operations and prospects may have changed since the date of this PDS.

Certain statements in this PDS constitute forward looking statements. These forward-looking statements are identified by words such as 'aim', 'anticipate', 'assume', 'believes', 'could', 'expects', 'intends', 'may', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would', and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

These forward-looking statements are based on current expectations, estimates, and projections about the Trust's business and the industry in which the Trust invests and the beliefs and assumptions of the Manager and the Responsible Entity. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Responsible Entity's and Manager's control. As a result, any or all of the forward-looking statements in this PDS may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in section 8.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The Responsible Entity and Manager do not make any assurance, express or implied, in relation to whether any forward-looking statements will actually eventuate.

These forward-looking statements speak only as at the date of this PDS. Unless required by law, the Responsible Entity or Manager does not intend to publicly update or revise any forward-looking statements to reflect new information, future events or otherwise. They are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. You should, however, review the factors and risks the Responsible Entity describes in the reports to be filed from time to time with the ASX after the date of this PDS.

Some numerical figures in this PDS have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

### Updated information

Information in this PDS may need to be updated from time to time. Any updated information that is considered not materially adverse to investors will be made available on the website: [www.metricscredit.com.au](http://www.metricscredit.com.au) and the Manager will provide a copy of the updated information, free of charge to any investor who requests a copy by contacting the Unit Registry on:

Tel: 1300 133 451 (between 9:00am to 5:00pm AET Monday to Friday).

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

### Privacy

The Responsible Entity may collect personal information from you when you contact the Responsible Entity and from any other relevant forms to be able to administer your investment and comply with any relevant laws, including the *Privacy Act 1998* (Cth), and provide information to relevant government agencies in accordance with those laws. If you do not provide us with your relevant personal information, the Responsible Entity may not be able to properly administer your investment. Privacy laws apply to the handling of personal information and the Responsible Entity will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information the Responsible Entity collects and holds;
- how the Responsible Entity collects and holds personal information;
- the purposes for which the Responsible Entity collects, holds, uses and discloses personal information;

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- how you may access personal information that the Responsible Entity holds about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds the Responsible Entity, and how the Responsible Entity will deal with such a complaint; and
- whether the Responsible Entity is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for the Responsible Entity to specify those countries.

The privacy policy of the Responsible Entity is publicly available on its website at [www.perpetual.com.au](http://www.perpetual.com.au) or you can obtain a copy free of charge by contacting the Responsible Entity.

The Manager may also collect, use and disclose your personal information, including personal information provided to the Manager by the Responsible Entity, for investor relations purposes in accordance with its privacy policy. A copy of the Manager's privacy policy is publicly available at [www.metricscredit.com.au](http://www.metricscredit.com.au) free of charge.

## Investigating Accountant's Report on the Financial Information and Financial Services Guide

The providers of the Investigating Accountant's Report on the financial information of the Trust are required to provide Australian retail Applicants with a Financial Services Guide.

The Investigating Accountant's Report and accompanying Financial Services Guide are provided in section 12.

## Miscellaneous

Photographs and diagrams used in this PDS that do not have descriptions are for illustration only and should not be interpreted to mean that any person in them endorses this PDS or its contents or that the assets shown in them are owned by the Trust.

References in this PDS to currency are to Australian dollars unless otherwise indicated. All data contained in charts, graphs and tables within this PDS are based on information available as at the date of this PDS unless otherwise stated.

Certain terms and abbreviations in this PDS have defined meanings that are set out in Appendix A to this PDS.

## Time

Unless otherwise stated or implied, references to time in this PDS are to Australian Eastern Time (AET).

Any references to documents included on the Manager's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference into the PDS.

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# KEY OFFER DETAILS

## THE OFFER

Trust	MCP Master Income Trust
ASX code	MXT
Entitlement Offer ratio	1 New Unit for every 1.7 existing Units
Price per Unit under the Offer	\$2.00
Maximum number of New Units that may be issued under the Entitlement Offer <sup>1</sup>	Up to approximately 151,817,756 Units
Maximum gross proceeds from the Entitlement Offer <sup>1</sup>	Up to approximately \$303,635,512

Further information in respect of the Shortfall Offer (and applying for New Units under the Shortfall Offer) is set out in section 2.5 of this PDS.

## KEY DATES

Announcement of the Offer and lodgement of PDS with ASIC	26 February 2018
Units trade on an ex-Entitlement basis	28 February 2018
Record Date for Entitlement Offer (7:00pm AET)	1 March 2018
Offer opens ( <b>Opening Date</b> )	5 March 2018
Dispatch of PDS and Application Forms for the Offer	5 March 2018
Entitlement Offer closes (5:00pm AET)	29 March 2018
Shortfall Offer closes (5:00pm AET)	29 March 2018
New Units quoted on ASX on a deferred settlement basis	3 April 2018
<b>Results of the Offer announced</b>	4 April 2018
<b>Issue of New Units and issue of Additional New Units under the Entitlement Offer</b>	9 April 2018
<b>Normal trading of New Units and Additional New Units issued under the Entitlement Offer expected to commence on ASX</b>	10 April 2018
<b>Issue of New Units under the Shortfall Offer</b>	18 April 2018
<b>Normal trading of New Units issued under the Shortfall Offer to commence on ASX</b>	19 April 2018

<sup>1</sup> The Shortfall Offer may include an invitation to subscribe for up to 38,713,527 million Units over and above the shortfall from the Entitlement Offer (representing that number of Units which can be issued under the Trust's available placement capacity under ASX Listing Rule 7.1). In that event that the number of New Units issued under this PDS will be up to 190,531,283 Units and the maximum gross proceeds from the Offer will be up to \$381,062,566.





## KEY OFFER DETAILS

Dates and times in this PDS are indicative only and subject to change. All times and dates refer to AET. The Responsible Entity reserves the right, subject to the Corporations Act, Listing Rules, Joint Lead Manager approval and other applicable laws, to vary the dates of the Offer without prior notice, including extending the closing date for the Offer or accepting late Applications, either generally or in particular cases, or to withdraw the Offer for any reason without prior notice.

Before making a decision about investing in the Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs.

If you have any questions on how to:

(a) complete:

- (i) the personalised Entitlement and Acceptance Form, for Eligible Unitholders wishing to take up their Entitlement under the Entitlement Offer; or
  - (ii) the Shortfall Offer Application Form to participate in the Shortfall,
- both of which accompany this PDS; or

(b) take up your Entitlement either in full or in part; or

(c) take up your Entitlement in full and apply for Additional New Units,

please call the Unit Registry between 9.00am and 5.00pm (AET) Monday to Friday during the Offer Period:

Within Australia: 1300 133 451 (toll free number)

Outside Australia: +61 2 8970 7750

If you have lost your personalised Entitlement and Acceptance Form or Shortfall Offer Application Form and would like a replacement form, please call the applicable number above.

# LETTER TO INVESTORS

26 February 2018

Dear Investor,

We would like to thank you for your ongoing support of the MCP Master Income Trust (ASX: MXT) (**Trust**) and advise you of the opportunity to participate in an offer of New Units in the Trust (**Offer**).

The Trust raised in excess of \$516 million in its initial public offering (**IPO**) completed in October 2017. The Trust seeks to provide investors with direct exposure to the Australian corporate loan market, a market which is dominated by regulated banks and is not easily accessible for non-bank investors. The Trust aims to provide this exposure through investments in and alongside funds managed by Metrics Credit Partners Pty Ltd (**MCP or Manager**), a debt-specialist fund manager with approximately \$2.7 billion assets under management.

Since listing on the ASX in early October 2017, the Trust has met or achieved all targets, including the full deployment of IPO proceeds, payment of monthly distributions from January 2018 consistent with the Target Return<sup>2</sup> (RBA cash rate + 3.25%\*) and establishment of a portfolio which is diversified by borrower, industry and credit quality. The Trust continues to have access to a strong pipeline of investment opportunities and will invest proceeds from the Offer in opportunities which are consistent with the investment mandate and Target Return\*.

The Investment Objective of the Trust is to 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. In particular, the Trust seeks to provide investors with:

- **Monthly cash income**
  - » The Trust targets a return of the RBA Cash Rate plus 3.25% per annum net of fees\* and pays cash distributions monthly. The Trust also operates a Distribution Reinvestment Plan
- **Exposure to Australian corporate lending offering low risk of capital loss**
  - » Corporate loans generally have floating interest rates with lender protections, such as security, resulting in an expected stable capital value and low loss rates
- **Attractive risk-adjusted returns from a diversified portfolio**
  - » The Trust offers direct, diversified exposure to the Australian corporate loan market
- **An experienced and active management team**
  - » MCP's Investment Team have extensive direct lending experience encompassing all aspects of originating, structuring, negotiating, executing and distributing Australian corporate loans as well as managing portfolio risks
- **Low management fees**
  - » Base management fees are equivalent to fees paid by wholesale investors in MCP Wholesale Funds

MCP believes that the Offer will provide a number of benefits to existing and new Unitholders including:

- additional scale to expand the Trust's participation in Australia's corporate lending market and develop greater portfolio diversification;
- promote additional market liquidity through an expanded investor base; and
- reduce overall costs to investors.

## HOW TO PARTICIPATE AS AN ELIGIBLE UNITHOLDER

Under the Entitlement Offer, Eligible Unitholders are invited to apply for 1 New Unit for every 1.7 existing Units held on the Record Date, being 7.00pm (AET) on Thursday, 1 March 2018. New Units will be issued at a price of \$2.00 per New Unit (**Offer Price**) to raise up to \$303.6 million<sup>3</sup>.

<sup>2</sup> Past performance is not a reliable indicator of future performance.

<sup>3</sup> The Shortfall Offer, which will allow new investors to participate in the Offer, may include an invitation to subscribe for up to 38.7 million Units over and above the shortfall from the Entitlement Offer (representing that number of Units which can be issued under the Trust's available placement capacity under ASX Listing Rule 7.1). In that event, the number of New Units issued under this PDS will be up to approximately 190.5 million Units and the maximum gross proceeds from the Offer will be up to approximately \$381.1 million.

\* The Target Return is a target only and may not be achieved.

# LETTER TO INVESTORS

Eligible Unitholders who take up their Entitlement in full may also apply for Additional New Units in excess of their Entitlement at the Offer Price (**Oversubscription Facility**) (see section 2.4.6 for more information). Additional New Units will only be allocated to Eligible Unitholders if available.<sup>4</sup> Allocations of Additional New Units will be determined by agreement between the Responsible Entity and the Joint Lead Managers (each acting reasonably).

New Units and Additional New Units issued under the Entitlement Offer will rank equally with existing Units.

If you decide to take up all or part of your Entitlement (or take up all of your Entitlement and apply for Additional New Units), there are two alternative ways you can pay your Application Monies:

- post, to the Unit Registry, your completed Entitlement and Acceptance Form, along with your Application Monies by cheque, bank draft or money order. The Unit Registry address is specified on your personalised Entitlement and Acceptance Form;<sup>5</sup> or
- pay your Application Monies via BPAY®.<sup>6</sup> If you pay by BPAY® you do not need to complete and post your Entitlement and Acceptance Form to the Unit Registry.

It is important to note that the Entitlement Offer closes at **5.00pm (AET) on 29 March 2018**.<sup>7</sup>

If you take no action or your application is not supported by cleared funds, your Entitlement will lapse and you will not be issued New Units. Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Accordingly, you should note that if you do not take up all or part of your Entitlement, then your percentage voting interest in the Trust will be reduced as a result of your non-participation in the Entitlement Offer. If you do not take up your Entitlement in full you will not receive any payment or value for that part of your Entitlement that you do not take up.

## HOW TO PARTICIPATE AS A NEW INVESTOR

Any units not taken up by Eligible Unitholders under the Entitlement Offer or the Oversubscription Facility will be offered to new investors under this PDS (**Shortfall Offer**). In the event that applications for New Units under the Shortfall Offer exceed the number of New Units representing the shortfall under the Entitlement Offer, the Responsible Entity may, under this PDS, issue New Units to retail and Institutional Investors by utilising the Trust's available placement capacity under ASX Listing Rule 7.1 under the Shortfall Offer (please see section 2.5 of this PDS for further information).

Under the Shortfall Offer, certain new investors will be invited to subscribe for New Units at the Offer Price. Please see section 2.5 for more information.

## FURTHER INFORMATION

Further information on the Offer, the Trust and the Manager is detailed in this PDS. You should carefully read this PDS in its entirety before deciding whether to participate in the Offer.

An investment in MXT's New Units, or if applicable to you, Additional New Units, is subject to a range of risks, which are more fully detailed in section 8 of the PDS. Key risks to the Trust include credit and default risk, investment strategy risk, interest rate risk, credit cycle risk, liquidity risk and leverage risk, among others. If any of these risks or other material risks eventuate, it will likely have a material adverse impact on the Trust's future financial performance and position.

If you would like further information regarding the Offer please call the Unit Registry on 1300 133 451 (within Australia) or +61 2 8970 7750 (from outside Australia) between 9.00am and 5.00pm (AET) Monday to Friday during the Offer Period or visit [www.metricscredit.com.au/invest](http://www.metricscredit.com.au/invest). For other questions, you should consult your broker, solicitor, accountant, taxation adviser, financial adviser or other professional adviser without delay.

You should be aware that the Responsible Entity and MCP have not had regard to your individual circumstances or needs, including your personal taxation or financial position, in sending this PDS and accompanying information to you. If you have any doubt about whether you should invest in the Offer, you should seek professional advice before making any investment decision. Please note that no cooling-off period applies in relation to the Offer (you cannot withdraw your application once it has been accepted).

If you are an Eligible Unitholder we thank you for your continued support. As a new investor, we look forward to welcoming you to the MCP Master Income Trust.

## Metrics Credit Partners

<sup>4</sup> In addition, Additional New Units will not be allocated to an Eligible Unitholder if doing so would breach section 606 of the Corporations Act.

<sup>5</sup> Application Monies paid by cheque, bank draft or money order must be received by the Unit Registry before 5.00pm (AET) on 29 March 2018.

<sup>6</sup> \*Registered to BPAY Pty Ltd ABN 69 079 137 518. Note that BPAY® payments can only be made in AUD.

<sup>7</sup> Unless extended, the timetable for the Offer is subject to variation.



# SECTION 1: INVESTMENT OVERVIEW

## 1.1 ABOUT THE TRUST

The following provides a high level and non-exhaustive overview of the Trust. For more information, please refer to the relevant sections under 'For more information', as detailed in the following table.

TOPIC	SUMMARY	FOR MORE INFORMATION
<b>What is the Trust?</b>	<p>The Trust is an Australian registered managed investment scheme under Chapter 5C of the Corporations Act. The Trust is listed on the ASX (ASX code MXT).</p> <p>The Trust invests in units in the MCP Wholesale Investments Trust, cash at bank and other assets in accordance with the Investment Strategy.</p>	Section 5.1
<b>Who is the Responsible Entity?</b>	<p>The Responsible Entity of the Trust is The Trust Company (RE Services) Limited ACN 003 278 831 AFSL 235 150.</p> <p>The Responsible Entity is responsible for management of the operations of the Trust.</p> <p>While the Responsible Entity delegates investment management and administrative services to other entities, it retains ultimate responsibility for these functions.</p>	Section 5.2
<b>Who is responsible for managing the affairs of the Trust?</b>	<p>The Responsible Entity has appointed:</p> <ul style="list-style-type: none"> <li>– MCP as manager of the Trust under an Investment Management Agreement.</li> <li>– Perpetual Corporate Trust Limited ACN 000 341 533; AFSL 236643 (<b>Custodian</b>) as custodian of the Trust under a Custodian Agreement. The Custodian is a wholly-owned subsidiary of Perpetual.</li> <li>– Mainstream Fund Services Pty Ltd ACN 118 902 891; AFSL 303253 (<b>Administrator</b> and <b>Unit Registry</b>, or <b>Mainstream</b>) as fund administrator and unit registrar of the Trust under a Fund Administration Agreement.</li> </ul>	Sections 5.12, 5.13 and 6
<b>Who is the Manager?</b>	<p>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 wholesale investors seeking opportunities in credit and fixed income markets.</p> <p>MCP's Investment Team has significant experience in corporate and institutional lending and currently manage wholesale funds with assets of approximately \$2.7 billion as at the date of this PDS.</p> <p>MCP is 65% owned by the Investment Team and 35% by National Australia Bank Limited ABN 12 004 044 937 (<b>NAB</b>).</p>	Section 6.1

# SECTION 1: INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
Who is the MCP Investment Team?	<p>The MCP investment team consists of the following senior professionals with the following extensive experience in direct lending and portfolio risk management:</p> <ul style="list-style-type: none"> <li>– <b>Andrew Lockhart</b> – 31 years' experience;</li> <li>– <b>Justin Hynes</b> – 21 years' experience;</li> <li>– <b>Graham McNamara</b> – 38 years' experience; and</li> <li>– <b>Andrew Tremain</b> – 31 years' experience.</li> </ul> <p>The investment team comprises the MCP Investment Committee and is responsible for all investment decisions of the Wholesale Funds. A team of investment professionals provide the Investment Team with analytical and portfolio risk management support.</p> <p>The investment team implements pro-active risk management strategies and maintain a robust risk management framework and culture focused on investor capital preservation.</p>	Section 6.2
What is the Investment Objective?	<p>The Trust's Investment Objective is to 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. The Trust may not be successful in reaching its objective.</p>	Section 5.3
What is the Trust's Investment Strategy and target Portfolio Construction?	<p>The Trust's Investment Strategy is to continue to invest in and maintain a diversified exposure to Australian corporate loans generally reflecting activity in the corporate loan market providing investors with exposure to an investment portfolio diversified by borrower, industry and credit quality. Through active portfolio risk management, the Manager seeks to preserve investor capital. This is accomplished by investing in the MCP Wholesale Investments Trust, which in turn invests in and alongside Wholesale Funds managed by MCP (refer to 'How are the Trust's Investments Structured' topic below). The capital is intended to be invested in a manner which targets the following Portfolio Construction:</p> <p><b>DIVERSIFIED BY BORROWERS</b></p> <ul style="list-style-type: none"> <li>– Lending to public and private companies and projects (currently 72 individual investments, with a near-term target of 75-100 individual investments).</li> <li>– No more than 5% of the Trust's assets are to be invested in a single borrower.</li> </ul> <p><b>DIVERSIFIED BY INDUSTRIES</b></p> <ul style="list-style-type: none"> <li>– Lending across industry sectors.</li> <li>– It is not intended that the Trust will invest in the banking sector (i.e. regulated banks that otherwise issue public debt securities and hybrid securities).</li> </ul>	Sections 5.4 and 5.5

TOPIC	SUMMARY	FOR MORE INFORMATION
What is the Trust's Investment Strategy and target Portfolio Construction? <i>continued</i>	<p><b>DIVERSIFIED BY CREDIT QUALITY</b></p> <ul style="list-style-type: none"> <li>– Lending across the credit spectrum reflective of the corporate loan market.<sup>8</sup></li> </ul> <p>Borrowers are Australian domiciled (greater than 80%) with investments in debt products typical in the Australian corporate loan market, including being secured or unsecured, senior or subordinated, investment grade or sub-investment grade, with such investments undertaken by the Manager to best achieve the Investment Objective.</p>	Sections 5.4 and 5.5
What is the MCP Wholesale Investments Trust?	<p>The Trust has exposure to a diversified portfolio of corporate loans via its investment in the MCP Wholesale Investments Trust.</p> <p>The MCP Wholesale Investments Trust is an unregistered Australian unit trust. The Trust Company Limited (ACN 004 027 749) is the trustee of the MCP Wholesale Investments Trust (<b>Sub-Trustee</b>) and is a 100% owned subsidiary of Perpetual.</p> <p>The Sub-Trustee has appointed MCP to be the manager of the MCP Wholesale Investments Trust (<b>Sub-Trust Manager</b>). The MCP Wholesale Investments Trust, can make either direct investments or invest in various other Wholesale Funds which are managed by the Manager. The MCP Wholesale Investments Trust is an open-ended, unlisted trust and is open to accept applications direct from wholesale investors.</p>	Section 5.10
What is the Target Return of the Trust?	<p>Target Return of RBA Cash Rate plus 3.25% per annum net of fees (<b>Target Return</b>) through the economic cycle.</p> <p>Based on the RBA Cash Rate as at the date of this PDS of 1.50%, the Target Return is 4.75% per annum.</p> <p>The total return may rise or fall based on, amongst other things, performance in the underlying corporate loan assets and movements in the RBA Cash Rate.</p> <p>The Target Return is only a target and may not be achieved.</p> <p>The Responsible Entity intends to pay distributions to Unitholders monthly. Distributions will be paid at the discretion of the Responsible Entity and may depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Responsible Entity deems relevant.</p>	Section 5.3
What returns have been generated by the Trust since the IPO?	<p>Since listing on the ASX, the Trust has paid existing Unitholders total distributions of 2.996 cents per unit, with an additional 0.73 cents per unit distribution declared on 23 February 2018 to be paid on 8 March 2018. The distributions paid and declared are in line with the ongoing Target Return<sup>9</sup> and the Investment Objective<sup>10</sup>. The first distribution was paid in January 2018 and the second distribution was paid in February 2018. Distributions are expected to be paid monthly.</p>	Sections 5.2, 5.6 and 5.7

<sup>8</sup> As represented by MCP analysis of the market based on major banks APRA APS 330 reports and other publicly available information.

<sup>9</sup> The Target Return is a target only and may not be achieved.

<sup>10</sup> Past performance is not a reliable indicator of future performance.

# SECTION 1: INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
What returns have been generated by the Trust since the IPO? <i>continued</i>	<p>The Trust has established a Distribution Reinvestment Plan (<b>DRP</b>). Please refer to the <b>DRP</b> available on the Manager's website and lodged with the ASX on 13 February 2018. Unitholders who have not provided the Unit Registry with bank account details for the payment of cash distributions will be deemed to have elected to reinvest all of their cash distributions in additional units in the Trust in accordance with the <b>DRP</b>.</p>	Sections 5.2, 5.6 and 5.7
What are the key highlights of the Trust?	<p>The Trust provides investors with:</p> <p><b>AN EXPERIENCED AND ACTIVE MANAGEMENT TEAM WITH A PROVEN TRACK RECORD</b></p> <ul style="list-style-type: none"> <li>– Australian debt-specialist fund manager.</li> <li>– Investment team members have significant direct lending market experience.</li> <li>– Experience originating, structuring, negotiating, executing, managing portfolio risk and distributing corporate loans.</li> <li>– Currently manages approximately \$2.7 billion in assets.</li> </ul> <p><b>MONTHLY CASH INCOME WITH LOW RISK OF CAPITAL LOSS</b></p> <ul style="list-style-type: none"> <li>– Target Return of RBA Cash Rate plus 3.25% per annum net of fees<sup>11</sup> through economic cycles with distributions paid monthly.</li> <li>– Corporate loans generally have floating interest rates with lender protections, such as security, resulting in an expected stable capital value and low loss rates.</li> <li>– Australia's legal and regulatory systems are considered stable and positive for lenders.</li> </ul> <p><b>ATTRACTIVE RISK-ADJUSTED RETURNS FROM A DIVERSIFIED PORTFOLIO</b></p> <ul style="list-style-type: none"> <li>– Australia's corporate loan market offers attractive risk-adjusted returns but is largely inaccessible to non-bank investors.</li> <li>– The Trust offers direct, diversified exposure to this market.</li> <li>– The Trust's investments are diversified by industry and credit quality, reflective of activity in the Australian corporate loan market.</li> <li>– Investments in floating rate securities which offer benefits in a rising interest rate environment.</li> </ul> <p><b>PORTFOLIO DIVERSIFICATION FROM AN INVESTMENT IN AUSTRALIAN CORPORATE FIXED INCOME</b></p> <ul style="list-style-type: none"> <li>– Fixed income is an important component of a balanced investment portfolio, offering stable yields and low risk of capital loss.</li> <li>– An investment in the Trust provides asset class diversification for investors by direct lending to Australian companies.</li> </ul> <p><b>LOW FEE STRUCTURE</b></p> <ul style="list-style-type: none"> <li>– Base management fees equivalent to fees paid by wholesale investors in the Wholesale Funds.</li> </ul>	

<sup>11</sup> The Target Return is a target only and may not be achieved.

TOPIC	SUMMARY	FOR MORE INFORMATION		
What has the trust achieved compared to targets at IPO in October 2017?	The following table provides an overview of the Trust's performance against the disclosed Initial Public Offer (IPO) targets:	Section 5.5		
	CHARACTERISTIC	DISCLOSED IPO TARGET	ACTUAL / CURRENT POSITION <sup>12</sup>	TARGET ACHIEVED
	Offer size	\$100 million – \$500 million	\$516 million	✓
	Target annual return	RBA cash rate + 3.25% (4.75% as at the date of the IPO PDS) <sup>13</sup>	4.75% (annualised distribution for period from IPO to date of this PDS)	✓
	First distribution	January 2018	January 2018	✓
	Distribution frequency	Monthly	January, February, March 2018	✓
	Individual investments	50 immediately 75-100 near term target	72 currently 75-100 near term target	✓
Wholesale Fund allocation	DASLF: 60-70% SPDF II: 20-30% REDF: 10-20%	DASLF: 60% SPDF II: 20% REDF: 20%	✓	
	Industry exposure	<p>Source: MCP analysis</p>	✓	
Credit exposure <sup>14</sup>	<p>Source: MCP analysis</p>	✓		

12 Based on committed investments as at the date of this PDS. Percentages include allocating committed cash holdings, including amounts in the MCP Wholesale Investments Trust pending investment in Wholesale Funds.

13 This is only a target and may not be achieved.

14 MCP uses a proprietary ratings model to assign risk measures to its loan exposures. MCP analysis of the market is based on major banks' APRA APS 330 reports and other publicly available information.

# SECTION 1: INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
What are the key risks associated with the business model, investment strategy, the Units and the Offer?	<p>All investments are subject to risk, which means the value of your investment may rise or fall. Before making an investment decision, it is important to understand the risks that can affect the value of your investment. Some of the key risks in relation to an investment in the Trust are summarised below. Please refer to section 8 for a more comprehensive summary of potential risks.</p> <p><b>CREDIT AND DEFAULT RISK</b></p> <p>Credit risk is the risk that one or more of the assets in the MCP Wholesale Investments Trust or the Wholesale Funds may decline in price or fail to pay interest or principal when due because a borrower experiences a deterioration in its financial status.</p> <p>Default risk is the risk that a borrower defaults on their obligations, for instance by failing to make a payment when due or to return the principal. The taking of security or the provision of third party guarantees may not fully mitigate the risk of credit loss.</p> <p><b>INVESTMENT STRATEGY RISK</b></p> <p>There is no guarantee that the Investment Strategy of the Trust will be managed successfully or will meet its objectives. Failure to do so could negatively impact the performance of the Trust.</p> <p>The Manager may not manage the affairs of the Trust in a manner that consistently meets the Trust's Investment Objective over time. In addition, the Manager may cease to manage the Trust, requiring the Trust to find an alternative replacement manager, which may affect the Trust.</p> <p><b>INTEREST RATE RISK</b></p> <p>The Trust will invest (through the MCP Wholesale Investments Trust and Wholesale Funds) primarily in floating rate loans meaning that as the underlying base rate rises and falls, the relative attractiveness to other instruments may change.</p> <p>There is a strong correlation between the RBA Cash Rate and the base rates upon which loans are priced. Absolute returns on loans therefore rise and fall largely in correlation with the RBA Cash Rate.</p> <p><b>LIQUIDITY RISK</b></p> <p>The investments of the Wholesale Funds (and therefore the MCP Wholesale Investments Trust and the Trust) are not liquid securities. The ability of the Wholesale Funds to dispose of an investment will depend on market liquidity, the terms agreed with the relevant borrower and the maturity date of the loans (typically corporate loans may have a term of between 3 and 10 years). The liquidity of investments in the Wholesale Funds (and therefore the MCP Wholesale Investments Trust and the Trust) will also be dependent on a borrower's ability to repay a loan.</p>	Section 8



TOPIC	SUMMARY	FOR MORE INFORMATION
<p><b>What are the key risks associated with the business model, investment strategy, the Units and the Offer?</b> <i>continued</i></p>	<p><b>LEVERAGE RISK</b></p> <p>To the extent that any of the Wholesale Funds use leverage to fund investments and the counterparty to a loan asset was to fail to pay interest or principal when due (a payment default), that underlying Wholesale Fund is still obliged to service its interest and principal payment obligations. The inability to do so may give rise to the Wholesale Fund's debt provider taking action under the relevant facility terms to recover amounts owed. The debt provider would be senior to investors from a repayment perspective, and have a first claim over the loans (and associated assets) and cash flows of that Wholesale Fund.</p> <p><b>UTILISATION RISK</b></p> <p>The Trust will invest (through the MCP Wholesale Investments Trust and Wholesale Funds) in both drawn and undrawn loans that may be drawn up and down by the borrower over time. Returns will vary depending on the level of utilisation by borrowers of such revolving loans.</p> <p><b>INVESTMENT AND MARKET RISK</b></p> <p>An investment in the Trust is subject to investment and market risk, including the possible loss of the entire amount invested. Industry specific shocks relevant to underlying loan assets and general market disruption can adversely impact the value of Trust assets.</p> <p>Changes in legal, tax and economic conditions, political events, investor sentiment and market variables such as interest rates and exchange rates can all directly or indirectly create an environment that may influence (negatively or positively) the value of the Trust's investments.</p> <p>You should bear the above risks, together with the risks described in section 8, in mind when considering whether to participate in the Offer. You are strongly advised to consider any investment in the Trust as a medium term proposition (one year or more) and to be aware that, as with any investment, fluctuations in the value of your investment may occur over that period and beyond.</p> <p>The above risk factors ought not be taken as an exhaustive list of the risks faced by the Trust or by investors in the Trust's Units (including the New Units being offered pursuant to this PDS). The above factors, and others not specifically referred to in section 8 of this PDS, may in the future materially affect the financial condition or prospects of the Trust and, therefore, the value of the New Units offered under this PDS. As such, the New Units to be issued under this PDS carry no guarantee with respect to their value or price.</p>	<p>Section 8</p>
<p><b>How are the Trust's investments structured?</b></p>	<p>To achieve the Investment Strategy and target Portfolio Construction, the Trust invests as a wholesale investor in the MCP Wholesale Investments Trust. The MCP Wholesale Investments Trust is:</p> <ul style="list-style-type: none"> <li>– an open-ended trust and can accept applications directly from wholesale investors; and</li> <li>– invests in the Wholesale Funds and may invest directly in investment assets itself to best achieve the Investment Objective. All Wholesale Funds are trusts that make direct loans to Australian corporate borrowers.</li> </ul>	<p>Section 5.10</p>

# SECTION 1: INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
How are the Trust's investments structured? <i>continued</i>	<p>Amounts raised by the Trust under the Offer are intended to be invested in the Wholesale Funds managed by MCP so as to maintain the following investment allocation ranges:</p> <ul style="list-style-type: none"> <li>– 60-70% of capital to be invested in the Metrics Credit Partners Diversified Australian Senior Loan Fund (<b>DASLF</b>);</li> <li>– 20-30% of capital to be invested in the MCP Secured Private Debt Fund (<b>SPDF II</b>); and</li> <li>– 10-20% of capital to be invested in the MCP Real Estate Debt Fund (<b>REDF</b>).</li> </ul> <p>The asset allocations may change from time to time, as approved by the Responsible Entity to best meet the Investment Objective.</p> <p>The MCP Wholesale Investments Trust, DASLF, SPDF II and REDF are each unlisted, open-ended trusts offering wholesale investors access to direct lending strategies managed by MCP.</p> <p>Unitholders in the Trust receive the benefit of income and capital generated by the Trust's investments through any distributions paid to Unitholders.</p>	Section 5.10

TOPIC	SUMMARY	FOR MORE INFORMATION								
Does the Trust have any debt?	<p>The Trust does not currently have any debt.</p> <p>The MCP Wholesale Investments Trust and the Wholesale Funds may incur debt from time to time.</p>	Section 5.15								
Will capital raised by the Offer impact the target Portfolio Construction or Target Return?	<p>The Trust expects to invest proceeds raised by the Offer in a manner consistent with the Investment Objective and target Portfolio Construction.</p> <p>The Trust expects to maintain monthly distribution payments to Unitholders immediately following completion of the Offer which are consistent with the Target Return<sup>15</sup>.</p>	Section 5.4								
What fees will the Manager and Responsible Entity receive?	<p>The Trust Company (RE Services) Limited, in its capacity as the Responsible Entity of the Trust, will be paid fees by the Trust. MCP and entities owned by Perpetual will be paid fees by the Wholesale Funds. The Manager may charge fees to other wholesale investors who invest directly into the MCP Wholesale Investments Trust. These fees will not be borne by the Trust.</p> <p>The following table sets out the total management fees (and excludes the IEE) paid to the Manager from the Wholesale Funds and Responsible Entity that are incurred and paid on a total look through basis following completion of the Offer<sup>16</sup>:</p> <table><tr><th>AMOUNT RAISED BY THE OFFER</th><th>PRE-OFFER (CURRENT)</th><th>MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)</th><th>MAXIMUM CAPITAL RAISE (\$381.1 MILLION)</th></tr><tr><td>Management fees</td><td>0.26%</td><td>0.25%</td><td>0.24%</td></tr></table> <p>The DASLF offers investors a declining fee rate as their individual investment holding increases. Trust investors also enjoy this benefit of scale resulting in a declining management fee rate as a result of the Offer and as the amount raised under the Offer increases.</p> <p>It is anticipated that no performance fees will be payable in the first two years of operations of the Trust.</p> <p>The Wholesale Funds may also incur performance fees. For as long as MCP is the Manager of the Trust, any performance fees that may be earned in respect of the MCP Wholesale Investments Trust's investment in the Wholesale Funds will be rebated by the Manager to the extent the Target Return of the Trust has not been achieved. See section 7.4 for further detail on performance fees.</p>	AMOUNT RAISED BY THE OFFER	PRE-OFFER (CURRENT)	MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)	MAXIMUM CAPITAL RAISE (\$381.1 MILLION)	Management fees	0.26%	0.25%	0.24%	Section 7
AMOUNT RAISED BY THE OFFER	PRE-OFFER (CURRENT)	MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)	MAXIMUM CAPITAL RAISE (\$381.1 MILLION)							
Management fees	0.26%	0.25%	0.24%							

<sup>15</sup> The Target Return is a target only and may not be achieved.

<sup>16</sup> Management fees assume an allocation of Trust capital of 60% DASLF, 20% SPDF II and 20% REDF. Refer to section 7.2 for a detailed break-down of management costs and assumptions. These management fees represent the total amounts paid to MCP and to Perpetual related entities from the Trust, the MCP Wholesale Investments Trust and Wholesale Funds.

# SECTION 1: INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION							
What fees will the Manager and Responsible Entity receive? <i>continued</i>	<p><b>INVESTOR EQUALISATION EXPENSE (IEE)</b></p> <p>In consideration for the Manager providing advisory and management services to the Trust under the Investment Management Agreement it is paid a fee which is called the Investor Equalisation Expense (<b>IEE</b>). The IEE will be charged to the Trust as a monthly expense and is payable for a period of 10 years (unless otherwise extended by agreement of the Responsible Entity and Manager) from the date of this PDS. If the Manager’s appointment is terminated it is entitled to be paid the unpaid IEE for the remainder of the term of appointment (had the Manager not been terminated) calculated from the date of termination and based on the NAV of the Trust at termination, and costs incurred as outlined in section 13.1 of this PDS. If the Manager retires, the unpaid IEE is not payable. The IEE is expected to be as follows following the Offer:</p>	Section 7							
	<table><tr><th>AMOUNT RAISED BY THE OFFER</th><th>PRE-OFFER (CURRENT)</th><th>MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)</th><th>MAXIMUM CAPITAL RAISE (\$381.1 MILLION)</th></tr><tr><td>IEE</td><td>0.34%</td><td>0.34%</td><td>0.33%</td></tr></table>	AMOUNT RAISED BY THE OFFER	PRE-OFFER (CURRENT)	MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)	MAXIMUM CAPITAL RAISE (\$381.1 MILLION)	IEE	0.34%	0.34%	0.33%
AMOUNT RAISED BY THE OFFER	PRE-OFFER (CURRENT)	MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)	MAXIMUM CAPITAL RAISE (\$381.1 MILLION)						
IEE	0.34%	0.34%	0.33%						
What additional costs or fees will be borne by Unitholders?	<p><b>OTHER ONGOING EXPENSES</b></p> <p>The Responsible Entity will incur other ongoing expenses to maintain the Trust and its listing on the ASX including Custodian, fund administration and Unit Registry fees. A number of these expenses are fixed, resulting in fee rates that decline as the capital invested by the Trust increases.<sup>17</sup></p> <p>The following table outlines the expenses (excluding IEE) for the current financial year that are expected to be incurred by the Trust and the expenses incurred by the MCP Wholesale Investments Trust and the Wholesale Funds that are attributable to the Trust’s capital invested on a total look through basis in the MCP Wholesale Investments Trust and Wholesale Funds.</p>	Section 7							
	<table><tr><th>AMOUNT RAISED BY THE OFFER</th><th>PRE-OFFER (CURRENT)</th><th>MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)</th><th>MAXIMUM CAPITAL RAISE (\$381.1 MILLION)</th></tr><tr><td>Other ongoing expenses</td><td>0.10%</td><td>0.08%</td><td>0.07%</td></tr></table>	AMOUNT RAISED BY THE OFFER	PRE-OFFER (CURRENT)	MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)	MAXIMUM CAPITAL RAISE (\$381.1 MILLION)	Other ongoing expenses	0.10%	0.08%	0.07%
AMOUNT RAISED BY THE OFFER	PRE-OFFER (CURRENT)	MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)	MAXIMUM CAPITAL RAISE (\$381.1 MILLION)						
Other ongoing expenses	0.10%	0.08%	0.07%						

<sup>17</sup> Assumes full Investment Management Agreement term and NAV at Offer Close is \$2.00 per Unit. Ongoing expenses of the Trust fees assume an allocation of Offer proceeds of 60% DASLF, 20% SPDF II and 20% REDF and average fund sizes in the next 12 months of \$400 million and \$400 million for the SPDF II and REDF respectively.

TOPIC	SUMMARY	FOR MORE INFORMATION								
What are the expected total fees and costs to be borne by Unitholders?	<p>The management fees, IEE and other ongoing expenses results in the following expected total annual fees and costs (other than transactional and operational costs listed in section 7.4) being borne by Unitholders:</p> <table><thead><tr><th>AMOUNT RAISED BY THE OFFER</th><th>PRE-OFFER (CURRENT)</th><th>MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)</th><th>MAXIMUM CAPITAL RAISE (\$381.1 MILLION)</th></tr></thead><tbody><tr><td>Total cost to Unitholders</td><td>0.70%</td><td>0.66%</td><td>0.65%</td></tr></tbody></table> <p>The figures set out above equal the management costs disclosed in section 7.2 and include Goods and Services Tax (<b>GST</b>) net of Reduced Input Tax Credits (<b>RITCs</b>).</p>	AMOUNT RAISED BY THE OFFER	PRE-OFFER (CURRENT)	MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)	MAXIMUM CAPITAL RAISE (\$381.1 MILLION)	Total cost to Unitholders	0.70%	0.66%	0.65%	Section 7
AMOUNT RAISED BY THE OFFER	PRE-OFFER (CURRENT)	MAXIMUM ENTITLEMENT OFFER (\$303.6 MILLION)	MAXIMUM CAPITAL RAISE (\$381.1 MILLION)							
Total cost to Unitholders	0.70%	0.66%	0.65%							
What is the expected NAV per Unit post completion of the Offer?	<p>The Offer is not expected to have an impact on the NAV per Unit. The NAV of Units are generally published each trading day on the ASX.</p>	Section 10.5								
Who is the Custodian and what is its role?	<p>Perpetual Corporate Trust Limited has been appointed as the Custodian.</p> <p>The Custodian holds the assets of the Trust in accordance with the terms of the Custodian Agreement. The Custodian has no supervisory role in relation to the operations of the Trust and is not responsible for protecting the Trust’s interests.</p>	Section 5.12								
What is the financial position of the Trust?	<p>The financial accounts of the Trust as at 31 December 2017 have been reviewed by KPMG as auditor of the Trust. Details of the financial accounts as at 31 December 2017 were released to the ASX on 22 February 2018. Unaudited pro forma financial statements to incorporate the impact of the Offer as at 31 December 2017 are set out in section 10.1.</p>	Section 10								
What are the Trust’s Material Agreements?	<p>The Responsible Entity, on behalf of the Trust, has entered into the Offer Management Agreement with the Joint Lead Managers. For more information on the Offer Management Agreement please refer to section 13.2. The Responsible Entity has also entered into the Investment Management Agreement and the Manager Loan with the Manager.</p>	Section 13								
Manager Loan	<p>The Responsible Entity has provided a working capital loan to the Manager (<b>Manager Loan</b>) for 10 years from the date of this PDS. The current loan is \$13.5 million, and the Manager may, make further draw downs under the Manager Loan facility for amounts agreed between the Manager and the Responsible Entity from time to time. The Responsible Entity has a right of recourse against the Manager for the amounts owed under the Manager Loan. The Manager may assign its obligations under the Manager Loan (including its payment obligations) to an entity that is controlled by the Manager or a person that is under the common control of the Manager.</p>	Section 10.7								

# SECTION 1: INVESTMENT OVERVIEW

## 1.2 ABOUT THE OFFER

TOPIC	SUMMARY	FOR MORE INFORMATION
<b>Who is the issuer of the New Units, Additional New Units and this PDS?</b>	The Trust Company (RE Services) Limited ACN 003 278 831; AFSL 235150, as the Responsible Entity of the Trust.	Section 5.2
<b>What is the Entitlement Offer?</b>	<p>A pro rata non-renounceable entitlement offer under which Eligible Unitholders are invited to apply for 1 New Unit for every 1.7 existing Units held on the Record Date at \$2.00 per New Unit to raise up to \$303.6 million<sup>18</sup>.</p> <p>Under the Entitlement Offer, Eligible Unitholders who take up their Entitlement in full may also apply for Additional New Units in excess of their Entitlements at the Offer Price. Any Units not taken up by Eligible Unitholders under the Entitlement Offer and the Oversubscription Facility may be offered to investors under the Shortfall Offer.</p>	Section 2
<b>Who is an Eligible Unitholder?</b>	<p>To qualify to participate in the Entitlement Offer, a Unitholder must:</p> <ul style="list-style-type: none"><li>– be registered as a holder of Units as at 7.00pm (AET) on the Record Date;</li><li>– have a registered address on the Trust's unit register in Australia or New Zealand;</li><li>– not be in the United States and must not be acting for the account or benefit of a person in the United States (to the extent that such a person holds Units for the account or benefit of such persons in the United States); and</li><li>– other than Unitholders who have a registered address in Australia or New Zealand on the Trust's unit register, be eligible under all applicable laws to receive an offer under the Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification.</li></ul>	Section 2.4.2
<b>When does the Entitlement Offer open?</b>	The Entitlement Offer opens on 5 March 2018.	Key dates
<b>When does the Entitlement Offer close?</b>	The Entitlement Offer closes <sup>19</sup> at 5.00pm on 29 March 2018.	Key dates
<b>What is my Entitlement?</b>	Your Entitlement is the invitation to you under the Entitlement Offer to apply for 1 New Unit at the Offer Price for every 1.7 Units you hold as at the Record Date. Your Entitlement will be noted on your personalised Entitlement and Acceptance Form.	Section 2.4.4

<sup>18</sup> See below regarding the Shortfall Offer.

<sup>19</sup> Unless extended. The timetable for the Offer is subject to variation.



TOPIC	SUMMARY	FOR MORE INFORMATION
<b>What can I do with my Entitlement?</b>	<p>As an Eligible Unitholder, you may do any one of the following:</p> <ul style="list-style-type: none"> <li>– take up all or part of your Entitlement (i.e. acquire up to 1 New Unit at the Offer Price for every 1.7 existing Units you hold as at the Record Date); or</li> <li>– do nothing, in which case your Entitlement will lapse and you will not be issued New Units.</li> </ul> <p>You should note that if you do not take up all or part of your Entitlement, then your percentage voting interest in the Trust will be reduced as a result of your non-participation in the Entitlement Offer. If you do not take up your Entitlement in full you will not receive any payment or value for that part of your Entitlement that you do not take up.</p>	Section 2.4.7
<b>Can I apply for New Units in excess of my Entitlement?</b>	<p>If you are an Eligible Unitholder and you take up your Entitlement in full, you may apply for Additional New Units in excess of your Entitlement.</p> <p>Additional New Units have the same terms as New Units.</p> <p>Additional New Units will only be allocated to Eligible Unitholders if available. Allocations of Additional New Units will be determined by agreement between the Responsible Entity and the Joint Lead Managers (each acting reasonably).</p> <p>Any Excess Amount paid by an Eligible Unitholder may be treated as an application to apply for as many Additional New Units as your Excess Amount will pay for in full.</p> <p>No Additional New Units will be issued to an Eligible Unitholder which will result in them increasing their voting power in the Trust above 20%.</p>	Section 2.4.7
<b>Can I trade my Entitlement?</b>	<p>Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on the ASX or any other exchange, nor can it be privately transferred.</p> <p>Eligible Unitholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.</p>	Section 2.4.7
<b>How can I apply under the Entitlement Offer?</b>	<p>If you decide to take up all or part of your Entitlement, or take up all of your Entitlement and also apply for Additional New Units in excess of your Entitlement, please refer to the details in your personalised Entitlement and Acceptance Form enclosed with this PDS. To apply and pay for New Units please:</p> <ul style="list-style-type: none"> <li>– pay your Application Monies via BPAY<sup>20</sup>; or</li> <li>– complete and return the personalised Entitlement and Acceptance Form attached to this PDS with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form<sup>21</sup>.</li> </ul>	Section 2.4.8

<sup>20</sup> Note that BPAY\* payments can only be made in AUD.

<sup>21</sup> If you are paying by cheque, bank draft of money order, your Application Monies and completed Entitlement and Acceptance Form must be received by the Unit Registry before 5.00pm (AET) on 29 March 2018.

# SECTION 1: INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
<b>Can I withdraw my Application?</b>	<p>You cannot withdraw your Application once it has been accepted. Cooling-off rights do not apply to an investment in New Units or Additional New Units under the Offer.</p> <p>The Responsible Entity reserves the right to withdraw the Offer at any time before the issue of New Units or Additional New Units, in which case the Responsible Entity will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.</p>	Section 2.6
<b>What is the Shortfall Offer?</b>	<p>Any New Units or Additional New Units not taken up by Eligible Unitholders under the Entitlement Offer or the Oversubscription Facility (<b>Shortfall</b>) will be offered to certain new investors under the Shortfall Offer.</p> <p>In the event that applications for New Units under the Shortfall Offer exceed the number of New Units representing the Shortfall under the Entitlement Offer, the Responsible Entity may issue New Units to retail investors and Institutional Investors up to that number which represents the Trust's available placement capacity under ASX Listing Rule 7.1 under the Shortfall Offer. As at the date of this PDS, the Trust may issue up to 38,713,527 Units under ASX Listing Rule 7.1 without the requirement to obtain unitholder approval for such issue.</p> <p>The Shortfall Offer will comprise the Broker Firm Offer and Institutional Offer. Details of eligibility to participate in, and apply for New Units under, the Broker Firm Offer and Institutional Offer is set out in section 2.5.2 and 2.5.3.</p>	Section 2.5
<b>How much will I pay per New Unit or Additional New Unit?</b>	<p>\$2.00 per New Unit (or Additional New Unit, as applicable) (i.e. the Offer Price).</p> <p>The Responsible Entity, on behalf of the Trust, will retain any interest earned on Application Monies.</p>	Section 2.1
<b>What is the impact of the Offer on the Trust?</b>	<p>The effect of the Offer on the financial position of the Trust is detailed in section 10.</p> <p>The Offer is not expected to have any material effect on control of the Trust.</p>	Section 10
<b>When will I receive Distributions on New Units?</b>	<p>New Units will be eligible for all distributions paid by the Trust following the relevant issue date (Entitlement Offer Issue Date or Shortfall Offer Issue Date).</p> <p>The first distribution which will be paid on New Units is expected to be declared in late-April 2018 and paid in early-May 2018.</p>	Section 2.1
<b>Is brokerage, commission or stamp duty payable?</b>	<p>No brokerage, commission or stamp duty will be payable on the issue or taking up of Entitlements, or the issue of New Units (or Additional New Units, if applicable) under the Offer.</p>	Section 7.4
<b>What are the tax implications of investing in New Units and Additional New Units (if any)?</b>	<p>The tax consequences of any investment in New Units and Additional New Units will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest in the Offer.</p>	Section 11

TOPIC	SUMMARY	FOR MORE INFORMATION
<b>When will the New Units and Additional New Units (if any) be issued?</b>	<p>The issue of New Units under the Entitlement Offer and the issue of Additional New Units under the Entitlement Offer will occur on 9 April 2018<sup>22</sup>.</p> <p>The issue of New Units under the Shortfall Offer will occur on 18 April 2018.</p>	Key dates
<b>What are the terms of the New Units and Additional New Units (if any)?</b>	New Units and Additional New Units (if any) will rank equally with existing Units, including in respect of entitlement to distributions.	Section 2.1
<b>When will the New Units begin trading on the ASX?</b>	<p>Normal trading of New Units and Additional New Units (if any) issued under the Entitlement Offer is expected to commence on the ASX on 10 April 2018.</p> <p>Normal trading of New Units issued under the Shortfall Offer is expected to commence on the ASX on 19 April 2018.</p>	Key dates
<b>When will holding statements be dispatched?</b>	<p>Holding statements for the Entitlement Offer are expected to be dispatched on 10 April 2018.</p> <p>Holding statements for the Shortfall Offer are expected to be dispatched on 19 April 2018.</p>	Key dates
<b>Who is the Lead Arranger to the Offer?</b>	The Responsible Entity, on behalf of the Trust, has appointed CSL as Lead Arranger.	Section 13.2
<b>Who are the Joint Lead Managers to the Offer?</b>	<p>The Responsible Entity, on behalf of the Trust, has appointed the following firms as Joint Lead Managers:</p> <ul style="list-style-type: none"> <li>– CSL;</li> <li>– Morgans;</li> <li>– Ords; and</li> <li>– Wilsons.</li> </ul>	Section 13.2
<b>Who are the Co-Managers to the Offer?</b>	<p>The Responsible Entity, on behalf of the Trust, has appointed the following firms as Co-Managers:</p> <ul style="list-style-type: none"> <li>– Bell Potter Securities Ltd;</li> <li>– Shaw and Partners Ltd; and</li> <li>– Taylor Collison Ltd.</li> </ul>	Section 13.2

<sup>22</sup> Unless extended, the Offer timetable is subject to variation.

# SECTION 1: INVESTMENT OVERVIEW

TOPIC	SUMMARY	FOR MORE INFORMATION
<b>What is the purpose of the Offer?</b>	<p>The proceeds raised under the Offer will be invested via the MCP Wholesale Investments Trust, managed by MCP, in accordance with how the Trust's investments are structured. MCP will allocate this capital seeking to deliver upon the Investment Objective of the Trust.</p> <p>The Offer seeks to increase the size and scale of the Trust which will enhance MCP's ability to manage a diversified investment portfolio and deliver lower overall costs for Unitholders.</p>	Section 2.2
<b>Is the Offer underwritten?</b>	No, the Offer is not underwritten.	Section 2.3
<b>What are the fees and costs of the Offer?</b>	<p>The Manager will pay the Distribution Partner a fee of 0.15% (plus GST) of the proceeds of the Offer.</p> <p>The Manager will also pay the Lead Arranger an arranging fee of 0.10% (plus GST) on the total amount raised under the Offer and the Financial Adviser a fee of 0.175% (plus GST) of the total proceeds of the Offer.</p> <p>The Manager will pay to each Joint Lead Manager, in their respective proportions, a management fee of 0.75% (plus GST) of the total amount raised under the Offer in the manner set out in section 13.2. The Joint Lead Managers and Co-Managers will also be entitled to be paid a Broker Fee of 1.00% (plus GST) on the total amount raised under the Oversubscription Facility and the Shortfall Offer by the relevant Joint Lead Manager or Co-Manager, as described in section 13.2.</p> <p>The costs of the Offer that will be paid by the Manager, net of GST recoverable, include legal, accounting, marketing and other costs associated with the preparation of the PDS and the issue of Units.</p> <p>These costs are estimated to be \$10.5 million assuming the maximum number of Units which may be issued under the Offer are issued.</p>	Section 7
<b>How can I obtain further information?</b>	If you would like more information or have any questions relating to the Offer, you can contact the Unit Registry on 1300 133 451 (within Australia) or +61 2 8970 7750 (from outside of Australia) between 9:00am and 5:00pm (AET) Monday to Friday during the Offer Period, email <a href="mailto:invest@metricscredit.com.au">invest@metricscredit.com.au</a> or visit the website <a href="http://www.metricscredit.com.au/invest">www.metricscredit.com.au/invest</a> . If you are uncertain as to whether an investment in the Trust is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.	Important Notices

# SECTION 2: DETAILS OF THE OFFER AND HOW TO APPLY FOR NEW UNITS UNDER THE OFFER

## 2.1 WHAT IS THE OFFER?

The Offer comprises an issue of new Units to raise up to \$381.1 million (before Offer costs). The Offer comprises:

- a pro rata non-renounceable entitlement offer under which Eligible Unitholders are invited to apply for 1 New Unit for every 1.7 existing Units held on the Record Date at \$2.00 per New Unit; and
- an offer of New Units to institutional and retail investors pursuant to the Shortfall Offer at \$2.00 per New Unit, each of which is described in greater detail in this section 2.

All New Units issued under the Offer will rank equally with existing Units including full entitlement to all distributions paid after the relevant issue date. The Responsible Entity may also offer Units for issue under this PDS under the Oversubscription Facility and the Shortfall Offer. See sections 2.4.6 and 2.5.

For the avoidance of doubt, the Entitlement Offer Issue Date is 9 April 2018 and the Shortfall Offer Issue Date is 18 April and as such the first distribution that will be paid on New Units will be declared in late-April 2018 and paid in early-May 2018.

## 2.2 WHAT IS THE INTENDED USE OF FUNDS RAISED UNDER THE OFFER?

The Trust is seeking to raise new capital to expand its portfolio of corporate loan investments, consistent with the Trust's investment objectives as set out in section 5.3.

The deployment of funds raised from the Offer will be consistent with the Trust's Investment Strategy and is not expected to impact the return that the Trust targets for its investments (**Target Return**)<sup>23</sup> or the ability to pay monthly distributions to Unitholders which are consistent with the Target Return<sup>24</sup>.

The Offer will increase the size and scale of the Trust is expected to assist the Manager to deliver greater diversification of the investment portfolio and lower the overall management cost for Unitholders.

## 2.3 IS THE OFFER UNDERWRITTEN?

Neither the Entitlement Offer nor the Shortfall Offer is underwritten.

## 2.4 THE ENTITLEMENT OFFER

### 2.4.1 OVERVIEW

The Responsible Entity is conducting a 1 for 1.7 pro-rata non-renounceable entitlement offer to investors with a registered address in Australia or New Zealand as at the Record Date to raise up to approximately \$303.6 million.

### 2.4.2 WHO IS ELIGIBLE TO PARTICIPATE IN THE ENTITLEMENT OFFER?

Not all Unitholders will be eligible to participate in the Entitlement Offer. To qualify to participate in the Entitlement Offer, a Unitholder must:

- be registered as a holder of Units as at the Record Date;
- have a registered address on the Trust's unit register in Australia or New Zealand;
- not be in the United States and must not be acting for the account or benefit of a person in the United States (to the extent such a person holds Units in the Trust for the account or benefit of such persons in the United States); and
- other than Unitholders who have a registered address in Australia or New Zealand on the Trust's unit register, be eligible under all applicable laws to receive an offer under the Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification,

(**Eligible Unitholder**).

Unitholders who do not satisfy all of the above criteria are **Ineligible Unitholders**.

Ineligible Unitholders will be sent a letter in the form lodged with the ASX on or about 5 March 2018. The Responsible Entity may (in its absolute discretion) extend the Entitlement Offer to any Unitholder in other foreign jurisdictions (subject to compliance with applicable laws).

<sup>23</sup> This is only a target and may not be achieved.

<sup>24</sup> This is only a target and may not be achieved.

## SECTION 2: DETAILS OF THE OFFER AND HOW TO APPLY FOR NEW UNITS UNDER THE OFFER

The Responsible Entity, in its absolute discretion, reserves the right to determine whether a Unitholder is an Eligible Unitholder and is therefore able to participate in the Entitlement Offer, or an Ineligible Unitholder and is therefore unable to participate in the Entitlement Offer. The Responsible Entity disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Unitholder is an Eligible Unitholder or an Ineligible Unitholder.

By returning a completed Entitlement and Acceptance Form or making a BPAY<sup>®</sup> payment<sup>25</sup>, you will be taken to have irrevocably represented and warranted that you satisfy each of the criteria listed above. Eligible Unitholders who are nominees, trustees or custodians must ensure that the beneficial owners on whose behalf they hold Units as nominee, trustee or custodian are Eligible Unitholders, and are advised to seek independent professional advice as to how to proceed in respect of their Entitlement.

Persons acting as nominees, trustees or custodians for other persons must not take up any Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States.

### 2.4.3 INELIGIBLE UNITHOLDERS

The Responsible Entity has decided that it is unreasonable to make offers under the Entitlement Offer to holders of Units:

- who are in the United States; or
- who have a registered address outside Australia or New Zealand,

having regard to the number of Unitholders in those places, the number and value of the New Units that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

Ineligible Unitholders are not eligible to participate in the Entitlement Offer due to securities law restrictions on the offer of New Units in certain jurisdictions.

### 2.4.4 YOUR ENTITLEMENT TO NEW UNITS

The number of New Units to which an Eligible Unitholder is entitled will be shown on their personalised Entitlement and Acceptance Form that accompanies this PDS and has been calculated as 1 New Unit for every 1.7 existing Units held by the Eligible Unitholder as at the Record Date. Where an Eligible Unitholder has more than one registered holding of Units, they will be sent more than one personalised Entitlement and Acceptance Form and will have separate Entitlements for each separate holding.

New Units issued under the Entitlement Offer will be fully paid and rank equally with existing Units on issue, including in respect of entitlement to distributions.

If you decide to take up all or part of your Entitlement, or apply for Additional New Units, please refer to the personalised Entitlement and Acceptance Form and apply for New Units (and Additional New Units, if applicable to you) pursuant to the instructions set out on the personalised Entitlement and Acceptance Form.

If you take no action or your application is not supported by any cleared funds, your Entitlement will lapse and you will not be issued with New Units. You should note that if you do not take up all or part of your Entitlement, then your percentage voting interest in the Trust will be reduced as a result of your non-participation in the Entitlement Offer. If you do not take up your Entitlement in full you will not receive any payment or value for that part of your Entitlement that you do not take up.

**Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Units on behalf of a person in the United States.**

### 2.4.5 NOMINEES, TRUSTEES AND CUSTODIANS

The Entitlement Offer is only being made to Eligible Unitholders. The Responsible Entity is not required to determine whether any registered holder is acting as a nominee, trustee or custodian or the identity or residence of any beneficial owners of Units (e.g. for the purposes of determining whether any such person is an Eligible Unitholder). Where any holder is acting as a nominee, trustee or custodian for a foreign person, that nominee, trustee or custodian, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer complies with applicable foreign laws. Any person that is in the United States with a holding through a nominee, trustee or custodian may not participate in the Entitlement Offer and the nominee, trustee or custodian must not take up any Entitlement or send any materials into the United States or to any person it knows to be in the United States. The Responsible Entity has no obligation to advise you on any foreign laws.

<sup>25</sup> Note that BPAY<sup>®</sup> payments can only be made in AUD.



## 2.4.6 OVERSUBSCRIPTION FACILITY

Eligible Unitholders who take up their Entitlement in full may also apply for Additional New Units in excess of their Entitlement at the Offer Price. Additional New Units will only be allocated to Eligible Unitholders if available.<sup>26</sup> Allocations of Additional New Units will be determined by agreement between the Responsible Entity and the Joint Lead Managers (each acting reasonably).

Any Excess Amount paid by you may be treated as an application to apply for as many Additional New Units as your Excess Amount will pay for in full.

No Additional New Units will be issued to an Eligible Unitholder which will result in them increasing their voting power in the Trust above 20%.

## 2.4.7 OPTIONS AVAILABLE TO YOU IN RESPECT OF THE ENTITLEMENT OFFER

If you are an Eligible Unitholder, you may do any one of the following:

- take up all or part of your Entitlement (see section 2.4.8 below);
- take up all of your Entitlement and also apply for Additional New Units in excess of your Entitlement (see section 2.4.8 below);
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements (see section 2.4.8 below).

Entitlements cannot be traded on the ASX or another financial market, or privately transferred.

The Entitlements of Eligible Unitholders who do not take up some or all of their Entitlements (and, in the case of Ineligible Unitholders, the entitlements which would otherwise have been available to them), that are not taken up in the Oversubscription Facility will be offered for subscription to certain retail investors and Institutional Investors pursuant to the Shortfall Offer (see section 2.5).

## 2.4.8 HOW TO APPLY UNDER THE ENTITLEMENT OFFER

### IF YOU DECIDE TO TAKE UP ALL OR PART OF YOUR ENTITLEMENT OR TAKE UP ALL OF YOUR ENTITLEMENT AND APPLY FOR ADDITIONAL NEW UNITS

If you decide to take up all or part of your Entitlement, or take up all of your Entitlement and also apply for Additional New Units in excess of your Entitlement, please:

- pay your Application Monies via BPAY<sup>®27</sup>; or
- complete and return the personalised Entitlement and Acceptance Form attached to this PDS with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form.

The Responsible Entity will treat you as applying for as many New Units as your Application Monies will pay for in full up to your full Entitlement. Amounts received by the Responsible Entity in excess of your full Entitlement (**Excess Amount**) may be treated as an application for as many Additional New Units as your Excess Amount will pay for in full, subject to any scale-back which may be implemented in respect of Additional New Units.

If you take up and pay for all or part of your Entitlement, before the close of the Entitlement Offer, you will be issued your New Units on 9 April 2018. If you apply for Additional New Units in excess of your Entitlement, then subject to:

- Additional New Units being available from Eligible Unitholders who do not take up their full Entitlement (or, in the case of Ineligible Unitholders, the Entitlements which would otherwise have been available to them); and
- any scale-back to your allocation of Additional New Units (as determined by the Responsible Entity, in consultation with the Joint Lead Managers, and having regard to all relevant circumstances, including your underlying unitholding at the Record Date),

you will be issued Additional New Units on 9 April 2018. The Responsible Entity's decision on the number of Additional New Units to be allocated to you will be final.

<sup>26</sup> In addition, Additional New Units will not be allocated to an Eligible Unitholder if doing so would breach section 606 of the Corporations Act.

<sup>27</sup> Note that BPAY<sup>®</sup> payments can only be made in AUD.

## SECTION 2: DETAILS OF THE OFFER AND HOW TO APPLY FOR NEW UNITS UNDER THE OFFER

Other than to the extent that Additional New Units are allotted to you, any Excess Amount will be refunded after the close of the Entitlement Offer on or around 9 April 2018 (except for where the amount is less than \$2.00, in which case it will be donated to a charity chosen by the Responsible Entity). Refunds will be made by sending a cheque in the post to the address the Trust records on its unit register for you, on or around 9 April 2018. No interest will be paid to Eligible Unitholders on any Application Monies received or returned (wholly or partially).

The Responsible Entity also reserves the right (in its absolute discretion) to reduce the number of New Units allocated to Eligible Unitholders or persons claiming to be Eligible Unitholders if their claims prove to be incorrect or overstated or if they fail to provide information to substantiate their claims.

To participate in the Entitlement Offer:

- If paying by Bpay<sup>28</sup>, your Application Monies must be received no later than the close of the Entitlement Offer, being 5.00pm (AET) on 29 March 2018.
- If paying via cheque, bank draft or money order, your completed personalised Entitlement and Acceptance Form and Application Monies must be received by no later than 5:00pm (AET) on 29 March 2018.

### IF YOU DO NOTHING

If you take no action, you will not be issued New Units and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and cannot be traded on the ASX or any other exchange, nor can it be privately transferred. Eligible Unitholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements that they do not take up.

### 2.4.9 PAYMENT METHODS FOR THE ENTITLEMENT OFFER

#### PAYMENT BY BPAY<sup>29</sup>

For payment by BPAY<sup>®</sup> (which must be made in AUD only), please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique Customer Reference Number (**CRN**)). You can only make a payment via BPAY<sup>®</sup> in AUD, and if you are the holder of an account with an Australian financial institution that supports BPAY<sup>®</sup> transactions. Please note that should you choose to pay by BPAY<sup>®</sup>:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form;
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Units as is covered in full by your Application Monies; and
- if you pay more than your full Entitlement, you are deemed to have taken up your full Entitlement and also to have applied for as many Additional New Units as your Excess Amount will pay for in full, subject to any scaleback which may be implemented by the Responsible Entity in respect of Additional New Units.

When completing your BPAY<sup>®</sup> payment, please make sure to use the specific biller code and unique CRN provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements when paying by BPAY<sup>®</sup>, you will be deemed to have applied only for New Units on the Entitlement to which that CRN applies and your applications in respect of your other CRNs will be deemed to have not been supported by cleared funds.

Should you choose to pay by BPAY<sup>30</sup> it is your responsibility to ensure that your BPAY<sup>®</sup> payment is received by the Unit Registry by no later than 5.00pm (AET) on 29 March 2018. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. The Responsible Entity takes no responsibility for any failure to receive Application Monies or payment by BPAY<sup>®</sup> before the Entitlement Offer closes arising as a result of, among other things, delays in postage or processing of payments by financial institutions.

<sup>28</sup> Note that BPAY<sup>®</sup> payments can only be made in AUD.

<sup>29</sup> Note that BPAY<sup>®</sup> payments can only be made in AUD.

<sup>30</sup> Note that BPAY<sup>®</sup> payments can only be made in AUD.

#### PAYMENT BY CHEQUE, BANK DRAFT OR MONEY ORDER

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to 'MXT Entitlement Offer' and crossed 'Not Negotiable'.

Your cheque, bank draft or money order must be:

- for \$2.00 multiplied by the number of New Units and Additional New Units (if any) that you are applying for; and
- drawn on an Australian financial institution or an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies is insufficient to pay for the number of New Units and Additional New Units (if any) you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Units and Additional New Units (if any) as your cleared Application Monies will pay for and to have specified that number of New Units and Additional New Units (if any) on your personalised Entitlement and Acceptance Form.

Should you choose to pay by cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Unit Registry by no later than 5.00pm (AET) on 29 March 2018. Cash payments will not be accepted. Receipts for payment will not be issued.

#### DELIVERY OF ENTITLEMENT AND ACCEPTANCE FORM

To participate in the Entitlement Offer:

- If you make your payment via BPAY®, your payment must be received no later than the close of the Entitlement Offer, being 5.00pm (AET) on 29 March 2018; or
- If you make payment via cheque, bank draft or money order, you should mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

#### MAILING ADDRESS

MXT Entitlement Offer  
C/- Mainstream Fund Services Pty Limited  
GPO Box 4968 Sydney NSW 2001  
AUSTRALIA

If you pay by cheque, bank draft or money order, it is your responsibility to ensure that your payment is received by the Unit Registry by no later than 5.00pm (AET) on 29 March 2018.

Entitlement and Acceptance Forms and Application Monies will not be accepted at the Responsible Entity's or the Manager's registered or corporate offices, or other offices of the Unit Registry.

## 2.5 THE SHORTFALL OFFER

Any New Units or Additional New Units not taken up by Eligible Unitholders under the Entitlement Offer or the Oversubscription Facility (**Shortfall**) will be offered under this PDS to Australian and New Zealand resident retail investors and Institutional Investors under the Shortfall Offer as described below.

In the event that applications for New Units under the Shortfall Offer exceed the number of New Units representing the Shortfall under the Entitlement Offer, the Responsible Entity may issue under this PDS up to that number of New Units to Australian and New Zealand resident retail investors and Institutional Investors which represents the Trust's available placement capacity under ASX Listing Rule 7.1 under the Shortfall Offer.

As at the date of this PDS, the Trust may issue up to 38,713,527 Units under ASX Listing Rule 7.1 without the requirement to obtain unitholder approval for such issue.

## SECTION 2: DETAILS OF THE OFFER AND HOW TO APPLY FOR NEW UNITS UNDER THE OFFER

### 2.5.1 STRUCTURE OF THE SHORTFALL OFFER

The Shortfall Offer comprises:

- the Broker Firm Offer, which is open only to Australian and New Zealand resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate; and
- the Institutional Offer, which is open to Institutional Investors in Australia and New Zealand.

No general public offer of New Units will be made under the Shortfall Offer. Members of the public wishing to apply for New Units under the Shortfall Offer must do so through a Broker with a firm allocation of New Units. The allocation of New Units between the Broker Firm Offer and the Institutional Offer will be determined by the Responsible Entity in consultation with the Joint Lead Managers.

New Units issued pursuant to the Shortfall Offer will rank equally with the existing Units with effect from their date of issue.

### 2.5.2 BROKER FIRM OFFER

#### WHO CAN APPLY?

The Broker Firm Offer is open only to Australian and New Zealand resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate in the Shortfall Offer. If you have received an invitation to participate in the Shortfall Offer from your Broker, you will be treated as a Broker Firm Applicant under the Broker Firm Offer. You should contact your Broker to determine whether you can receive an invitation from them under the Broker Firm Offer. The Broker Firm Offer is not open to persons in the United States.

#### HOW TO APPLY

If you have received an invitation to participate from your Broker and wish to apply for New Units under the Broker Firm Offer, you should contact your Broker for information about how to complete and lodge your Shortfall Offer Application Form and for payment instructions. Shortfall Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Shortfall Offer Application Form. Applicants under the Broker Firm Offer must not send their Shortfall Offer Application Forms or payment to the Unit Registry.

Applicants under the Broker Firm Offer should contact their Broker or the Unit Registry on 1300 133 451 (within Australia) or +61 2 8970 7750 (outside of Australia) between 9.00am and 5.00pm (AET) during the Offer Period to request a PDS and Shortfall Offer Application Form, or download a copy at [www.metricscredit.com.au](http://www.metricscredit.com.au). Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Shortfall Offer Application Form and Application Monies are received before 5.00pm (AET) on the closing date for the Shortfall Offer, being 5.00pm on 29 March 2018 (**Shortfall Offer Closing Date**), or any earlier closing date as determined by your Broker.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Shortfall Offer Application Form with the Broker from whom you received your invitation to participate in the Shortfall Offer. Shortfall Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Shortfall Offer Application Form.

By making an application for New Units under the Shortfall Offer, you declare that you were given access to this PDS (or any replacement PDS), together with a Shortfall Offer Application Form. The Corporations Act prohibits any person from passing a Shortfall Offer Application Form to another person unless it is included in, or accompanied by, a hard copy of this PDS or the complete and unaltered electronic version of this PDS.

The minimum application under the Broker Firm Offer is \$1,000 worth of New Units. There is no maximum value of New Units that may be applied for under the Broker Firm Offer. However, the Responsible Entity and the Joint Lead Managers reserve the right to aggregate any Applications under the Shortfall Offer which they believe may be multiple Applications from the same person or reject or scale-back any Applications in the Broker Firm Offer. The Responsible Entity may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the application procedures or requirements in its discretion, in compliance with applicable laws.

The Responsible Entity, the Joint Lead Managers and the Unit Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application for New Units under the Shortfall Offer.

The Broker Firm Offer opens at 9.00am (AET) on 5 March 2018 and is expected to close at 5.00pm (AET) on 29 March 2018. The Responsible Entity and the Joint Lead Managers may elect to close the Shortfall Offer or any part of it early, extend the Shortfall Offer or any part of it, or accept late Applications under the Shortfall Offer either generally or in particular cases. The Shortfall Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications under the Shortfall Offer as early as possible. Please contact your Broker for instructions.

#### **HOW TO PAY**

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with the instructions received from their Broker.

#### **APPLICATION MONIES**

The Responsible Entity reserves the right to decline any Application under the Shortfall Offer in whole or in part, without giving any reason. Application Monies received under the Broker Firm Offer will be held in a special purpose account until New Units are issued or transferred to successful Applicants.

Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of New Units than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Responsible Entity.

Applicants whose Applications are accepted in full will receive the whole number of New Units calculated by dividing the Application Monies provided by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of New Units to be allocated will be determined by the Applicant's Broker.

#### **ACCEPTANCE OF APPLICATIONS**

An Application in the Broker Firm Offer is an offer by an Applicant to the Responsible Entity to apply for New Units specified on the Shortfall Offer Application Form at the Offer Price on the terms and conditions set out in this PDS (including any replacement PDS) and the Shortfall Offer Application Form (including the acknowledgements in section 14.5). To the extent permitted by law, an Application for New Units in the Shortfall Offer by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Shortfall Offer Application Form, without further notice to the Applicant. Acceptance of a Shortfall Offer Application will give rise to a binding contract on allocation of New Units to successful Applicants.

The Joint Lead Managers, in agreement with the Responsible Entity, reserve the right to reject any Application under the Shortfall Offer which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by the Applicant in completing their Application for New Units in the Shortfall Offer.

#### **BROKER FIRM OFFER ALLOCATION POLICY**

The allocation of New Units to Brokers in the Shortfall Offer was determined by the Responsible Entity and the Joint Lead Managers. New Units which have been allocated to Brokers for allocation to their Australian and New Zealand resident retail clients will be issued to the Applicants who have received a valid allocation of New Units from those Brokers (subject to the right of the Responsible Entity and the Joint Lead Managers to reject or scale-back Applications under the Shortfall Offer. It will be a matter for each Broker as to how they allocate firm New Units among their retail clients, and they (and not the Responsible Entity or the Joint Lead Managers) will be responsible for ensuring that retail clients, who have received a firm allocation from them, receive the relevant New Units.

## SECTION 2: DETAILS OF THE OFFER AND HOW TO APPLY FOR NEW UNITS UNDER THE OFFER

### 2.5.3 INSTITUTIONAL OFFER

#### INVITATIONS TO BID

The Institutional Offer will consist of an invitation to certain Institutional Investors in Australia and New Zealand to apply for New Units. The Joint Lead Managers will separately advise Institutional Investors of the application procedures for the Institutional Offer.

#### ALLOCATION POLICY UNDER INSTITUTIONAL OFFER

The allocation of New Units among Applicants in the Institutional Offer will be determined by the Responsible Entity in consultation with the Joint Lead Managers. The Responsible Entity and the Joint Lead Managers have absolute discretion regarding the basis of allocation of New Units among Institutional Investors and there is no assurance that any Institutional Investor will be allocated any New Units, or the number of New Units for which it applies.

Participants in the Institutional Offer will be advised of their allocation of New Units, if any, by the Joint Lead Managers.

The allocation policy will be influenced, but not constrained, by a number of factors including:

- the number of New Units applied for by particular Applicants;
- the timeliness of the applications by particular Applicants;
- the Responsible Entity's desire for an informed and active trading market following completion of the Offer;
- the Responsible Entity's desire to establish a wide spread of institutional unitholders;
- the overall level of demand under the Broker Firm Offer and the Institutional Offer;
- the size and type of funds under management of particular Applicants;
- the likelihood that particular Applicants will be long-term Unitholders; and
- any other factors that the Responsible Entity and the Joint Lead Managers considered appropriate.

### 2.6 NO WITHDRAWALS OF APPLICATIONS MADE UNDER THE OFFER

You cannot withdraw your Application once it has been accepted.

Cooling-off rights do not apply to an investment in New Units (or Additional New Units (as applicable)) under the Offer.

The Responsible Entity reserves the right to withdraw the Offer at any time before the issue of New Units (or Additional New Units (as applicable)) under the Offer, in which case the Responsible Entity will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

### 2.7 CONFIRMATION OF YOUR APPLICATION AND MANAGING YOUR HOLDING

You may access information on your holding, including your Record Date balance and the issue of New Units (or Additional New Units (if applicable)) under this Offer, and manage the standing instructions the Unit Registry records on your holding at <https://sharebpo.7g.com.au/login>.

### 2.8 ISSUE OF NEW UNITS AND ADDITIONAL NEW UNITS

New Units and Additional New Units issued under the Entitlement Offer are expected to be issued on or around 9 April 2018 and New Units issued under the Shortfall Offer are expected to be issued on or around 18 April 2018 (subject to variation at the discretion of the Responsible Entity, with the consent of the Joint Lead Managers). Fractional entitlements to New Units or Additional New Units (as the case may be) will be rounded up to the nearest whole number of New Units or Additional New Units (as the case may be).



## 2.9 ASX QUOTATION

The Responsible Entity has applied to the ASX for the grant of official quotation of the Units to be issued under the Offer. It is expected that normal trading on the ASX will commence in relation to the Units to be issued under the Entitlement Offer on 10 April 2018 and under the Shortfall Offer on 19 April 2018. The Responsible Entity will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade Units to be issued under the Offer before they are quoted on the ASX or before they receive their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Responsible Entity, the Unit Registry, the Joint Lead Managers or otherwise.

## 2.10 OVERSEAS DISTRIBUTION

### OFFER ONLY MADE WHERE LAWFUL TO DO SO

This PDS does not constitute an offer in any place which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to qualify the Units or the Offer, or to otherwise permit a public offering of the Units in any jurisdiction outside Australia or New Zealand. The distribution of this PDS (including in electronic form) in a jurisdiction other than Australia or New Zealand may be restricted by law, and persons who come into possession of this PDS should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. It is the responsibility of all overseas Applicants to ensure compliance with the laws of any country relevant to their Application. Residents of jurisdictions other than Australia or New Zealand should consider using Australian or New Zealand domiciled entities, including nominee companies affiliated with Australian broking firms, if they wish to subscribe for Units.

### OVERSEAS OWNERSHIP AND RESALE REPRESENTATION

No action has been taken to register or qualify the Offer of Units under this PDS, or to otherwise permit a public offering of Units, in any jurisdiction outside Australia and New Zealand.

It is your personal responsibility to ensure compliance with all laws of any country relevant to your Application under this Offer. The return of a duly completed Application Form will be taken by the Responsible Entity to constitute a representation and warranty made by you to the Responsible Entity that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

If you fail to comply with any applicable restrictions, the failure may constitute a violation of applicable securities laws of any country relevant to your Application.

## 2.11 TAXATION IMPLICATIONS

Unitholders should be aware that there may be taxation implications of participating in the Offer and subscribing for New Units or Additional New Units (as the case may be). The taxation consequences of participating in the Offer and/or acquiring New Units or Additional New Units (as the case may be) may vary depending on the individual circumstances of each Unitholder.

Please refer to section 11 for a general discussion of the Australian tax consequences of the Offer for Australian resident individuals who hold (or will hold) their Units on capital account.

Unitholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

## 2.12 RISKS

There are a number of risks associated with an investment in the Trust which may affect its financial performance, financial position, cash flows, distributions, growth prospects and Unit price. The key risk factors are set out in section 8 of this PDS.

## SECTION 3: PURPOSE AND EFFECT OF THE OFFER

### 3.1 SOURCES AND USES OF FUNDS OF THE OFFER

The Responsible Entity is seeking to raise up to \$303,635,512 million under the Entitlement Offer<sup>32</sup>. The net proceeds raised from the Offer will be invested via the MCP Wholesale Investments Trust in accordance with how the Trust's investments are structured. MCP will allocate these funds to seek to deliver on the Trust's Investment Objective.

### 3.2 CAPITAL STRUCTURE

The Trust currently has 258,090,185 Units on issue. The Responsible Entity expects that up to 151,817,756 New Units will be issued under the Entitlement Offer,<sup>31</sup> assuming it is fully subscribed.

The table below shows the current capital structure of the Trust and the capital structure of the Trust on completion of the Entitlement Offer, assuming maximum subscription under the Entitlement Offer.

	NUMBER OF UNITS	PERCENTAGE OF POST- ENTITLEMENT OFFER UNITS
Units on issue as at the date of this PDS	258,090,185	57.53%
Maximum number of Units to be issued pursuant to the Entitlement Offer	151,817,756	33.84%
Maximum number of Units that may be issued under the Trust's available placement capacity <sup>31</sup>	38,713,527	8.63%
Maximum total Units on issue immediately following completion of the Offer	448,621,468	100.00%

### 3.3 POTENTIAL IMPACT OF OFFER ON CONTROL OF THE TRUST

The maximum number of New Units which may be issued pursuant to the Entitlement Offer is approximately 152 million<sup>32</sup>. This equates to approximately 34% of all the issued Units in the Trust immediately following completion of the Offer.

Eligible Unitholders should note that if they do not take up all or part of their Entitlement, then their percentage voting interest in the Trust will be reduced as a result of their non-participation in the Entitlement Offer.

The Offer is not expected to have any significant impact on the control of the Trust.

<sup>31</sup> The Shortfall Offer may include an invitation, under this PDS, to subscribe for up to 38.7 million Units over and above the shortfall from the Entitlement Offer (representing that number of Units which can be issued under the Trust's available placement capacity under ASX Listing Rule 7.1). In that event, the number of New Units issued under this PDS will be up to 190.5 million Units and the maximum gross proceeds from the Offer will be up to \$381.1 million.

<sup>32</sup> In the event that additional New Units are issued under the Shortfall Offer representing the number of Units which are available for issue under the Trust's 15% placement capacity under ASX Listing Rule 7.1, a Unitholders unitholding in the Trust may be diluted by up to 42%.

# SECTION 4: OVERVIEW OF AUSTRALIA'S FIXED INCOME AND CORPORATE LOAN MARKET

## 4.1 AUSTRALIAN CORPORATE FIXED INCOME MARKET

Australia's fixed income market is an important source of funding available to the Australian economy. At approximately \$6.8 trillion in value, it represents approximately 44% of Australia's total capital market, exceeding the size of each of the equity capital market and currency and deposit markets (see chart 1).

Within the Australian fixed income market, companies and households represent 49% of all borrowers (see chart 2). The significant majority of funding for these segments is provided by banks. Banks themselves are significant issuers of fixed income securities and use proceeds raised to partially fund their lending to the corporate and household sectors. Given their fundamental role in the issuance and provision of capital in Australian fixed income markets, banks are regulated.

CHART 1: TOTAL CAPITAL MARKET (\$15.5 TRILLION)

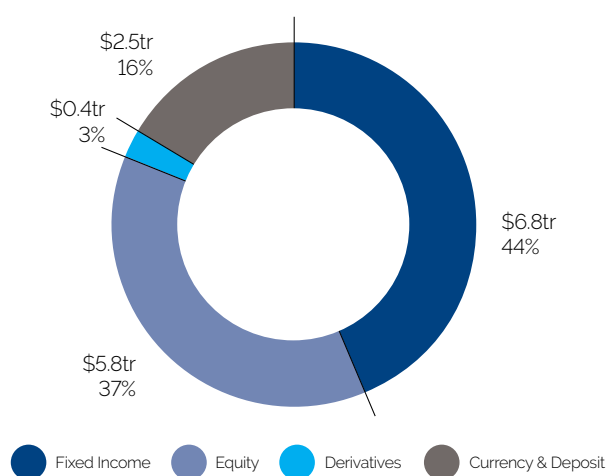
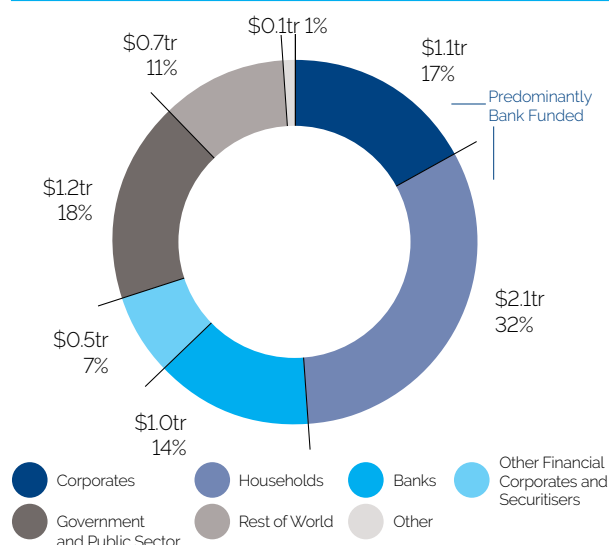


CHART 2: FIXED INCOME MARKET (\$6.8 TRILLION)



Source: ABS

Notes: As at September 2017. The fixed income category includes the ABS categories of 'Debt Securities' and 'Loans & Placements'. 'Corporates' correlates to the 'Private non-financial corporates' category as defined by ABS.

The Australian corporate fixed income market totals approximately \$1.1 trillion. Australian companies are highly reliant on bank debt funding in the form of corporate loans. As at September 2017, 78% (approximately \$900 billion) of the Australian corporate fixed income market was provided by way of corporate loans (see chart 3). While some larger companies may be able to access local and international Bond markets to diversify sources of funding, such issuances typically supplement bank funding rather than replace it. Other developed markets such as the United States and Europe have more established publicly-traded bond markets which expands the debt funding alternatives available to corporate borrowers in these markets. In Australia, however, companies remain heavily reliant on banks to provide most of their debt capital.

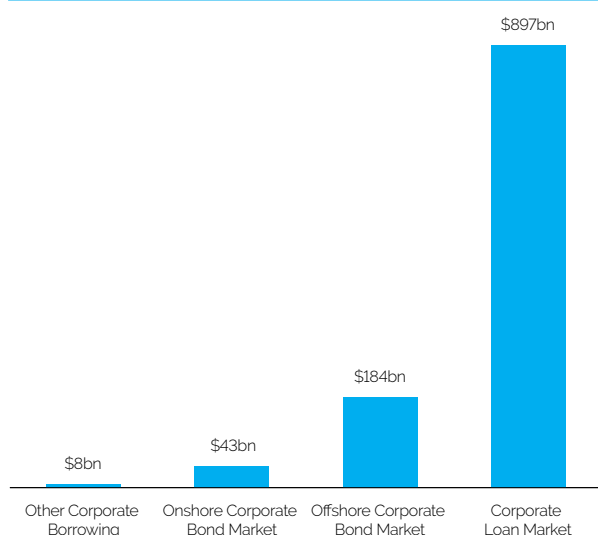
Approximately 80%<sup>33</sup> of Australian corporate loans are provided by over 77<sup>34</sup> domestic and foreign regulated banks. Lending to companies is highly concentrated amongst the four major Australian banks, which together provide approximately 71% of all Australian corporate loans (see chart 4).

<sup>33</sup> Percentage estimated using on-shore debt only.

<sup>34</sup> According to APRA Monthly Banking Statistics, December 2017, there are 77 registered banks in Australia with outstanding loans to non-financial corporations. This figure does not include foreign banks that are unlicensed in Australia but participate in the Australian market.

# SECTION 4: OVERVIEW OF AUSTRALIA'S FIXED INCOME AND CORPORATE LOAN MARKET

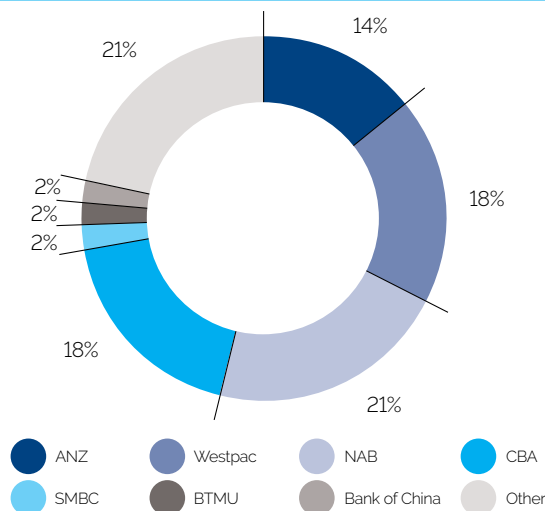
CHART 3: CORPORATE FIXED INCOME MARKET



Source: ABS

Notes: Corporate fixed income market from ABS as at September 2017.

CHART 4: CORPORATE LOAN MARKET BANK PROVIDERS



Source: APRA Monthly Banking Statistics, January 2018

Notes: Loans and advances to non-financial corporations.

## 4.2 AUSTRALIAN CORPORATE LOAN MARKET

The Australian corporate loan market is the primary source of debt finance for Australian companies. The market demonstrates many features which make it an attractive use of bank capital and it has substantial barriers to entry that limit participation by non-bank investors and lenders.

### MARKET RISK AND RETURN

At its simplest, a loan is an advance of money to a borrower with obligations to make predetermined repayments and pay interest and fees. Borrowers have a contractual obligation to repay capital advanced at a pre-agreed future date.

Financial returns for lenders in the corporate loan market are generated from several sources:

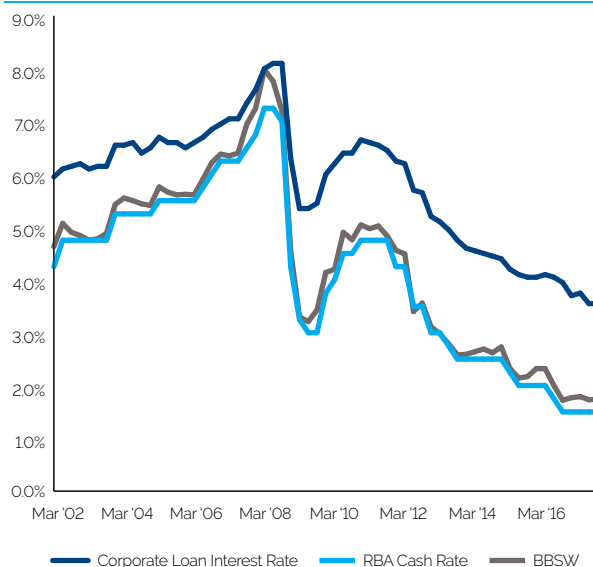
- Interest income is the principal income stream and is typically a margin over a floating rate benchmark, usually the Bank Bill Swap Rate (**BBSW**)<sup>35</sup> which closely tracks the RBA Cash Rate. Interest charged in the corporate loan market has averaged 1.89% over BBSW and 2.09% over the RBA Cash Rate (or 5.05% all-in) post the Global Financial Crisis (**GFC**) (post-December 2008 quarter) across a variety of borrowers, credit qualities, loan types, tenors and business cycles (see chart 5).
- Other fee income may be generated, including various other work or time-based fees, which are typically paid by the borrower. Fee income may enhance the overall return available from investing in loans.

Corporate loans typically pay lenders floating-rate interest, ensuring an investor in corporate loans will receive a higher return if benchmark interest rates increase. This contrasts to other debt products such as Bonds, which usually offer fixed interest rates and a greater risk of decline in capital value if benchmark interest rates increase.

<sup>35</sup> The floating rate benchmark for corporate loans is typically BBSY; however, this is quoted as a fixed margin of 0.05% above BBSW and is therefore not considered a separate benchmark.

Corporate loans generally provide lenders with a high degree of capital stability. Lenders have a range of protections to preserve their capital in the form of security and covenants to protect themselves against the risk of loss. The Australian corporate loan market has historically recorded low loss rates, even in times of market disruption such as the GFC from 2008-2010. Chart 6 demonstrates the net write-offs of capital for corporate loans recorded by Australia's major banks since March 2009. Loan loss rates during this time have averaged approximately 0.35% per annum, peaking at approximately 0.67% in 2010<sup>36</sup>. Net write-offs have since reduced to 0.15% per annum for the year ended September 2017.

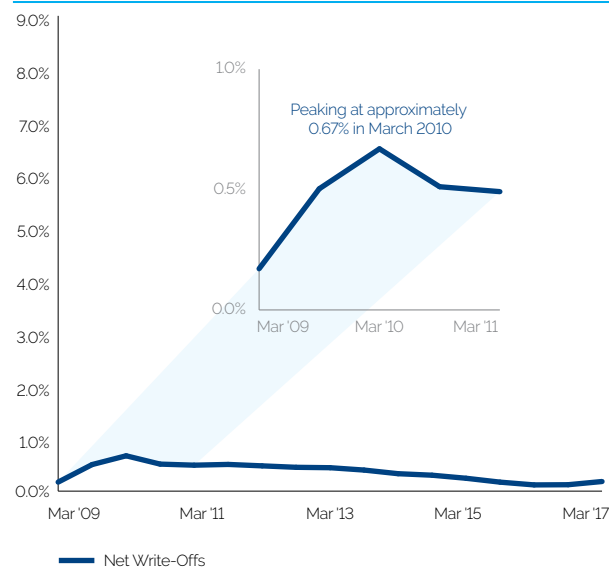
**CHART 5: INTEREST RATES, RBA CASH RATE AND BBSW**



Source: RBA; Bloomberg; Capital IQ

Notes: As at September 2017. Corporate Loan Interest Rate is the weighted average variable interest rate on bank credit provided to businesses with outstanding amounts over \$2 million.

**CHART 6: MAJOR BANKS' HISTORICAL NET WRITE-OFFS**



Source: MCP analysis

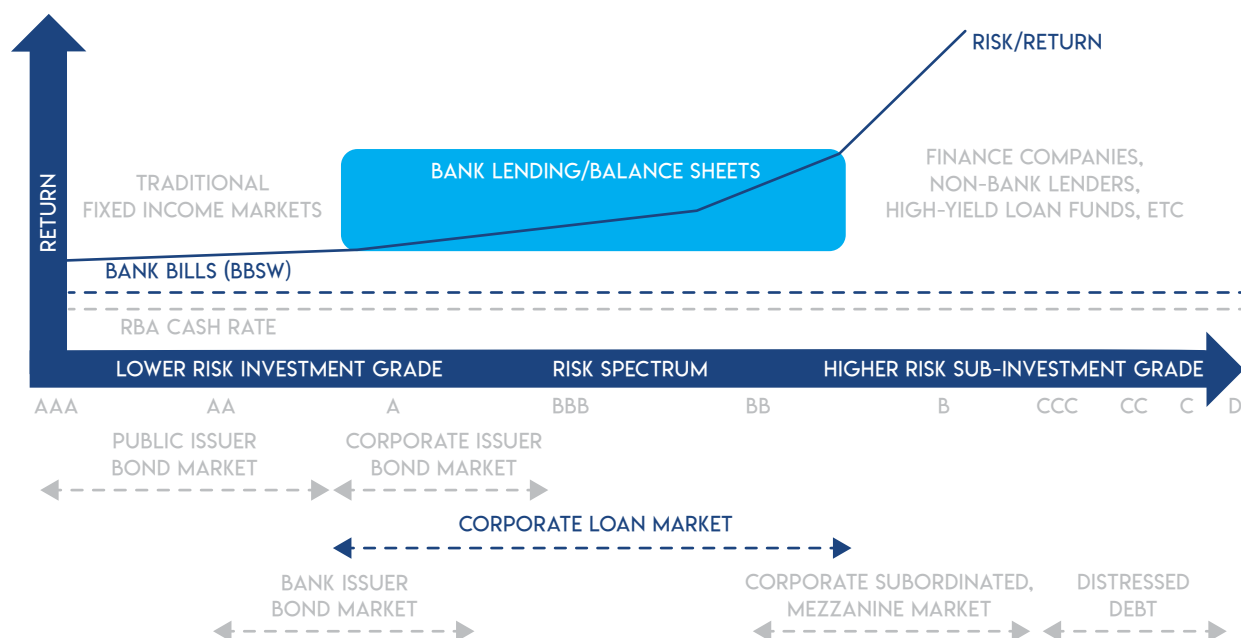
Notes: MCP analysis of the market is based on major banks' APRA APS 330 reports and other publicly available information.

The corporate loan market offers attractive risk-adjusted return characteristics compared to other fixed income investment alternatives. In Australia, corporate loans are typically provided to performing companies with credit ratings between 'A' and 'BB' and banks hold these loan assets on balance sheet.

<sup>36</sup> Note: there is typically a time-lag between financial distress, loan default and then eventual credit loss.

# SECTION 4: OVERVIEW OF AUSTRALIA'S FIXED INCOME AND CORPORATE LOAN MARKET

CHART 7: FIXED INCOME MARKETS BY CREDIT QUALITY



Notes: Indicative only.

The vast majority of the borrowers in the corporate loan market do not have global credit ratings. Instead, lenders use their own proprietary credit rating models that employ a similar approach to that used by the global credit rating agencies and which is approved by prudential regulators.

In assessing the credit worthiness of a borrower, MCP applies a rating to reflect the risk of payment default and recovery. MCP's methodology is similar to that applied by the global credit rating agencies and regulated banks, including the use of the following categories shown in table 1.

TABLE 1: MCP CREDIT RATINGS OVERVIEW

	Category	Definition
Investment Grade	AAA	The highest rating possible, typically associated with sovereign borrowers. Obligations are the highest quality, with the lowest level of credit risk.
	AA	Only a slight difference to a 'AAA' rating. Obligations have very low credit risk with very strong capacity to meet financial commitments.
	A	High credit quality and capacity for payment of financial commitments is still strong.
	BBB	Moderate credit quality and capacity to pay financial commitments is satisfactory.
Sub-Investment Grade	BB	Higher vulnerability to credit risks and may face exposure to adverse business, financial or economic conditions.
	B	Considered speculative and subject to material credit risks.
	CCC	Substantial credit risk and obligor is vulnerable to non-payment of financial commitments.
	CC	Very high levels of credit risk and obligor is highly vulnerable to non-payment of financial commitments.
	C	Exceptionally high levels of credit risk. Default is considered a near certainty.
	D	Obligation is in default or breach.

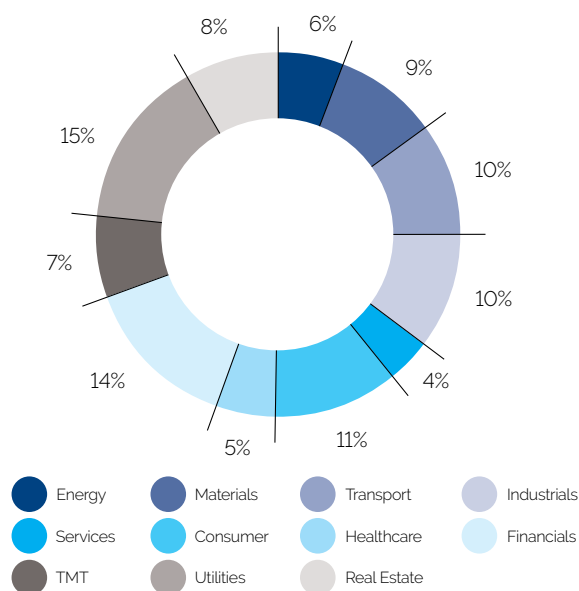
Source: MCP

## MARKET DIVERSITY

The profile of the corporate loan market reflects both the underlying Australian corporate borrower mix, as well as the portfolio risk parameters of the Australian major banks. The corporate loan market has significant diversity in terms of industry representation, credit quality and loan tenors:

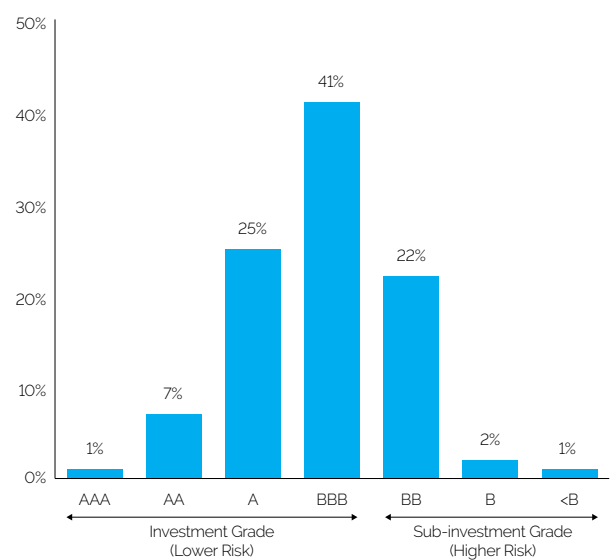
- the corporate loan market is utilised by a variety of industry sectors (see chart 8);
- based on MCP’s analysis of data published by Australia’s four major banks and other publicly available information, the majority of corporate loans are investment grade quality and are diversified across the credit spectrum (see chart 9); and
- banks typically lend for 1, 3 or 5 years, and borrowers may have a combination of revolving (a flexible loan structure that allows a borrower to draw down and to repay the loan on an ongoing basis) and term loans with varying loan terms to maturity.

**CHART 8: MARKET BY INDUSTRY SECTOR**



Source: MCP analysis

**CHART 9: MARKET BY CREDIT QUALITY**



Source: MCP analysis

Notes: MCP analysis of the market is based on major banks’ APRA APS 330 reports and other publicly available information.

# SECTION 4: OVERVIEW OF AUSTRALIA'S FIXED INCOME AND CORPORATE LOAN MARKET

## BARRIERS TO ENTRY

The corporate loan market has substantial barriers to entry which make it difficult for non-bank investors or lenders to participate:

- significant levels of capital are necessary to:
  - » build a diversified portfolio that mitigates individual borrower and industry risk; and
  - » meet minimum commitment amounts for participation in a loan syndicate (typically in excess of \$10 million);
- a new entrant must initially be able to sustain a high fixed cost base prior to a portfolio achieving a profitable scale;
- Australia's major banks have extensive borrower relationships and offer borrowers comprehensive financial services;
- loans usually contain transfer restrictions including a high minimum lender credit rating and requirements for borrower consent;
- corporate loans are not exchange traded or public securities; and
- loans are privately negotiated transactions and not available to public market investors.

These characteristics have resulted in investors having limited direct fixed income exposure to the majority of Australia's top companies and projects, and the attractive risk-adjusted returns on offer.

## 4.3 ASSET CLASS ALLOCATION

Allocations to fixed income assets are an important component of achieving a balanced investment portfolio. Fixed income assets can provide stable and regular income in the form of interest payments and have lower risk of capital losses than other asset classes, such as equities.

Where an investment ranks in terms of priority in the capital structure of the relevant entity is a key determinant of whether the implied return of the securities adequately compensate the investor for the risk involved. Debt has preferential treatment over equity holders for income distributions and capital returns in the event of insolvency. Fixed income assets are generally considered lower risk than equity investments and tend to provide a less volatile return.

Table 2 below outlines the position of typical fixed income products on a relative risk basis as well as examples of products which are typically available to Australian retail investors. Corporate loans may be secured, unsecured or subordinated debt. For further detail on corporate loan features refer to section 4.4.

**TABLE 2: CAPITAL STRUCTURE RANKING OF TYPICAL INVESTABLE ASSETS**

RISK	INSTRUMENT	RETAIL INVESTOR AVAILABILITY	EXAMPLE PRODUCTS AVAILABLE FOR INVESTMENT
<b>Lowest risk</b>	Cash	Available	Savings, term deposits
	Government Bonds	Available	Over-the-counter (OTC) Traded Bonds
	Secured debt	Limited	OTC Traded Bonds
	Unsecured debt	Limited	OTC Traded Bonds / ETFs
	Subordinated debt	Limited	Subordinated Notes
	Convertible debt	Limited	Convertible Bonds
	Hybrid securities	Available	Preference Shares, Convertible Preference Shares
<b>Highest risk</b>	Equity	Available	Ordinary Shares

Source: MCP



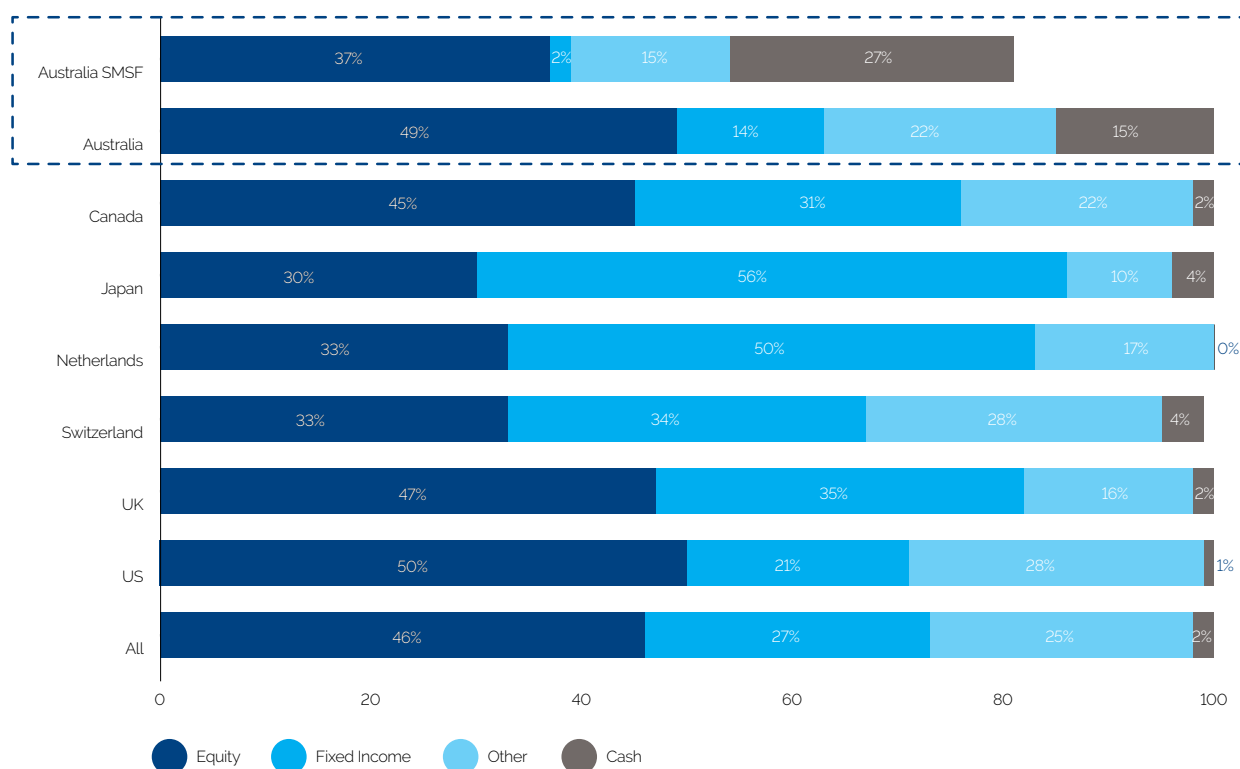
Allocations to fixed income represent a major component of investment portfolios for institutional investors across the world. In many countries, fixed income securities represent the largest asset exposure for major institutional investors given their theoretical lower volatility and higher ranking in the capital structure compared to other asset classes such as equities.

The significance of banks as a source of debt funding for Australian companies limits the fixed income investment alternatives available for both Australian institutional and retail investors. As such, both Australian institutional and retail investors on average allocate significantly smaller proportions of their investment portfolios to fixed income securities when compared to offshore investors.

Australian superannuation funds have, on average, a significantly lower allocation to fixed income in comparison to international benchmarks and significantly larger holdings in cash and term deposits.

Many Australian retail investors manage their superannuation fund through a Self Managed Super Fund (SMSF), with total SMSF assets now exceeding \$700 billion<sup>37</sup>. SMSF asset allocations are therefore a useful indication of investment portfolios of Australian retail investors. SMSF investors also have limited allocations to fixed income investments (approximately 2% of total funds) and a high allocation to cash and term deposits relative to the average Australian and international institutional investor (see chart 10).

**CHART 10: GLOBAL PENSION FUND ALLOCATIONS AND AUSTRALIAN PENSION ALLOCATIONS**



Source: Willis Towers Watson; ATO

Notes: As at December 2017; Willis Towers Watson 'Bond' classification has been reclassified to 'Fixed Income'.

1 Australian SMSF data is sourced from the ATO, while all other data is sourced from Willis Towers Watson.

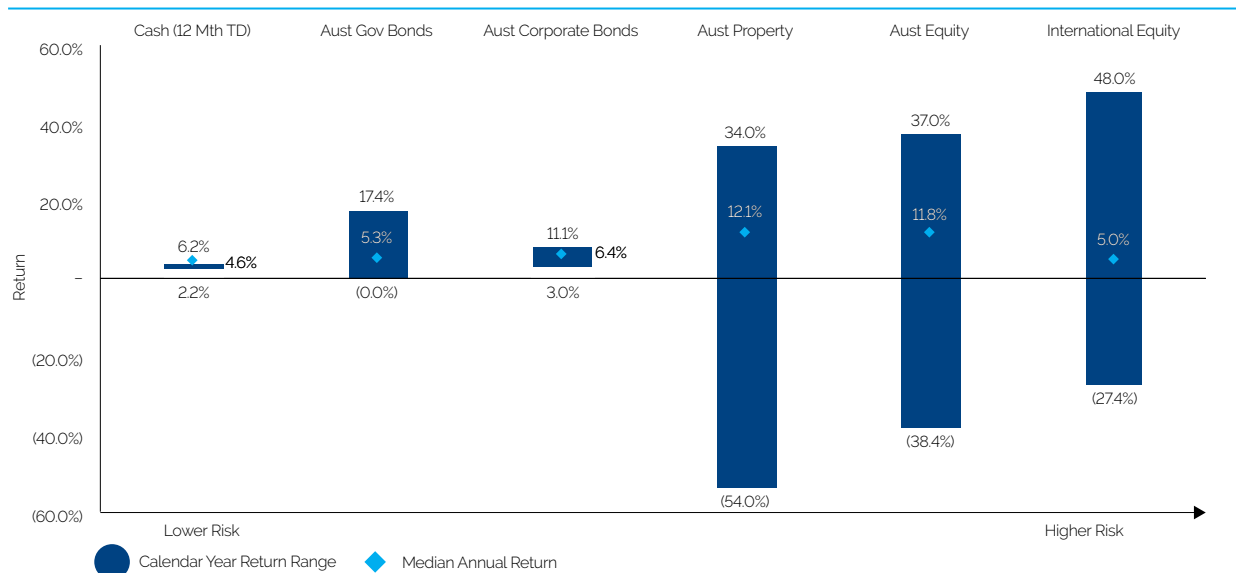
While past performance is no guarantee of future outcomes, fixed income securities generally provide investors with returns which exhibit less volatility and higher levels of capital preservation over time when compared to other investment alternatives such as equities. Since 2000, Australian fixed income investments have delivered significantly lower volatility in annual returns (see chart 11).

Corporate loans are typically privately held by banks with limited inter-bank market trading of loans. However, the return volatility profile is expected to be broadly similar to that of Australian Corporate Bonds.

37 ATO Self Managed Super Fund Statistical Report – December 2017.

# SECTION 4: OVERVIEW OF AUSTRALIA'S FIXED INCOME AND CORPORATE LOAN MARKET

CHART 11: HISTORICAL RETURNS FROM CY2000 TO CY2017



Source: Bloomberg; IRESS

## Notes

- 1 Actual calendar returns are the arithmetic calendar returns for the calendar years from 2000 to 2017. The cash return is based on the 12-month term deposit rate as at the start of each calendar year.
- 2 Aust Gov Bonds is represented by the Bloomberg AusBond Govt 0+ Yr index.
- 3 Aust Corporate Bonds is represented by the Bloomberg AusBond Credit 0+ Yr index.
- 4 Aust Property is represented by the S&P/ASX 200 A-REIT Total Return Index.
- 5 Aust Equity is represented by the S&P/ASX 200 Accumulation Index.
- 6 International Equity is represented by the MSCI World ex Australia in AUD unhedged index.

## 4.4 CORPORATE LOAN FEATURES

### OVERVIEW OF CORPORATE LOANS

Corporate loans are privately negotiated agreements between a lender and a borrower and can incorporate a range of features including:

- number of lenders (single, few or many);
- revolving facilities (a flexible loan structure that allows a borrower to draw down and to repay the loan on an ongoing basis);
- tenor (contracted loan term for repayment) (typically 3-5 years);
- single or multi-currency;
- use of proceeds (e.g. working capital, acquisition, capital expenditure, term funding requirements); and
- lender protections (security, covenants, performance reporting obligations).

Fees and interest charged on corporate loans will also differ for each agreement and will reflect, amongst other things:

- the lender's assessment of the borrower's credit quality (willingness and capacity to repay the loan);
- market conditions; and
- structure and term of the loan.

The majority of corporate loans in the Australian market are structured as fixed term-to-maturity loans, with tailored terms and conditions for specialised finance transactions.

There are a number of notable differences between loans and Bonds:

- loans often comprise a drawn and undrawn component, whereas Bonds are typically fully drawn;
- loans are typically available to both rated and un-rated borrowers, whereas Bonds are predominantly issued where the issuer has one or more credit ratings from the global credit rating agencies;
- loans are typically floating-rate instruments, whereas corporate Bonds are typically fixed-rate instruments;
- a loan can be denominated in multiple different currencies, whereas Bonds will typically be issued in only one currency; and
- loans are usually held by a bank to maturity and generally contain assignment restrictions on their transfer, whereas most Bonds are freely traded between investors.

Table 3 below provides a comparison between corporate loans and the other major corporate debt securities in Australia.

**TABLE 3: COMPARISON OF TYPICAL CORPORATE LOANS TO OTHER AUSTRALIAN CORPORATE FIXED INCOME PRODUCTS**

	CORPORATE LOANS	CORPORATE BONDS	SUBORDINATED BONDS/CONVERTIBLES
<b>COMMON FEATURES</b>			
<b>Issuers / Borrowers</b>	Investment to sub-investment grade corporates	Investment grade corporates	Investment grade corporates
<b>Key investors/Lenders</b>	Banks	Wholesale institutions and retail	Wholesale institutions and retail
<b>Market</b>	Private	Public	Public
<b>Typical tenor</b>	1, 3 & 5 years (longer for certain borrowers)	5, 7 & 10 years (longer for certain issuers)	10-15 years to pricing step up (soft amortisation) perpetual thereafter.
<b>Typical interest rate</b>	Floating (increase in rising interest rate environment)	Fixed (no change in rising interest rate environment)	Floating (increase in rising interest rate environment)
<b>Seniority</b>	Senior and Junior ranking	Senior ranking	Junior ranking/equity
<b>Financial covenants</b>	Yes	No	No
<b>Information</b>	Private / Public	Public	Public
<b>Secondary market trading</b>	Restricted	ASX / OTC	ASX / OTC

Source: MCP

## TYPES OF CORPORATE LENDING

Corporate loans are negotiated and the terms and conditions will vary subject to the borrower's circumstances and bank credit risk policies.

Many of Australia's largest companies and projects utilise corporate loans. The following are examples of borrowers that accessed the corporate loan market over 2017-18 (to date) based on publicly available information (see table 4). Borrowers of new corporate loans may differ from these examples and are not intended to be reflective of borrowers of the existing or new portfolios of the Trust.

# SECTION 4: OVERVIEW OF AUSTRALIA'S FIXED INCOME AND CORPORATE LOAN MARKET

TABLE 4: CORPORATE LENDING EXAMPLES

LOAN TYPE	2017-18 EXAMPLES
<b>CORPORATE LOANS</b> Corporate loans are issued to public and private companies as a core part of financing their capital requirements and for general working capital purposes. Corporate loans may be secured or unsecured.	<ul style="list-style-type: none"> <li>– Ramsay Health Care</li> <li>– Primary Healthcare</li> <li>– Beach Energy</li> <li>– Tabcorp</li> <li>– Aristocrat Leisure</li> </ul>
<b>PROJECT FINANCE LOANS</b> Project finance loans are specialised debt facilities provided for the construction and operation of a specific project. Facility drawdowns are controlled and risks are carefully allocated amongst project participants including project delivery. The project sponsor will contribute the equity component before the debt is drawn and either the project sponsor or construction contractor will guarantee any cost overruns.	<ul style="list-style-type: none"> <li>– Westconnex M4 Project</li> <li>– Aquasure Finance Pty Ltd</li> <li>– Sapphire Wind Farm</li> <li>– Grafton Prison</li> <li>– Stockyard Hill Wind Farm</li> <li>– Hills M2 Motorway</li> </ul>
<b>REAL ESTATE LOANS</b> Real estate loans can be for both project development or for single or multiple existing properties. Construction facilities are structured similarly to specialised project finance (described above). Equity investors first contribute a proportion of capital, which suffers losses (first, before lenders) if there is a fall in the price of the underlying asset or the property fails to generate sufficient cashflow to repay the loan.	<ul style="list-style-type: none"> <li>– Wynyard Place Finco Pty Ltd</li> <li>– Frasers Property Ltd</li> <li>– Grand Hotel Management</li> </ul>
<b>ACQUISITION FINANCE LOANS</b> Acquisition facilities are provided to an acquirer to purchase a target company. These facilities are a form of specialised finance.	<ul style="list-style-type: none"> <li>– Beach Energy</li> <li>– Tabcorp</li> </ul>

Note: Parent company, project or borrower names.

Source: Public disclosures and media reports

## OTHER TYPES OF CORPORATE LOAN STRUCTURES

Loans can rank as either senior or subordinated ranking claims in the capital structure of the corporate. Loans can be secured over all of the assets of the borrower or the borrower may grant security to a lender over specific assets. These loans are known as specialised finance loans and may include subordinated or mezzanine loans.

<b>SPECIALISED ASSET-BACKED LOANS</b> Asset backed loans are usually ringfenced against a specific asset of a borrower against which a lender can pursue recovery in the event of non-payment. Often such assets can be taken off balance sheet through a 'sale and leaseback' transaction whereby the company leases the asset rather than owning it.	<b>SUBORDINATED LOANS</b> Subordinated or mezzanine loans are where senior ranking debt claims rank in priority from a cashflow and repayment perspective. Subordinated or mezzanine loans generally carry higher interest rates as they carry a higher risk of not being paid where the borrower is insolvent and there is senior debt in place.
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# SECTION 5: ABOUT THE TRUST

## 5.1 OVERVIEW

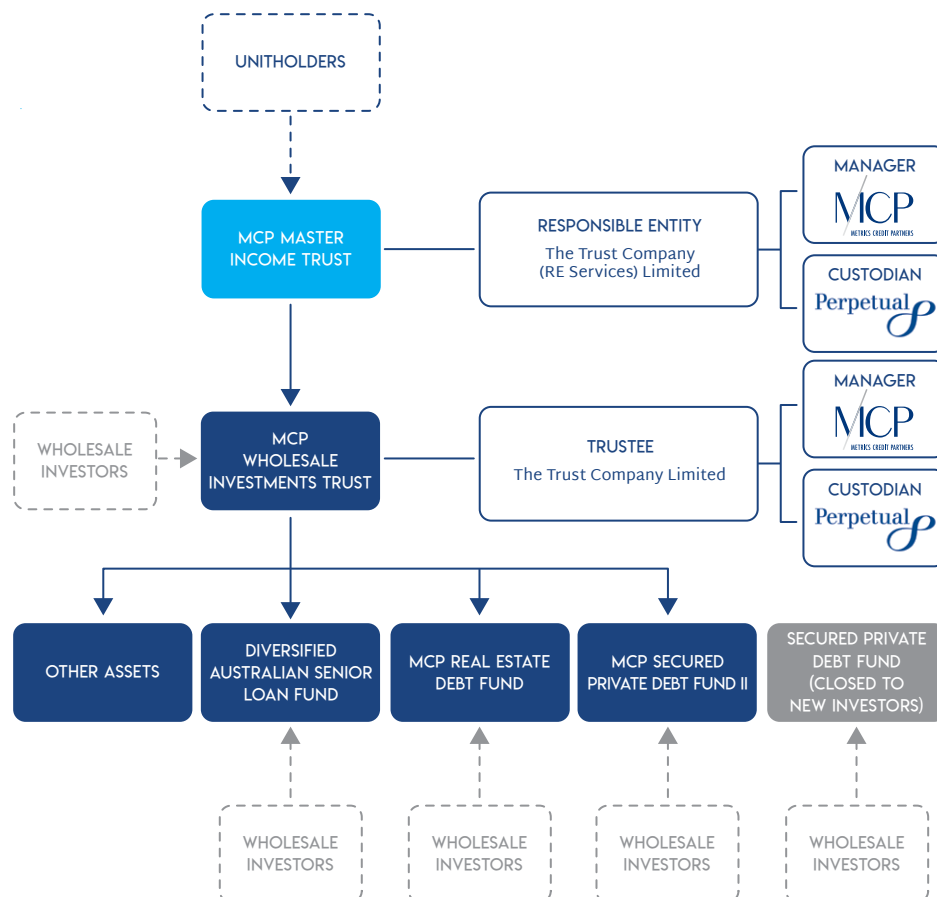
The Trust is a registered managed investment scheme under Chapter 5C of the Corporations Act and is listed on the ASX (ticker: ASX:MXT).

The Trust Company (RE Services) Limited ACN 003 278 831; AFSL 235 150 is the responsible entity of the Trust. The Responsible Entity has appointed Metrics Credit Partners Pty Ltd ACN 150 646 996; AFSL 416 146 as manager of the Trust.

The Trust invests in the MCP Wholesale Investments Trust and other trusts from time to time established for the Trust's investments. The MCP Wholesale Investments Trust is an unregistered Australian unit trust. The Trust Company Limited (ACN 004 027 749), the Sub-Trustee, is the trustee of the MCP Wholesale Investments Trust and is a 100% owned subsidiary of Perpetual. The Sub-Trustee has appointed MCP to be the manager of the MCP Wholesale Investments Trust.

The MCP Wholesale Investments Trust may make direct investments or invest in Wholesale Funds which are managed by the Manager. The Wholesale Funds invest directly in portfolios of corporate fixed income via direct lending to predominantly Australian companies. MCP is the manager of various underlying Wholesale Funds which themselves have different terms and investment management agreements.

External wholesale investors may invest in the MCP Wholesale Investments Trust and Wholesale Funds from time to time. This may help the Trust to generate liquidity and assist it in participating in the market in a scalable manner.



## SECTION 5: ABOUT THE TRUST

### 5.2 ABOUT THE RESPONSIBLE ENTITY

The responsible entity of the Trust is The Trust Company (RE Services) Limited. The Responsible Entity is a wholly owned subsidiary of Perpetual. Perpetual has been in operation for approximately 130 years and is an Australian public company that has been listed on the ASX for over 50 years.

The Responsible Entity holds an AFSL issued by ASIC, which authorises it to operate the Trust.

The Responsible Entity is bound by the Constitution, the Corporations Act and the Listing Rules. The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Constitution, the Corporations Act and the Listing Rules.

The Responsible Entity has the power to delegate certain aspects of its duties.

The Responsible Entity has appointed the Manager as the manager of the Trust. The Responsible Entity has conducted due diligence on the Manager to ensure that it has the appropriate processes and capability to carry out the Investment Strategy for the Trust. The Responsible Entity also has an ongoing review framework in place to review the investment process that the Manager has in place for the Trust.

The Responsible Entity has appointed Perpetual Corporate Trust Limited as custodian of the Trust and Mainstream as administrator of the Trust.

The material agreements of the Trust are set out in section 13.

### BOARD OF THE RESPONSIBLE ENTITY

The Board has a broad range of experience in financial services combined with financial and commercial expertise. The Board currently comprises four Directors and three alternate Directors.

Details of the current Board are set out below:

#### CHRISTOPHER GREEN

##### GROUP EXECUTIVE, PERPETUAL CORPORATE TRUST

**Executive Director — appointed in March 2014.**

Chris joined Perpetual in 2006 and has held the roles of General Manager – Trust & Fund Services, and from 2008, Group Executive Corporate Trust.

Before joining Perpetual, Chris was with J.P.Morgan & Co. where he spent 9 years in London as Vice President, Account Management & Analytics of Institutional Trust Services and a year as head of that business for the Australasian region.

Chris is Chairman of the Australian Securitisation Forum and is currently completing a BA in Philosophy at the University of London.

#### MICHAEL HENRY VAINAUSKAS

##### GENERAL MANAGER, RISK & INTERNAL AUDIT, CORPORATE SERVICES — RISK GROUP

**Executive Director — appointed in March 2015.**

Michael joined Perpetual as the Chief Risk Officer in October 2014. In this role he is responsible for both risk management and internal audit functions across the Group.

Previous to his current role, Michael was the Head of Risk Operations within the International Financial Services Division of the Commonwealth Bank of Australia where he was responsible for managing and supporting all risk management functions (other than large credit approvals) of the International Financial Services businesses which include China, India, Indonesia, Japan and Vietnam. Michael was previously the Chief Risk Officer for PT Commonwealth Bank Indonesia, a subsidiary of the Commonwealth Bank of Australia and was responsible for all risk and legal areas across the subsidiary.

Prior to this, Michael was the General Manager/Chief Risk Officer with both Westpac Banking Corporation in the Retail and Business Bank, and St George Bank in the Retail Bank and Wealth Management businesses. Michael previously worked in a number of senior consumer risk management roles for the Westpac Banking Corporation group of companies in both the bank and its former finance company subsidiary Australian Guarantee Corporation Limited.

Michael's background in finance extends back to 1983 and covers business, operational, compliance, legal and risk related responsibilities, from line-staff positions through to executive management level within a decentralised and centralised framework. Michael previously worked for 15 years at Household Finance Ltd which was subsequently acquired by AVCO Financial Services Ltd.

Michael has been involved in consumer risk management since 1991 and has performed functions in sales, lending, collections, area management, compliance, systems development/implementation and project management within Australia, Indonesia and the United States.

Michael holds a Master of Business in Finance from the University of Technology, Sydney.

#### **GLENN FOSTER**

##### **GROUP GENERAL MANAGER FINANCE, CORPORATE SERVICES – FINANCE GROUP**

**Executive Director – appointed in July 2015 (previously an alternate Director from March 2014 to July 2015).**

Glenn is responsible for the Perpetual Group Finance function including external, regulatory and statutory reporting, financial operations, corporate tax compliance, treasury and capital management. He is also responsible for Business Support Services, including Facilities Management. He is a director of a number of Perpetual's controlled entities (including those licensed with ASIC) and is also alternate director for Gillian Larkins, the Group Chief Financial Officer, who is a director of a number of controlled entities of Perpetual (including those licensed with APRA and ASIC).

Glenn is a Chartered Accountant and commenced his career with Coopers and Lybrand (now part of PricewaterhouseCoopers) before entering the financial services industry in 1994. Prior to joining Perpetual in 2003, Glenn worked in a number of senior finance roles with AIDC Ltd, Babcock & Brown Limited, State Street Bank and Trust Company Limited and RAMS Home Loans.

Glenn has a Bachelor of Commerce degree from the University of New South Wales, has been a member of the Institute of Chartered Accountants in Australia since 1989 and is a graduate of the Australian Institute of Company Directors.

#### **VICKI RIGGIO**

##### **GENERAL MANAGER, MANAGEMENT SERVICES PERPETUAL CORPORATE TRUST**

**Alternate Director – appointed in November 2016.**

Vicki is General Manager, Management Services, Perpetual Corporate Trust having responsibility for trust management, accounting and investment management services offered to the debt capital markets and managed fund clients in Australia and offshore.

Prior to this, Vicki was the Head of Wholesale Trustee responsible for the delivery of trustee services to a portfolio of funds in excess of \$40 billion, primarily supporting offshore investment into Australian real assets through managed investment trust structures. She has also previously been responsible for Perpetual's debt markets trustee operations and ongoing trustee compliance arrangements. Having worked in the financial services industry for more than 20 years, Vicki has extensive experience across a variety of asset classes and trust structures.

Vicki is a Responsible Manager for Australian Financial Services Licences held by subsidiaries of Perpetual and has a Bachelor of Land Economics from the University of Technology, Sydney.

#### **ANDREW MCIVER**

##### **GENERAL MANAGER, GROUP FINANCE**

**Alternate Director – appointed in January 2017.**

Andrew joined Perpetual as General Manager, Group Finance – Commercial Advice & Planning in August 2015.

As a member of the Senior Leadership Team reporting to the CFO, Mr McIver leads one of Perpetual's finance teams with responsibility for business partnering and business finance activities.

Andrew has approximately 20 years of experience in finance, risk and management roles across a number of industries. Most recently he was Country Head of Finance Planning & Analysis for Citigroup Australia & New Zealand responsible for planning & analysis activities for the Institutional and Consumer bank. Between 2006 and 2015, Andrew held a number of senior roles at Citigroup across finance, risk and strategy. Prior to joining Citigroup in 2006, Andrew held the role of Acting Senior Manager, Diversified Institutions at the Australian Prudential Regulation Authority which he joined in 1999 as an Analyst.

Andrew is a Certified Practising Accountant and a member of CPA Australia. He also holds a Graduate Diploma in Applied Finance & Investments from FINSIA and a Bachelor's Degree of Economics, majoring in accounting and economic history, from Monash University.

## SECTION 5: ABOUT THE TRUST

GILLIAN LARKINS

CHIEF FINANCIAL OFFICER, CORPORATE SERVICES – FINANCE GROUP

**Alternate Director – appointed in July 2017**

Gillian joined Perpetual as Group Executive Transformation Office in October 2012, and assumed the role of Chief Financial Officer of Perpetual in January 2013.

Gillian has 25 years of experience in finance, strategy and management roles across a number of industries. Prior to Perpetual, she was Chief Financial Officer, Managing Director of Westpac Institutional Bank, responsible for Finance and Strategy, and prior to that, Chief Financial Officer Australia & New Zealand of Citigroup. She has also served on the board of Hastings Fund Management as a non-executive director from 2009 to 2011.

As a member of the Executive Leadership Team reporting to the CEO, Gillian heads Perpetual's Finance, IT, and Risk functions, which include Audit, Legal and Company Secretariat.

Gillian holds a Master of Business Administration from the Macquarie Graduate School of Management, as well as a Graduate Diploma in Accounting & Finance and a Bachelor's Degree of Commerce, majoring in Economics, both from the University of Otago, New Zealand. She is a member of the NZ Chartered Accountant's Society and a Graduate of the Australian Institute of Company Directors. She has also served as Deputy President of the G100 (Australia's peak body for CFO's).

### 5.3 INVESTMENT OBJECTIVE AND TARGET RETURN<sup>38</sup>

The Trust's Investment Objective is to 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 Trust's Target Return is the RBA Cash Rate plus 3.25% per annum net of fees, through the economic cycle<sup>39</sup>. Based on the RBA Cash Rate as at the date of this PDS of 1.50%, the current Target Return is 4.75% per annum. The total return will rise or fall based on movements in the RBA Cash Rate.

The Trust is focused on investor capital preservation. The Manager implements pro-active risk management strategies within a robust risk management framework and culture. The Manager seeks to implement active strategies designed to balance investor requirements to deliver the Target Return while actively managing risk and seeking to preserve investor capital.

The Trust's Target Return is only a target and the actual return of the Trust may be lower than the Trust's Target Return. The Target Return is a target only and may not be achieved. Refer to section 8 for further details on risks factors.

<sup>38</sup> The Target Return is a target only and may not be achieved.

<sup>39</sup> The Target Return is a target only and may not be achieved.



## 5.4 INVESTMENT STRATEGY

The Trust's Investment Strategy is 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. This will be accomplished by investing in and alongside the MCP Wholesale Investments Trust and the Wholesale Funds.

Amounts raised by the Trust will be invested in the MCP Wholesale Investments Trust. The MCP Wholesale Investments Trust will then invest directly in the Wholesale Funds or directly in the investment assets so as to achieve the following target Portfolio Construction:

### DIVERSIFIED BY BORROWERS

- Lending to public and private companies and projects (currently 72 individual investments, with a near-term target of 75-100 individual investments).
- No more than 5% of the Trust's assets are to be invested in a single borrower.

### DIVERSIFIED BY INDUSTRIES

- Lending across industry sectors.
- It is not intended that the Trust will invest in the banking sector (i.e. regulated banks that otherwise issue public debt securities and hybrids).

### DIVERSIFIED BY CREDIT QUALITY

- Lending across the credit spectrum reflective of the corporate loan market.

Borrowers will be Australian domiciled (>80%) with investments in debt products typical in the Australian corporate loan market, including being secured or unsecured, senior or subordinated, investment grade or sub-investment grade, with such investments undertaken by the Manager to best achieve the Investment Objective.

This provides only an indication of the intended investments of the Trust.

### LABOUR STANDARDS OR ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS

MCP has a formal Environmental, Social and Governance (ESG) Policy in place. MCP's investment process may take ESG issues into account for the purpose of selecting or realising an investment when, in its view, these issues could have a material impact on either investment risk or return. MCP does not have a predetermined view about how far labour standards or environmental, social or ethical considerations will be taken into account in determining which investments to make. The investment process does not take into account labour standards nor ethical considerations except to the extent that such issues might adversely impact the risks and returns of investments under consideration. A copy of the ESG Policy can be obtained on request from the Manager.

## SECTION 5: ABOUT THE TRUST

### 5.5 TARGET PORTFOLIO ALLOCATION

The Trust, via the MCP Wholesale Investments Trust, is currently invested in a portfolio of corporate loans which broadly reflects activity in Australia's corporate loan market, diversified by borrower, industry and credit quality.

The following provides an overview of the current investments of the Trust relative to IPO targets.

CHARACTERISTIC	IPO TARGET	ACTUAL / CURRENT POSITION	TARGET ACHIEVED
<b>Offer size</b>	At least \$100 million – \$500 million	\$ 516 million	✓
<b>Target annual return</b>	RBA cash rate + 3.25% (4.75% as at the date of the IPO PDS) <sup>40</sup>	4.75% (annualised distributions for period from IPO to date of this PDS) <sup>41</sup>	✓
<b>First distribution</b>	January 2018	January 2018	✓
<b>Individual investments</b>	50 immediately 75-100 near-term target	72 currently 75-100 remains the near-term target	✓
<b>Allocation to Wholesale Funds</b>	DASLF – 50-60% SPDF II – 20-30% REDF – 10-20%	DASLF – 60% SPDF II – 20% REDF – 20%	✓
<b>Industry exposure<sup>42</sup></b>	<p>Source: MCP analysis</p>	<p>Source: MCP analysis</p>	✓
<b>Credit quality<sup>43</sup></b>	<p>Source: MCP analysis</p>	<p>Source: MCP analysis</p>	✓

<sup>40</sup> The Target Return is a target only and may not be achieved.

<sup>41</sup> Past performance is not a reliable indicator of future performance.

<sup>42</sup> Based on committed investments as at the date of this PDS. Percentages include allocating committed cash holdings, including amounts in the MCP Wholesale Investments Trust pending investment in Wholesale Funds.

<sup>43</sup> MCP uses a proprietary ratings model to assign risk measures to its loan exposures. MCP analysis of the market is based on major banks' APRA APS 330 reports and other publicly available information.

## 5.6 PERFORMANCE

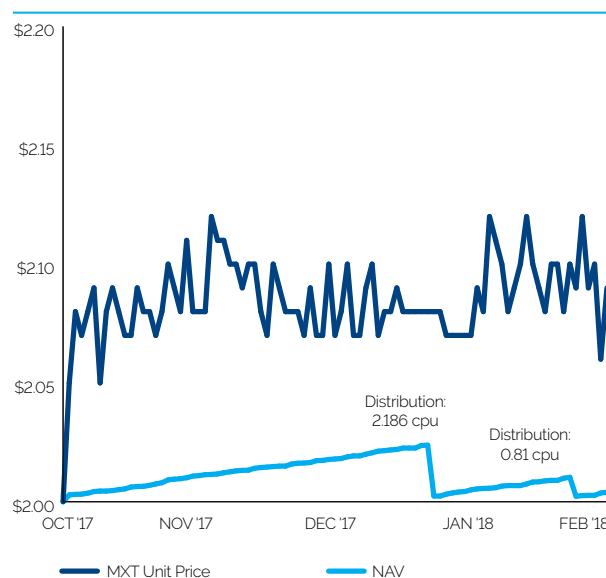
### TRADING PERFORMANCE

The Trust listed on the ASX on 9 October 2017. Since listing, the Trust has traded above its NAV and currently has over 8,000 Unitholders.

TABLE 5: KEY TRADING STATISTICS\*

IPO price (\$)	2.00
Highest traded price since IPO	2.15
Lowest traded price since IPO	2.00
23 February 2018 closing price <sup>44</sup>	2.06
Volume weighted average price since IPO <sup>45</sup>	2.08
Average daily value traded since IPO	\$0.6 million

CHART 12: TRADING PERFORMANCE SINCE IPO



Source: IRESS  
As at the date of the PDS

Source: IRESS

\* Past performance is not a reliable indicator of future performance.

## 5.7 DISTRIBUTIONS

Since listing on the ASX, the Trust has paid existing Unitholders total distributions of 2.996 cents per unit, with an additional 0.73 cents per unit distribution declared on 23 February 2018 to be paid on 8 March 2018.<sup>46</sup> The distributions paid and declared are in line with the ongoing Target Return and the Investment Objective. The first distribution was paid in January 2018 and the second distribution was paid in February 2018.

The Trust intends to continue to pay distributions to Unitholders monthly. Distributions are expected to match the income (net of fees and expenses) achieved by the Trust but will be paid at the discretion of the Responsible Entity and may depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Responsible Entity deems relevant.

The Responsible Entity has established a DRP which provides Unitholders with the option to re-invest distributions as additional Units in the Trust. Please refer to the DRP lodged with the ASX on 13 February 2018 and available on the Manager's website. Unitholders who have not provided bank account details for the payment of cash distributions will be deemed to have elected to reinvest all of their cash distributions in additional Units in the Trust in accordance with the DRP.

44 Last closing price has been adjusted for the distribution of \$0.0073 announced to the ASX on 23 February 2018. New Units issued under the Offer will not be eligible for this distribution or the distribution expected to be declared in March 2018. The first distribution to be paid on New Units will be declared in April 2018.

45 Volume weighted average price have been adjusted for the distribution of \$0.0073 announced to the ASX on 23 February 2018. New Units issued under the Offer will not be eligible for this distribution or the distribution expected to be declared in March 2018. The first distribution to be paid on New Units will be declared in April 2018.

46 Past performance is not a reliable indicator of future performance.

## SECTION 5: ABOUT THE TRUST

### 5.8 INVESTMENT PIPELINE

The Manager is constantly assessing investment opportunities for the Trust and the Wholesale Funds. The Manager expects to be able to deploy capital raised from the Offer in investments which are consistent with the Investment Objective and Target Return of the Trust<sup>47</sup>.

The Manager does not expect any changes to the Target Return or the frequency of distributions as a result of this Offer.

### 5.9 VALUATION OF ASSETS

The valuation of corporate loans reflects that they are not generally available for sale. Credit risk rather than market risk is the key risk reflected in the asset valuation. Credit risk is assessed in terms of probability that a borrower may default, estimated level of utilisation of a loan at default and the anticipated loss given a default has occurred.

The NAV of the Trust is expected to be calculated daily by deducting from the total value of the assets of the Trust all liabilities, which includes declared but unpaid distributions, calculated in accordance with the Listing Rules and Australian Accounting Standards (AAS).

The Net Tangible Asset Backing is the value of the Trust's total assets reduced by the Trust's intangible assets and the Trust's total liabilities as calculated in accordance with the Listing Rules.

The valuation methods applied by the Responsible Entity to value the Trust's assets and liabilities must be consistent with the range of ordinary commercial practice for valuing them and represent its assessment of current market value. The Responsible Entity engages an international accounting and professional services firm to provide an independent assessment of the net asset value of the Trust on an ongoing basis.

The NAV per Unit of the Trust is generally published daily on the website of the Manager and lodged with the ASX.

### 5.10 MCP WHOLESAL INVESTMENTS TRUST

The MCP Wholesale Investments Trust is an open-ended, unregistered unit trust which accepts applications from wholesale investors. The Trust holds fully paid units in the MCP Wholesale Investments Trust; however, the Sub-Trustee may issue partly paid units or other investments in the future to other investors.

The investment strategy of the MCP Wholesale Investments Trust is to create a diversified exposure to Australian corporate loans generally reflecting market activity diversified by borrower, industry and credit quality. Through active portfolio risk management, the Manager seeks to preserve investor capital. The MCP Wholesale Investments Trust invests in and alongside the Wholesale Funds which are managed by MCP.

A high-level summary of the MCP Wholesale Investments Trust is set out below:

TERM	DETAIL
Structure	Open ended unit trust.
Asset duration	The fund may invest in the loans (directly or indirectly through the Wholesale Funds) with a tenor to maturity of 6 months to 10 years.
Portfolio Construction	<ul style="list-style-type: none"><li>– A portfolio of corporate loans reflecting activity across the Australian corporate loan market.</li><li>– Investment grade and sub-investment grade loans.</li><li>– Diversified across borrowers, industries, the credit spectrum and loan products.</li></ul>
Distributions	<ul style="list-style-type: none"><li>– Net income distributed to investors on a monthly basis.</li><li>– Distributions may be reinvested into new units.</li></ul>

<sup>47</sup> The Target Return is a target only and may not be achieved.

## INVESTMENTS

MCP is responsible for managing the investments of the MCP Wholesale Investments Trust.

The MCP Wholesale Investments Trust invests in the Wholesale Funds. For further information on how the MCP Wholesale Investments Trust invests in the Wholesale Funds please see section 13.4. The Sub-Trust Manager anticipates that the MCP Wholesale Investments Trust's direct investments and investments in the Wholesale Funds will typically involve long term commitments of 5 to 10 years given the nature of the investments of the Wholesale Funds which can have terms of up to 15 years. The ability of the MCP Wholesale Investments Trust to withdraw its investment in the Wholesale Funds will be dependent on a number of factors, which include:

- the terms of the Wholesale Funds which are discussed further below;
- the ability of the Wholesale Funds to liquidate their investments to pay any withdrawal of the MCP Wholesale Investments Trust and whether liquidating those investments is in the best interests of investors as a whole in those funds; and
- the volume of other withdrawing investors in the Wholesale Funds.

The MCP Wholesale Investments Trust may borrow and may invest directly in loans with other investors to the extent that the Sub-Trust Manager and the Sub-Trustee deem appropriate.

The MCP Wholesale Investments Trust may also make investments in the Trust by acquiring units in the Trust where the Manager believes it is financially beneficial (such as where Units are trading below their underlying value).

## ARRANGEMENTS WITH INVESTORS IN THE MCP WHOLESALE INVESTMENTS TRUST

The Sub-Trustee and the trustees of the Wholesale Funds and the Manager may enter into arrangements with wholesale investors in the MCP Wholesale Investments Trust or Wholesale Funds in certain circumstances to satisfy these wholesale investor requirements (e.g. to satisfy regulatory requirements specific to the investor or in respect of redemptions, not having exposure to certain investments and the retirement of the Sub-Trustee or Sub-Trust Manager where they have acted wrongfully). This arrangement may differ from the terms the Trust is exposed to.

## REDEMPTION FROM THE MCP WHOLESALE INVESTMENTS TRUST

The Sub-Trustee is not obliged to redeem the Trust's units in the MCP Wholesale Investments Trust but may accept a redemption request at its absolute discretion. None of the MCP Wholesale Investments Trust or the Wholesale Funds are readily liquid and that is why redemptions are limited.

If the Manager's appointment as manager of the Trust is terminated by ordinary resolution of Unitholders in the Trust, the Sub-Trustee may at its discretion compulsorily redeem the Trust's units in the MCP Wholesale Investments Trust within three months of the resolution. The timing and funding of such redemptions will be dependent on a number of factors which are discussed above under 'Investments' and in section 8. Where investments are required to be realised to fund redemptions the redemption price may be derived from the actual sale proceeds from those assets rather than the net asset value of the trust at the time of the redemption. If such redemption does not occur in the three months then MCP must retire as manager of the MCP Wholesale Investments Trust.

## VOTING

Each unitholder of the MCP Wholesale Investments Trust is entitled to one vote on a show of hands and one vote, per dollar of the issue price of a unit, held on a poll.

## RETIREMENT OF THE SUB-TRUSTEE

The Sub-Trustee may retire as trustee by giving 20 Business Days' notice (unless a shorter notice is agreed by unitholders) to unitholders in the MCP Wholesale Investments Trust.

The Sub-Trustee must also retire if directed to retire by MCP or by special resolution of unitholders (which requires a resolution passed at a meeting of all Sub-Trust unitholders by at least 85% of votes cast by unitholders).

## INDEMNITY OF SUB-TRUSTEE

The Sub-Trustee is indemnified out of the property of the MCP Wholesale Investments Trust for any liability incurred by it, in its own capacity or through an agent, manager, adviser or delegate, in relation to the proper performance of any of its duties in respect of the MCP Wholesale Investments Trust.

Refer to section 13.4 for further details on the above terms, agreements and investments of the Trust and MCP Wholesale Investments Trust.

## SECTION 5: ABOUT THE TRUST

### 5.11 WHOLESALE FUNDS

Generally, the Wholesale Funds invest directly in a diversified portfolio of corporate fixed income via direct lending to Australian companies. The Wholesale Funds may also have investment mandates that enable them to make investments in other funds managed by MCP. The Wholesale Funds may also invest in equity or other financial instruments and may enter into restructuring and recapitalisation agreements with certain borrowers in the event a corporate restructuring or recapitalisation of a corporate borrower is required. For further information on how the MCP Wholesale Investments Trust invests in the Wholesale Funds please see section 13.4.

The MCP Wholesale Investments Trust currently invests in the Wholesale Funds that are all managed by MCP:

- the Metrics Credit Partners Diversified Australian Senior Loan Fund (DASLF);
- the MCP Secured Private Debt Fund II (SPDF II); and
- the MCP Real Estate Debt Fund (REDF).

MCP also manages the Metrics Credit Partners Secured Private Debt Fund (SPDF). This fund is closed to new investors and does not form part of the investments held by the Trust. The investment strategy of the SPDF II is consistent with the investment strategy of the SPDF.

#### METRICS CREDIT PARTNERS DIVERSIFIED AUSTRALIAN SENIOR LOAN FUND (DASLF)

Launched in June 2013, DASLF is a registered managed investment scheme ARSN 163 161 591 which invests primarily in Australia's domestic loan market, participating in corporate and institutional loan facilities alongside banks and other lenders. Investments include loans provided to: listed companies, large and medium sized private companies, project finance borrowers including public private partnerships, property finance including development funding and real estate investment trusts, and acquisition finance facilities. DASLF can invest in corporate facilities that are both term drawn and revolving, multi-currency, secured and unsecured, senior and subordinated.

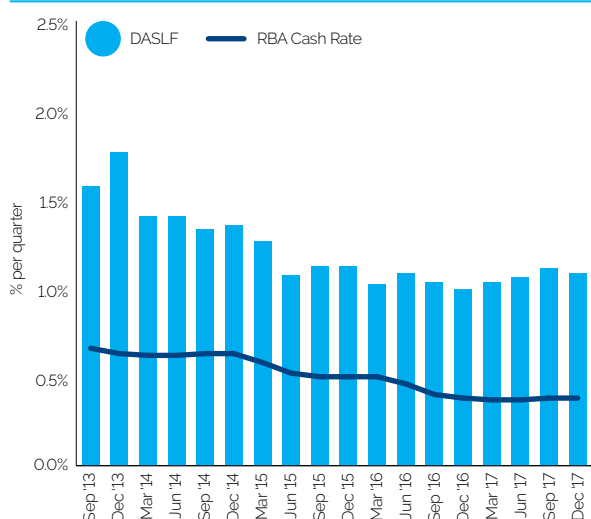
DASLF is open-ended, offers liquidity and provides institutional investors with a diversified exposure to Australian corporate debt across borrowers, industries and the credit spectrum.

TERM	DETAIL
<b>Structure</b>	Open ended unit trust, registered managed investment scheme.
<b>Benchmark</b>	90-day BBSW (Bloomberg: BBSW3M).
<b>Target Returns<sup>47</sup></b>	Benchmark plus additional return from applicable credit margin and lending fees.
<b>MCP Master Income Trust investor performance fee</b>	There are no performance fees payable to the Manager by the DASLF. Refer to section 7 for more details.
<b>Asset duration</b>	Target weighted average tenor of assets of the fund is 3 years.
<b>Portfolio Construction</b>	<ul style="list-style-type: none"><li>– Investments reflecting Australia's corporate loan market, diversified by borrower, industry, credit quality and debt product.</li><li>– &gt;90% senior ranking and &gt;80% Australian domiciled borrowers.</li></ul>
<b>Leverage</b>	<ul style="list-style-type: none"><li>– No core leverage.</li><li>– Up to 30% of gross asset value (<b>GAV</b>) to enable participation in revolving/undrawn facilities.</li></ul>
<b>Distributions</b>	Net income distributed to investors on a quarterly basis. Distributions may be reinvested into fund units.

<sup>48</sup> The Target Return is a target only and may not be achieved.

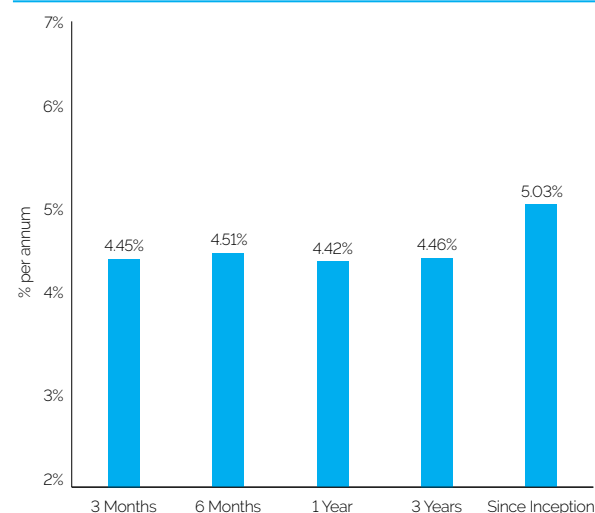
The following charts summarise the historical performance of DASLF. The net return incorporates the costs and fees of DASLF but does not include additional costs or fees that may be incurred by the Trust or the MCP Wholesale Investments Trust. Past performance is not a reliable indicator of future returns.

**CHART 13: DASLF QUARTERLY HISTORICAL RETURNS (NET OF FEES)**



Source: MCP

**CHART 14: DASLF ANNUALISED HISTORICAL RETURNS (NET OF FEES)**



Source: MCP

## METRICS CREDIT PARTNERS SECURED PRIVATE DEBT FUND (SPDF)

Launched in November 2015, SPDF provides direct exposure to Australian corporate debt across mid-market corporate borrowers. SPDF invests primarily in direct loans to sub-investment grade mid-market Australian companies.

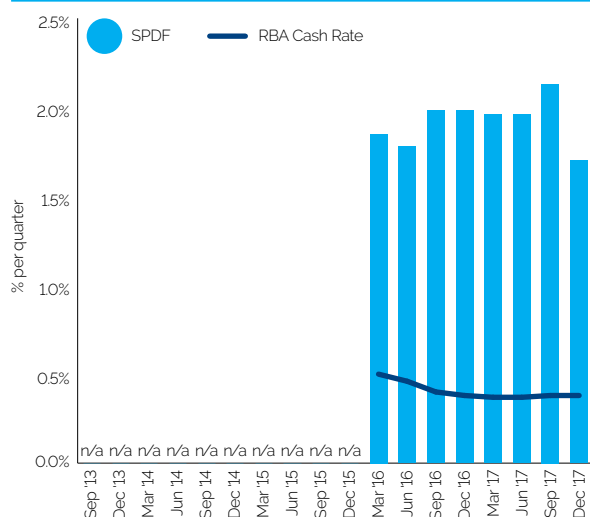
The SPDF is closed-ended and is now fully invested, meaning it is no longer open to new applications. Accordingly, the Trust will not invest in SPDF, because it invests in SPDF II which has the same investment strategy (see below). The returns for SPDF have been shown.

TERM	DETAIL
<b>Structure</b>	Closed ended unit trust.
<b>Benchmark</b>	90-day BBSW (Bloomberg: BBSW3M).
<b>Hurdle return</b>	Benchmark plus 4.00% per annum post fees.
<b>MCP Master Income Trust investor performance fee</b>	The SPDF is closed to new investors. There are no performance fees payable to the Manager by the SPDF.
<b>Asset duration</b>	The fund will invest in loans with a tenor to maturity of 6 months to 10 years.
<b>Portfolio Construction</b>	<ul style="list-style-type: none"> <li>– A portfolio of Australian corporate loans reflecting activity in Australia's mid-market corporate loan market.</li> <li>– Sub-investment grade loans (refer to table 1 in section 4.2).</li> <li>– Diversified across borrowers, industries and the capital structure of borrowers.</li> </ul>
<b>Distributions</b>	<ul style="list-style-type: none"> <li>– Net income distributed to investors on a quarterly basis.</li> <li>– Distributions may be reinvested into new units.</li> </ul>

## SECTION 5: ABOUT THE TRUST

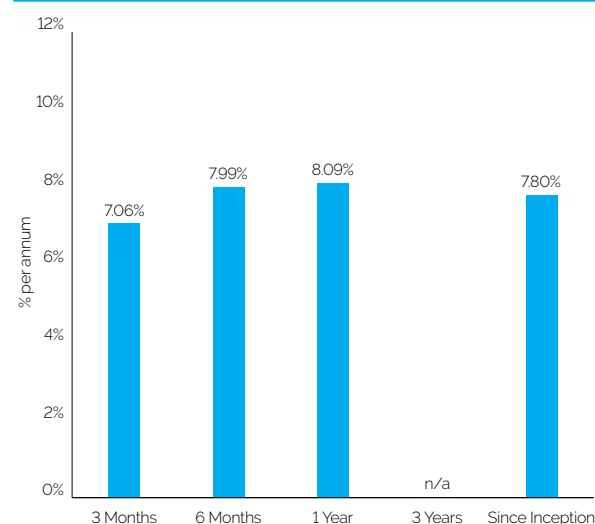
The following charts summarise the historical performance of SPDF.

**CHART 15: SPDF QUARTERLY HISTORICAL RETURNS (NET OF FEES)**



Source: MCP

**CHART 16: SPDF ANNUALISED HISTORICAL RETURNS (NET OF FEES)**



Source: MCP

### MCP SECURED PRIVATE DEBT FUND II (SPDF II)

Launched in October 2017, SPDF II implements the same strategy as SPDF and provides direct exposure to Australian corporate debt across mid-market corporate borrowers. SPDF II invests primarily in direct loans to sub-investment grade mid-market Australian companies.

TERM	DETAIL
<b>Structure</b>	Unregistered open ended unit trust.
<b>Benchmark</b>	90-day BBSW (Bloomberg: BBSW3M).
<b>Hurdle return</b>	Benchmark plus 4.00% per annum post fees.
<b>MCP Master Income Trust investor performance fee</b>	The Manager will not be entitled to a performance fee paid by the SPDF II unless the Target Return of RBA Cash Rate plus 3.25% per annum net of fees is achieved for the Trust investor. Refer to section 7 for more details.
<b>Asset duration</b>	The fund will invest in loans with a tenor to maturity of 6 months to 10 years.
<b>Portfolio Construction</b>	<ul style="list-style-type: none"> <li>– A portfolio of Australian corporate loans reflecting activity in Australia's mid-market corporate loan market.</li> <li>– Sub-investment grade loans (refer to table 1 in section 4.2).</li> <li>– Diversified across borrowers, industries and the capital structure of borrowers.</li> </ul>
<b>Distributions</b>	<ul style="list-style-type: none"> <li>– Net income distributed to investors on a quarterly basis.</li> <li>– Distributions may be reinvested into new units.</li> </ul>

SPDF II's performance history has not been included due to the fund's history being shorter than 18 months.



## MCP REAL ESTATE DEBT FUND (REDF)

Launched in October 2017, REDF provides direct exposure to a portfolio of Australian commercial real estate debt, providing investors with attractive risk-adjusted returns.

TERM	DETAIL
<b>Structure</b>	Unregistered open ended unit trust.
<b>Benchmark</b>	90-day BBSW (Bloomberg: BBSW3M).
<b>Hurdle return</b>	Benchmark plus 5.00% per annum post fees.
<b>MCP Master Income Trust investor performance fee</b>	The Manager will not be entitled to a performance fee paid by the REDF unless the Target Return of RBA Cash Rate plus 3.25% per annum net of fees is achieved for the Trust investor. Refer to section 7 for more details.
<b>Asset duration</b>	The fund will invest in loans with a tenor to maturity of 6 months to 10 years.
<b>Portfolio Construction</b>	Build and maintain a diversified portfolio of Australian commercial real estate debt assets, diversified by: <ul style="list-style-type: none"> <li>– projects and borrowers;</li> <li>– sectors (industrial, retail, residential development and commercial);</li> <li>– geography (across states in both metro and regional);</li> <li>– stage of development (new development and brownfield); and</li> <li>– position in the capital structure.</li> </ul>
<b>Distributions</b>	Net income distributed to investors on a quarterly basis. Distributions may be reinvested into new units.

REDF's performance history has not been included due to the fund's history being shorter than 18 months.

### 5.12 CUSTODIAL MATTERS

The assets of the Trust are held by a third party (relative to the Manager) custodian in accordance with the usual market practice, any cost incurred for this service is borne by the Trust. Cash may also be held on deposit with one or more Australian authorised deposit-taking institutions. The Responsible Entity has appointed Perpetual Corporate Trust Limited (a related party of the Responsible Entity) to hold the assets of the Trust. The Custodian has no supervisory role in relation to the operations of the Trust and is not responsible for protecting its interests. The Custodian has no liability or responsibility for any act done or omission made in accordance with the terms of the appointment. To the extent that this PDS includes statements by the Custodian or includes statements based on any statement of, or information provided by, the Custodian, the Custodian consents to each such statement being included in the PDS in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this PDS. The assets held by the Custodian are not investments of the Custodian or any other member of the Custodian's group of companies (**Custodian's Group**). Neither the Custodian nor any other member of the Custodian's Group guarantees the performance of the investment or the underlying assets of the Trust, or provide a guarantee or assurance in respect of the obligations of the Trust.

### 5.13 ADMINISTRATION

The Responsible Entity outsources its investment valuation, accounting and unit registry to the Administrator. The Administrator incurs external costs on behalf of the Trust and is entitled to recover those costs from the Trust.

Mainstream has been appointed as the Administrator to provide certain administrative services to the Trust. Mainstream values the Trust's assets at the end of each day and will, as soon as it is practical, provide these calculations to the Trust.

## SECTION 5: ABOUT THE TRUST

### 5.14 CHANGES TO INVESTMENT STRATEGY

The Manager has implemented the Trust's Investment Strategy as detailed in this PDS.

It is not expected that the Manager will seek to change the Trust's Investment Objective, Investment Strategy, guidelines, and permitted investments. However, any such changes would require Responsible Entity approval, after consultation with the Manager, before they may be implemented. Unitholders will receive advice of any material changes via the Manager's website and the ASX.

Subject to compliance with the Listing Rules and the Corporations Act the Manager has absolute discretion to invest as it sees fit to achieve the Trust's Investment Objective.

If the Trust ceases to comply with the approved Investment Objective, Investment Strategy, guidelines and permitted investments or any directions or instructions from the Trust due to market movements, contributions to or withdrawals from the Trust, a change in the nature of an investment or any other event outside the reasonable control of the Manager, the Manager must use its reasonable endeavours to remedy the non-compliance within a reasonable period of time of the Manager becoming aware of the non-compliance, or longer period as permitted by the Responsible Entity.

### 5.15 LEVERAGE

The Trust does not currently have any debt, nor is it anticipated that it will incur debt in the future. The MCP Wholesale Investments Trust and the Wholesale Funds may borrow for purposes including:

- to enable the MCP Wholesale Investments Trust or relevant Wholesale Fund to undertake its investment activities; and
- working capital requirements of the MCP Wholesale Investments Trust or relevant Wholesale Fund.

Additionally, the Wholesale Funds may utilise core leverage, depending on the underlying strategy and investment objectives of the individual Wholesale Fund. SPDF II and REDF currently have no debt. Subject to portfolio diversity, credit quality, performance and the availability of debt finance on terms acceptable to the Manager, the maximum level of permitted leverage of SPDF II and REDF is restricted to not greater than 50% of gross asset value.

### 5.16 LIQUIDITY

Units are not able to be redeemed except under a withdrawal offer under the Corporations Act or a buy-back of units under the Corporations Act and Listing Rules while the Trust is listed.

As the Trust is admitted on the official list of the ASX and Units are quoted on the ASX, Unitholders are able to sell their Units on the ASX, subject to there being sufficient buyers of Units at a price that is satisfactory to the selling Unitholder, the ASX being open for trading and the Units not being suspended from trading. Units may be sold on the ASX by Unitholders instructing their stockbroker.

As at the date of this PDS, the Responsible Entity does not offer any liquidity to Unitholders, but Unitholders may sell their Units on the ASX as Units are quoted on the ASX (subject to there being sufficient on-market purchasers). However, the Responsible Entity may offer liquidity alternatives to Unitholders in the future.

### 5.17 REPORTS TO UNITHOLDERS

The Trust releases to the ASX a statement of the Net Tangible Asset Backing of its Units at the end of each month. The calculation of the Net Tangible Asset Backing of Units is made in accordance with the Listing Rules.

The Trust's most recent reports that have been lodged with the ASX were its interim financial results for the period ending 31 December 2017 (lodged with ASX on 22 February 2018) and a monthly unitholder report (lodged with ASX on 12 February 2018).

The Trust intends that the Administrator and Manager will prepare reports on both a semi-annual and annual basis to keep Unitholders informed about the current activities of the Trust, the performance of the Trust's investments and the investment outlook. The Condensed Interim Financial Report of the Trust has been reviewed by the Auditor. The annual accounts for the Trust will be audited. These reports, continuous disclosure notices and other information about the Trust are accessible on the Manager's website [www.metricscredit.com.au](http://www.metricscredit.com.au). Copies of documents set out above that are lodged by the Trust with ASIC or the ASX may also be obtained from ASIC or the ASX (respectively).

Note, investments in corporate loans are private and confidential transactions and as such individual investments will not be disclosed.

## SECTION 6: ABOUT THE MANAGER

### 6.1 METRICS CREDIT PARTNERS PTY LTD

The Responsible Entity has appointed MCP to be the manager of the Trust under an Investment Management Agreement. The Administrator has been authorised to manage the administrative affairs of the Trust.

MCP is an Australian debt specialist fund manager providing expertise to wholesale investors seeking opportunities in credit and fixed income markets. MCP is owned 65% by the Investment Team (through their interests in Metrics Credit Holdings Pty Ltd) and 35% by National Australia Bank Limited (NAB).

### METRICS CREDIT HOLDINGS PTY LTD (MCH)

MCH was incorporated in May 2011 as the holding entity for the Investment Team's equity in MCP. MCH is owned and controlled in equal shares by Justin Hynes, Andrew Lockhart, Graham McNamara and Andrew Tremain through their respective controlled entities.

NAB is not a shareholder in MCH and NAB does not have the right to appoint any directors to the board of MCH. MCH has entered into a shareholder agreement with NAB which governs the ongoing investment in and the management of MCP.

### NATIONAL AUSTRALIA BANK LIMITED (NAB)

NAB is a minority shareholder in MCP with an equity ownership of 35%.

### CORPORATE RELATIONSHIP

MCP is not subject to NAB control and is neither NAB guaranteed nor a member of the NAB Group of companies. NAB has no management role within the business and has no involvement or representation on the MCP Investment Committee. NAB is a minority shareholder in MCP.

MCH has appointed three directors to the MCP Board, NAB has appointed one director, and the shareholders have appointed an independent non-executive chairman as a fifth director. NAB may not appoint any representative to the MCP Investment Committee, and cannot direct the MCP Investment Committee with respect to any aspect of asset selection or asset management. NAB may have a representative on the MCP Audit & Compliance Committee.

An investment in Units is not a deposit held with NAB and NAB does not guarantee performance of the Trust or MCP, and will not provide liquidity for dealing in Units of the Trust. NAB may from time to time provide financial services in the ordinary course of business on arm's length terms to MCP and the Trust.

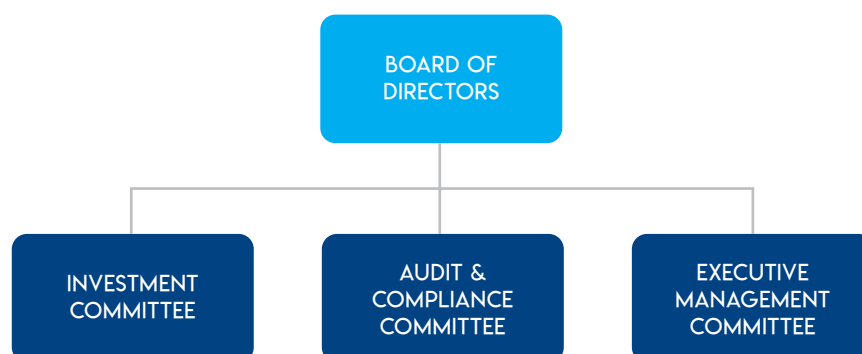
### MCP BOARD OF DIRECTORS

The MCP Board is responsible for ensuring that MCP management implements its corporate business plan and develops strategies to grow its business. The MCP Board is also responsible for ensuring that MCP complies with its obligations under its AFSL and various investment management agreements.

The MCH Directors appointed to the MCP Board are Justin Hynes, Andrew Lockhart and Graham McNamara, ensuring control of MCP by the Investment Team.

### MCP BOARD COMMITTEES

The MCP Board has established the following sub-committees to ensure MCP has appropriate governance around critical functions.



## SECTION 6: ABOUT THE MANAGER

### MCP INVESTMENT COMMITTEE

The MCP Investment Committee has been established by the MCP Board and is responsible for all investment decisions concerning assets of funds MCP manages.

NAB has no representative on the MCP Investment Committee and has no veto or negative control over asset selection or portfolio management. NAB cannot direct or influence the MCP Investment Committee and as a result of the composition of the MCP Board, the MCP Investment Committee is controlled by the Investment Team.

The MCP Investment Committee is comprised of the Investment Team and is responsible for the development and maintenance of the investment policies, investment decisions, control and management of assets.

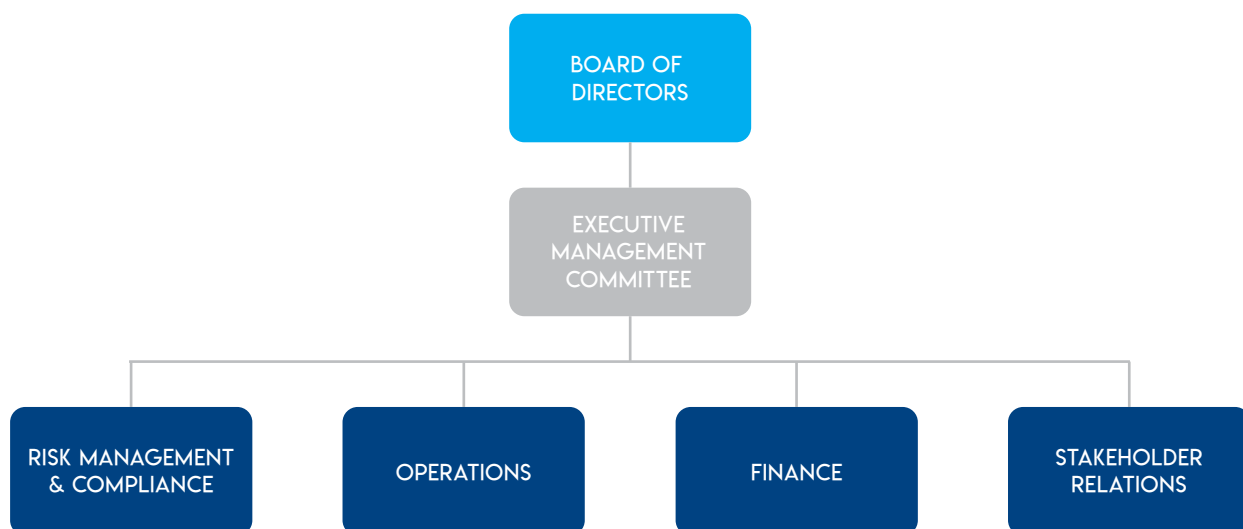
The MCP Investment Committee provides detailed asset level reporting to the trustees of the Wholesale Funds on a daily, monthly and quarterly basis to report ongoing compliance with the Investment Strategy disclosed in the Wholesale Funds' and the MCP Wholesale Investments Trust's offer documents and this PDS.

### AUDIT & COMPLIANCE COMMITTEE

The Audit & Compliance Committee has been established by the MCP Board to ensure effective risk management practices, that a risk management framework for MCP is maintained, and to ensure the proper performance of MCP's regulatory and compliance obligations.

### EXECUTIVE MANAGEMENT COMMITTEE

The Executive Management Committee has been established by the MCP Board to implement MCP's corporate business plan and has been delegated the necessary authority to attend to the management of MCP. To facilitate efficient and timely management of business activities, MCP is structured along key functional business lines.



The Executive Management Committee is comprised of the Investment Team.

## 6.2 THE INVESTMENT TEAM OF THE MANAGER

MCP has an Investment Team comprised of senior and experienced market professionals with extensive skills and backgrounds in the origination and management of corporate debt assets (loans, Bonds and associated products).

The Investment Team principals have significant experience in funds management, commercial and investment banking including debt origination, structuring and portfolio risk management including corporate restructuring. Amongst the Investment Team principals, there are specialist skills in leveraged and acquisition finance, corporate finance, corporate and institutional lending, loan syndication and portfolio credit risk management.

The Investment Team principals of the Manager are as follows:

<b>Andrew Lockhart</b>	<ul style="list-style-type: none"><li>– Andrew has considerable loan origination, structuring and portfolio risk management experience and has been responsible for the management of large, diversified and complex loan portfolios including considerable corporate restructuring experience.</li><li>– Andrew has approximately 31 years' banking, funds management and financial markets experience and previously specialised in leverage and acquisition finance as well as corporate and institutional lending.</li><li>– Andrew holds a Bachelor of Business and Masters of Business Administration from the Queensland University of Technology.</li></ul>
<b>Justin Hynes</b>	<ul style="list-style-type: none"><li>– Justin has considerable loan origination, structuring and portfolio management experience, including workout and restructuring experience.</li><li>– Justin has extensive acquisition and corporate finance experience in both an advisory and principle capacity in Australia and South East Asia.</li><li>– Justin has approximately 21 years' financial markets experience, and previously specialised in leveraged and acquisition finance as well as corporate finance.</li><li>– Justin holds a Bachelor of Commerce and Bachelor of Japanese Studies from the Australian National University.</li></ul>
<b>Graham McNamara</b>	<ul style="list-style-type: none"><li>– Graham has considerable commercial banking experience covering portfolio risk management, debt origination and distribution, agency management and corporate banking.</li><li>– Graham has approximately 38 years' experience in banking, funds management and financial markets and has established the loan syndications and agency businesses at major Australian banks.</li><li>– Graham served as a director of the Asia Pacific Loan Market Association and was the founding chairman of the Association's Australian Branch. Graham is a Member of the Australian Institute of Company Directors.</li></ul>
<b>Andrew Tremain</b>	<ul style="list-style-type: none"><li>– Andrew has considerable Australian, European and Asian banking experience covering corporate, structured, leverage and acquisition finance, portfolio management and relationship management.</li><li>– Andrew has approximately 31 years' experience and previously specialised in leveraged and acquisition finance as well as loan syndications</li><li>– Andrew holds a Bachelor of Commerce from Macquarie University.</li></ul>

A team of investment professionals with skills and experience covering credit and financial analysis, portfolio risk management, legal documentation and administration supports the Investment Team.

## 6.3 ARRANGEMENTS BETWEEN THE TRUST AND THE MANAGER

MCP has been appointed as the Manager of the Trust under the Investment Management Agreement. MCP's role is to be the Trust's Manager with respect to the management of the Trust, including but not limited to managing the Trust's investments and administrative affairs. For more information, see section 13. Refer also to section 13.3 for a summary of the Manager Loan from the Trust.

## SECTION 7: FEES AND OTHER COSTS

### 7.1 CONSUMER ADVISORY WARNING

#### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example reduce it from \$100 000 to \$80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

#### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

### 7.2 FEES AND OTHER COSTS

This section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Tax information is set out in section 11 of this PDS.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

TABLE 5

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the managed investment product</b>		
<b>Establishment fee</b> The fee to open your investment.	Nil	Not Applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment.	Nil	Not Applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment.	Nil	Not Applicable
<b>Exit fee</b> The fee to close your investment.	Nil	Not Applicable

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Management costs<sup>1</sup></b>		
The fees and costs for managing your investment.	0.65% – 0.70% per annum of the Trust's NAV, depending on how much is raised under the Offer	<p>Management costs are comprised of:</p> <ul style="list-style-type: none"> <li>– <b>Responsible Entity fee</b> – 0.03% per annum of the Trust's NAV calculated and accrued daily and paid monthly in arrears from the Trust's assets.</li> <li>– <b>Expenses and Manager IEE<sup>2</sup></b> – 0.36% – 0.39% per annum of the Trust's NAV paid out of the Trust's assets once the cost is incurred.</li> <li>– <b>Indirect costs<sup>3</sup></b> – 0.26% – 0.28% per annum paid by the Wholesale Funds once the cost is incurred.</li> </ul>
<b>Service fees</b>		
<b>Switching fee</b> The fee for changing investment options.	Nil	Not applicable

- 1 This amount comprises the Responsible Entity fee, recoverable expenses and indirect costs. A range has been included assuming a minimum raise of nil to a maximum raise of \$381 million. Estimates are based on an allocation of 60% DASLF, 20% SPDF II and 20% REDF and average fund sizes in the next 12 months of \$400 million for both SPDF II and REDF. The management costs and the components of the management costs set out in the table above are inclusive of GST net of RITCs. For more information about management costs, please refer to 'Management costs' under section 7.4. Certain additional costs apply, such as transactional and operational costs. See 'Additional Explanation of Fees and Costs' section below for more information. The fees in this table can be negotiated with wholesale clients. For more information, refer to 'Can fees be different for different investors?' in section 7.4 below.
- 2 This figure reflects the Responsible Entity's reasonable estimate at the date of this PDS of those costs that will apply for the current financial year (adjusted to reflect a 12-month period). A range has been included assuming a minimum raise of nil to a maximum raise of \$381 million. This figure includes the IEE. For further information please see section 7.4 below.
- 3 This figure reflects the Responsible Entity's reasonable estimate at the date of this PDS of those indirect costs that will apply for the current financial year (adjusted to reflect a 12-month period). A range has been included assuming a minimum raise of nil to a maximum raise of \$381 million. This figure includes any indirect costs borne by the Trust through its investment in the MCP Wholesale Investments Trust or Wholesale Funds, including management fees and performance related fees.

## SECTION 7: FEES AND OTHER COSTS

### 7.3 EXAMPLE OF ANNUAL FEES AND COSTS FOR THE TRUST

Table 6 gives an example of how the fees and costs in the Trust can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

**TABLE 6: EXAMPLE OF ANNUAL FEES AND COSTS**

EXAMPLE – MCP MASTER INCOME TRUST	AMOUNT	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR <sup>1</sup>
Contribution fees	Nil	For every additional \$5,000 you put in you will be charged \$0.
PLUS Management costs	0.70% per annum of the Trust's NAV	<b>And</b> , for every \$50,000 you have in the Trust, you will be charged \$350 each year.
EQUALS Cost of Trust		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of:  \$350  <b>What it costs you will depend on the fees you negotiate.</b>

<sup>1</sup> This example assumes the \$5,000 contribution occurs at the end of the year, therefore management costs are calculated using the \$50,000 balance only. The figure used for the management costs in the example above is based on the current Trust size of \$516 million and is the Responsible Entity's reasonable estimate (inclusive of GST less RITCs) of the typical ongoing amounts at the date of this PDS. Certain additional costs may apply, such as transactional and operational costs. For more information, refer to section 7.4 below.

### 7.4 ADDITIONAL EXPLANATION OF FEES AND COSTS

#### MANAGEMENT COSTS

Management costs are expressed as a percentage of the Trust's NAV. Management costs are comprised of a Responsible Entity fee, recoverable expenses and indirect costs. Management costs do not include transactional and operational costs. For more information please see the 'Transactional and operational costs' below.

#### RESPONSIBLE ENTITY FEE

This fee is charged by the Responsible Entity for managing the Trust and making it available to investors. It is calculated and accrued daily and paid monthly in arrears from the Trust's assets.

#### RECOVERABLE EXPENSES

##### OTHER RECOVERABLE EXPENSES

These are the ordinary and everyday expenses incurred in operating the Trust and are deducted from the assets of the Trust as and when they are incurred.

The expenses normally incurred in the day-to-day operation of the Trust include custodian, fund administration, unit registry, ASX and audit costs (other than transactional costs described above).

At the date of this PDS the recoverable expenses of the Trust that will apply for the current financial year (adjusted to reflect a 12-month period) are estimated to be as set out in table 5 above.

#### IEE

In consideration for the Manager providing advisory and management services to the Trust under the Investment Management Agreement it is paid a fee called the Investor Equalisation Expense (IEE).

The IEE will be charged to the Trust as a monthly expense and is payable for a period of 10 years (unless otherwise extended by agreement of the Responsible Entity and Manager) from the date of the PDS. The IEE currently charged to the Trust (as at the date of this PDS) is 0.34% per annum of the Net Asset Value of the Trust. If the Manager is terminated any unpaid IEE and costs incurred by the Manager will be payable as outlined in section 13.1 of the PDS.



## INDIRECT COSTS

Indirect costs are any amounts that the Responsible Entity knows or where required, reasonably estimates, will reduce the Trust's returns that are paid from the Trust's assets (other than the Responsible Entity fee, recoverable expenses and transactional and operational costs described elsewhere in this section 6) or that are paid from the assets of any interposed vehicle (such as the MCP Wholesale Investments Trust or Wholesale Funds) in which the Trust may invest.

### MANAGEMENT FEES IN RESPECT OF THE MCP WHOLESALE INVESTMENTS TRUST AND WHOLESALE FUNDS

As MCP is the manager of the MCP Wholesale Investments Trust and Wholesale Funds it is entitled to receive management fees pursuant to the terms of the trust deeds and management agreements in respect of those funds. These fees are generally payable out of the assets of the MCP Wholesale Investments Trust and Wholesale Funds (as applicable).

However, MCP has agreed that no management fees will be charged by MCP as the manager of the MCP Wholesale Investments Trust (except to the extent that the MCP Wholesale Investments Trust invest directly in the assets itself). Management fees charged by MCP as manager of the Wholesale Funds are generally calculated daily and payable monthly to MCP.

At the date of this PDS the management fees of the MCP Wholesale Investments Trust and Wholesale Funds that will apply for the current financial year (adjusted to reflect a 12-month period) are estimated to be 0.22% to 0.23% per annum of the Trust's NAV<sup>49</sup>. A range has been included assuming a raise of \$nil to a maximum raise of \$381 million. This estimate of management fees in the MCP Wholesale Investments Trust and Wholesale Funds has been included in the management fees disclosed in table 5.

### PERFORMANCE RELATED FEES

MCP as manager of the MCP Real Estate Debt Fund and MCP Secured Private Debt Fund II will be entitled to a performance related fee pursuant to the terms of the trust deeds and management agreements in respect of those funds.

MCP is entitled to a performance related fee of an amount equal to 15% of the difference between the return on each unit in the relevant fund and the Hurdle (where this difference is determined by subtracting the Hurdle from the return on each unit).

For the MCP Real Estate Debt Fund the Hurdle is an amount equal to BBSW + 500bps net of fees multiplied by the net unit value (or in the first performance related fee calculation period, the issue price of the unit).

For the MCP Secured Private Debt Fund II the Hurdle is an amount equal to BBSW + 400bps net of fees multiplied by the net unit value (or in the first performance related fee calculation period, the issue price of the unit).

BBSW refers to the average mid rate for bills of exchange having a tenor of three months displayed on the 'BBSW' page of the Reuters Monitor System on the first day of the period for which the rate is to be determined.

The performance related fee is calculated and accrued daily and payable in arrears as at the end of the last Business Day of the financial year, when a unit is redeemed or the date of termination of MCP as the manager of the relevant fund. Generally, the greater the investment performance of the relevant Wholesale Fund, the greater the performance related fee and therefore the greater the overall management costs for the relevant Wholesale Fund and the Trust.

While performance related fees are payable annually in arrears, if there is a period of underperformance, MCP will not be entitled to any performance related fees until investors in the MCP Real Estate Debt Fund or MCP Secured Private Debt Fund II (as applicable) recover any underperformance. For as long as MCP is the manager of the Trust, any performance related fees that may be earned in respect of the MCP Wholesale Investments Trust's investment in the Wholesale Funds will be waived or refunded by the Manager in periods where the Target Return of the Trust has not first been achieved.

Total fees (including management and performance fees) for both funds are subject to an overall fee cap of 0.75% of net asset value.

At the date of this PDS the performance related fees of the Trust that will apply for the current financial year (adjusted to reflect a 12-month period) are estimated to be nil. This estimate of performance related fees has been included in the indirect costs disclosed in table 5.

<sup>49</sup> The difference between fees disclosed in section 1.1 and section 7.2 and the fees disclosed here reflects fees paid to entities owned and controlled by Perpetual and not the Manager.

## SECTION 7: FEES AND OTHER COSTS

### ADVISER REMUNERATION

No commissions will be paid by the Responsible Entity to financial advisers. You may incur a fee for the advice provided to you by your adviser, but this does not represent a fee that the Responsible Entity has charged you for investing in the Trust and is not an amount paid out of the assets of the Trust. The Responsible Entity recommends that you check with your adviser if you will be charged a fee for the provision of their advice.

### CAN FEES BE DIFFERENT FOR DIFFERENT INVESTORS?

The Manager and the Responsible Entity may from time to time negotiate a different fee arrangement (by way of a rebate of fees or reduced fees) with certain 'wholesale' investors or otherwise in accordance with ASIC requirements. Any fee rebates will be paid out of the assets of the Manager or the Responsible Entity (as applicable) and will not be paid from the assets of the Trust. The size of the investment and other relevant factors may be taken into account. The terms of these arrangements are at the discretion of the Manager and the Responsible Entity (as applicable).

### TRANSACTIONAL AND OPERATIONAL COSTS

Transactional and operational costs are costs related typically to transactions of the Trust and include transactional brokerage, clearing costs and stamp duty. These costs will differ according to the type of assets in the Trust and will be paid out of the Trust's assets. Transactional and operational costs are an additional cost that is not included in management costs.

The Responsible Entity estimates the Trust's transactional and operational costs to be approximately nil or 0% of the Trust's NAV for the current financial year (adjusted to reflect a 12-month period). This is because such costs are borne by borrowers. This estimate includes an estimate of any transactional and operational costs that may be incurred indirectly in the MCP Wholesale Investments Trust or any Wholesale Fund in which the Trust may invest.

### BORROWER FEES

MCP may receive additional fees from the borrowers of the relevant loans of the MCP Wholesale Investments Trust and Wholesale Funds. These fees will not be paid from the assets of the Trust but will be paid by the borrower to MCP. These fees will not be a cost to the Trust and do not affect the returns of the Trust.

### CAN THE FEES CHANGE?

All fees in this PDS can change. Reasons might include changing economic conditions and changes in regulation. Fees may also change due to an increase in GST payable or a change to RITCs entitled to be claimed by the Trust. Any estimates of fees and costs in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time. The Constitution sets the maximum amount the Responsible Entity can charge for all fees. If the Responsible Entity wishes to raise fees above the amounts allowed for in the Constitution, the Responsible Entity would need to amend the Constitution in accordance with the Corporations Act and the relevant provisions in the Constitution. The Responsible Entity will give Unitholders at least 30 days' advanced notice of any proposed change to these fees where practicable.

### MAXIMUM FEES

The maximum fees that can be charged under the Trust's Constitution (exclusive of GST) are:

- **Responsible Entity fee** – 2% per annum of the value of the assets.
- **Responsible Entity remuneration fee** – \$1000 per hour adjusted to reflect any increase in the 'All groups CPI weighted average of eight capital cities' published by the Australian Bureau of Statistics, in respect of each quarter.

### GOVERNMENT CHARGES AND TAXATION

Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs described in this section 7, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate. The fees outlined in this section 7 take into account any RITCs which may be available.

# SECTION 8: RISK FACTORS

## 8.1 RISK FACTORS

An investment in the Trust carries risk, including those specific to the Trust, those broader risks which affect the Trust and those more general risks associated with investing in the fixed income market. Many of these risks are outside the control of the Responsible Entity, Manager, and their directors and officers. Consequently, the Units offered under this PDS carry no guarantee in respect of profitability, distributions or return of capital. Neither the Responsible Entity, Manager nor their directors nor any party associated with the preparation of this PDS warrants that any specific objective of the Trust will be achieved.

In addition, to the extent that statements in this PDS constitute forward looking statements, these statements involve known and unknown risks, uncertainties and other factors that may cause the Manager's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although the Manager believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements, or that historic results will be repeated.

Investors should consider whether the Units offered by this PDS are a suitable investment, having regard to their own individual investment objectives, financial circumstances and the risk factors set out below. This list is not exhaustive, and investors should consult their professional advisers before deciding whether to apply for Units pursuant to this PDS.

The list below highlights the more significant and material risks; however, the list may not be exhaustive. Other less significant or less probable factors may also impact the financial performance, the financial position or the cash flow of the Trust. Should any or all of these risk factors materialise, the value of the Units of the Trust may be adversely affected.

Consequently, investors should read this PDS in its entirety and consider the following risk factors and, if necessary, consult their accountant, financial adviser, stockbroker, lawyer or other professional adviser prior to making an investment in the Trust.

### CREDIT AND DEFAULT RISK

Credit risk is the risk that one or more assets in which the Trust's monies have been invested may decline in price or fail to pay interest or principal when due because the credit counterparty or borrower experiences a decline in its financial status. Losses may occur because the value of the asset is affected by the creditworthiness of the borrower or by general economic and specific industry conditions.

While all debt assets are subject to credit risk, to the extent the Trust, either directly or through the MCP Wholesale Investments Trust and the Wholesale Funds, invests in sub-investment grade and un-rated debt (refer to table 1 of section 4), it will be exposed to a greater amount of credit risk than a fund that invests in investment grade rated credit assets. The prices of lower grade debt instruments are more sensitive to negative developments, such as a decline in the borrower's cash earnings or a general economic downturn, than are the prices of higher-grade debt instruments. Debt instruments of sub-investment grade quality are higher risk with respect to the counterparty's capacity to pay interest and repay principal when due and therefore involve a greater risk of default.

Default risk is the risk that a borrower defaults on their obligations, for instance by failing to make a payment due or to return the principal.

### INVESTMENT STRATEGY RISK

The Trust will invest in the MCP Wholesale Investments Trust and the MCP Wholesale Investments Trust will invest in the Wholesale Funds. As such, the Trust may be exposed to the risks that are specific to the MCP Wholesale Investments Trust and the Wholesale Funds. This may include operational risks, distribution risks, valuation risks, liquidity risks and tax risks that are specific to the MCP Wholesale Investments Trust and the Wholesale Funds.

The historic performance of the various Wholesale Funds managed by the Manager cannot be relied on as a guide to future performance of those Wholesale Funds, subsequent Wholesale Funds, the MCP Wholesale Investments Trust or the Trust. The investment strategy to be used by the Manager on behalf of the Trust includes inherent risks. These include, but are not limited to the following:

- the Trust's success and profitability is reliant upon the ability of the Manager to devise and maintain a portfolio that achieves the Trust's Investment Objective, Investment Strategy and guidelines within the parameters of the investments in which it is permitted to invest and set out in this PDS and the law;
- the ability of the Manager to continue to manage the Trust's portfolio in accordance with this PDS, its mandate and the law which may be compromised by such events as the loss of its licence or registrations; and
- the Trust's portfolio may not be as diversified as other listed investment entities.

## SECTION 8: RISK FACTORS

There is no guarantee that the investment strategy of the Trust will be managed successfully or will meet its objectives. Failure to do so could negatively impact the performance of the Trust.

The Manager may not manage the Trust in a manner that consistently meets the Trust's Investment Objective over time. In addition, either the Manager, or a key employee of the Manager, may cease to manage the Trust, requiring the Responsible Entity to find an alternative replacement manager, which may affect the Trust's success and profitability.

If the Manager ceases to manage the Trust and the Investment Management Agreement is terminated, the Responsible Entity will need to identify and engage a suitably qualified and experienced manager to manage the Trust and continue to meet the Trust's investment strategy.

### INTEREST RATE RISK

The Trust will invest, through the MCP Wholesale Investments Trust and the Wholesale Funds, primarily in floating rate instruments meaning that as the underlying base rate of these investments rises and falls, the relative attractiveness to other instruments may change.

There is a strong correlation between the RBA Cash Rate and the base rates upon which loans are priced. Absolute returns on loans therefore rise and fall largely in correlation with the RBA Cash Rate.

### CREDIT CYCLE RISK

Metrics Credit Partners operates in an industry which is influenced by both domestic and global credit cycles. Credit cycles expand and contract naturally over time in line with macroeconomic variables and are influenced by governments' fiscal and monetary policies.

During the contraction phase, serviceability and liquidity of debt can deteriorate meaning the value of debt assets could decline considerably.

### LIQUIDITY RISK

The investments of the Wholesale Funds (and therefore the MCP Wholesale Investments Trust and the Trust) are generally less liquid investments than other exchange traded instruments as the investments that the Trust is exposed to are long dated (up to 10 year terms). The ability of the Wholesale Funds to dispose of an investment will depend on market liquidity, the terms agreed with the relevant borrower and the maturity date of the loans. The liquidity of the investments in the Wholesale Funds (and therefore the MCP Wholesale Investments Trust and the Trust) will also be dependent on a borrower's ability to repay a loan.

### LEVERAGE RISK

To the extent that the MCP Wholesale Investments Trust or the Wholesale Funds use leverage to fund investments, and the counterparty to an investment was to fail to pay interest or principal when due (a payment default), the MCP Wholesale Investments Trust or the Wholesale Funds are still obliged to service their interest and principal payment obligations. The inability to do so may give rise to the MCP Wholesale Investments Trust's or underlying Wholesale Fund's loan provider taking action under the relevant facility terms to recover amounts owed. The provider would be senior to investors from a repayment perspective, and have a first claim over the loans (and associated assets) and cash flows of the MCP Wholesale Investments Trust or the Wholesale Funds.

### UTILISATION RISK

The Trust will invest (through the MCP Wholesale Investments Trust and the Wholesale Funds) in both drawn and undrawn loans that may be drawn up and down by the borrower over time. Borrowers will typically pay a margin over a floating benchmark on drawn amounts, and a percentage of that margin on the un-drawn amount. Alternatively, a borrower might pay a flat fee based on total availability in advance, and then a margin over a floating benchmark on drawn amounts. Returns will vary depending on the utilisation of such revolving loan facilities.

## ASX RELATED MARKET RISKS

Investors should be aware that there are a number of specific risks associated with Units being listed on the ASX. These risks include:

- **Unit trading price** – The trading price of any listed security may change, related to performance and matters inherent to the investment performance of the securities, but also due to external factors such as market sentiment, or a range of other factors including the presence of larger buying or selling interest in the Units. Therefore, Unitholders should expect that for periods of time, sometimes extended periods, the Units may trade below the stated underlying NAV per Unit.
- **Volatility of units** – Given that the Units in the Trust are listed on the ASX, Units may be thinly or heavily traded, and could be very volatile, irrespective of any changes in the underlying value of the investments held by the Trust. Units may also trade at a discount or premium to the NAV per Unit. There can be no guarantee that the total number of buyers multiplied by the number of Units that each buyer wants to buy at any point in time in the market will match or exceed the total number of sellers multiplied by the number of Units each seller wants to sell, or that Unitholders will be able to buy or sell Units for a price which they or the Responsible Entity believe fairly reflects the value of their Units. In addition, the NAV per Unit will fluctuate with changes in the value of the underlying investments held by the Trust.
- **ASX liquidity risk** – Units in the Trust are listed on the ASX. Although liquidity is generally expected to exist in this secondary market, there are no guarantees that an active trading market with sufficient liquidity will develop, or should it develop, that such a secondary market will sustain a price representative of the NAV per Unit. As a listed investment trust, there is no regular redemption facility for Units. That is, if a Unitholder no longer wishes to be invested in the Trust with respect to some or all of their Units, they will not have the ability to simply redeem their Units. They will be required to sell their Units on the ASX. Whilst a listed investment trust can make a withdrawal offer from time to time, it is not the current intention of the Responsible Entity to do so.
- **ASX counterparty risk** – ASX counterparty risk is the risk that when a Unitholder sells their Units on market they are relying on CHES, the central system for clearing and settling trades on the ASX, to ensure they receive their settlement proceeds as well as the risk that arises as a result of Unitholders relying on the creditworthiness of their Broker when making trades on the ASX.

## INVESTMENT RISK

The value of an investment in the Trust and/or the Trust's investments may fall over the short or long term for a number of reasons, including the risks set out in this section 8, which means that you may receive less than your original investment when you sell your Units in the Trust. The price of individual financial instruments may fluctuate or underperform other asset classes over time. An investor is exposed to these risks through the life of their holding of Units in the Trust and through the Trust's investment strategies and policies.

## MARKET AND ECONOMIC RISK

Certain events may have a negative effect on the price of all types of investments within a particular market in which the MCP Wholesale Investments Trust or the Wholesale Funds hold investments. These events may include (but are not limited to) changes in legal, tax, economic, social, technological or political conditions, laws as well as general market sentiment. Industry specific shocks relevant to underlying loan assets and general market disruption can adversely impact the value of Trust assets.

There can be no guarantee given in respect of the future earnings of the Trust or the earnings or any capital appreciation of the Trust's investments.

## INTERNATIONAL INVESTMENT AND FOREIGN CURRENCY RISK

The Trust may invest (through the MCP Wholesale Investments Trust and the Wholesale Funds) an amount of capital in foreign currency denominated assets, although any such foreign currency investments are expected to be funded by foreign currency funding facilities, limiting any foreign currency exposure.

Investing in international financial instruments poses additional risks. The performance of international financial instruments can be adversely affected by the different political, regulatory and economic environments in countries where the investments are made, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. Potentially adverse political, economic, legal and tax, or social conditions in international markets may affect the value of the Trust's investments. In addition, the laws of foreign jurisdictions may offer less legal rights and protections to holders of financial instruments in foreign entities in such foreign jurisdictions compared to the laws in Australia.

## SECTION 8: RISK FACTORS

### MANAGER AND RESPONSIBLE ENTITY REPLACEMENT

Given the illiquid nature of investment to which the Trust is exposed the votes required to remove the Manager and the Responsible Entity is set out in sections 13 and 14. If the Manager's appointment is terminated without cause, then it is entitled to either any management fee (excluding the IEE) charged by the Manager to the Trust calculated over a 12-month period or if there is no management fee the aggregate management fees that the Manager is entitled to receive in respect of the Wholesale Funds calculated over a 12-month period payable within 20 Business Days after effective termination.

If the Manager's appointment is terminated, it is entitled to be paid the unpaid IEE for the remainder of the term of appointment (had the Manager not been terminated) calculated from the date of termination and based on the NAV of the Trust at termination in addition to any costs incurred, as outlined in section 13.1. If the Manager retires, the unpaid IEE is not payable.

Certain loan investments and agreements may have change of control rights granted to third parties such as lenders. These rights can be triggered if there are significant changes in the ultimate owner of the Manager. Refer to section 13.1 for a summary of the Investment Management Agreement.

### DERIVATIVE RISK

It is not anticipated that the MCP Wholesale Investments Trust or the Wholesale Funds will use derivative instruments. Since inception of the Wholesale Funds derivatives have not been used in any of the Wholesale Funds. However, the Wholesale Funds do have the ability to use credit default swaps and other derivative instruments if the Manager determines that they are required.

### LEGAL AND REGULATORY RISK

Legal and regulatory risk is the risk that a change in government policies, laws and regulations (including taxation and accounting) may adversely affect the value of an investment in the Trust or its underlying assets.

### SERVICE PROVIDER RISK

The performance of the Trust's portfolio relies on the successful performance of the Responsible Entity's contracts with service providers. Refer to section 13 of this PDS for details on the material agreements. The Trust could be exposed to the risk of loss if a counterparty does not meet its obligations, including due to insolvency, financial distress or a dispute over the terms of the contract or the termination of any of the material agreements and there can be no assurance that the Responsible Entity would be successful in enforcing its contractual rights. In the case of a counterparty default, the Trust may also be exposed to adverse market movements while the Responsible Entity sources replacement service providers.

### DISTRIBUTION RISK

The Trust's ability to pay a distribution is contingent on the income it receives from the MCP Wholesale Investments Trust and the Wholesale Funds. No guarantee can be given concerning the future earnings of the Trust, the earnings or capital appreciation of the Trust's portfolio or the return of your investment. The Manager may make poor investment decisions which may result in the Trust's return being inadequate to pay distributions to Unitholders. The distribution policy of the Trust will depend on the distribution policy set by the MCP Wholesale Investments Trust and the Wholesale Funds. Any delay in distributions being made by the MCP Wholesale Investments Trust or the Wholesale Funds may cause delays in distributions made by the Trust to investors.

### POTENTIAL CONFLICTS OF INTEREST

The Manager is also the manager to other funds and accounts not described in this PDS. While the Manager has implemented policies and procedures to identify and mitigate conflicts of interest, it is possible therefore that the Manager may, in the course of its business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Trust and its Unitholders.

The Trust will only be exposed to investments managed by MCP and as such MCP may benefit from such investments as set out in section 7. Other parties may have interests that diverge from that of MCP and the Trust which may have an adverse effect on Unitholders.

There may be potential conflicts in entities within the Perpetual Group acting in various capacities in this structure (ie Responsible Entity, Trustee and Custodian) and Perpetual Group entities acting in similar roles for other funds.

## REGULATORY APPROVALS

All regulatory approvals for the continued operation of the Trust, including licenses or exemptions from licensing for the Manager have been obtained and the Responsible Entity and Manager are not aware of any circumstances which might give rise to the cancellation or suspension of any of those approvals. If any of the approvals are cancelled or suspended, the Trust may be adversely affected.

## LITIGATION RISKS

From time to time, the Responsible Entity may be involved in litigation. This litigation may include, but is not limited to, contractual claims. If a claim is pursued against the Responsible Entity, the litigation may adversely impact on the profits and financial performance of the Trust. Any claim, whether successful or not, may adversely impact on the Trust's Unit price and/or the return on your investment.

## CYBER RISK

There is a risk of fraud, data loss, business disruption or damage to the information of the Trust or to investors' personal information as a result of a threat or failure to protect this information or data.

## REDUCTION OF VOTING INTEREST RISK

On completion of the Entitlement Offer, the Responsible Entity will issue New Units to Unitholders who take up their Entitlement under the Entitlement Offer, together with any Additional New Units under the Oversubscription Facility and New Units under the Shortfall Offer, to the extent there is a shortfall under the Entitlement Offer. As a result, the total number of Units on issue will increase. If Unitholders do not take up their Entitlement Offer, their percentage voting interest in the Trust will decrease. This is because the Offer will increase the total number of Units on issue while the holdings of non-participating Unitholders will remain the same.

## GENERAL RISKS

The performance and profitability of the Trust may be affected by many factors including the fact that the value of the portfolio in which the Trust invests may vary over time. This may result in either an increase or decrease in the value of Units and ultimately the value of your investment, which may result in the loss of income and the principal you initially invested.

Other factors which may impact on the value of the Units include asset risk, concentration risk, credit risk, counter-party risk, Manager risk, risks pertaining to the engagement of the Manager, the ability of the Manager to invest in well-managed companies which have the ability to service and repay their loans and retention of key personnel of the Manager risk.

The Responsible Entity, the Manager, the Joint Lead Managers, Co-Managers, Distribution Partner and Financial Adviser to the Offer do not guarantee the return of capital, any rate of return in terms of income or capital or the investment performance of the Trust.

## 8.2 TIMEFRAME FOR INVESTMENT

Investors are strongly advised to regard any investment in the Trust as a medium-term proposition (one year or more) and to be aware that, as with any investment, substantial fluctuations in the value of their investment may occur over that period and beyond.

# SECTION 9: BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

## 9.1 CORPORATE GOVERNANCE

Responsibility for the Trust's proper corporate governance rests with the Responsible Entity. The Responsible Entity's guiding principle in meeting this responsibility is to act honestly, in good faith and in the best interests of the Trust as a whole.

The Responsible Entity has entered into an Investment Management Agreement with the Manager pursuant to which the Manager will provide certain investment management services to the Trust.

The Responsible Entity, with reliance upon the Manager, will monitor the operational and financial position and performance of the Trust. The Directors of the Responsible Entity are committed to implementing high standards of corporate governance in operating the Trust.

Accordingly, the Responsible Entity has created a framework for managing the Trust, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Trust's business and which are designed to promote the responsible management and conduct of the Trust. Under the Investment Management Agreement, the Manager agrees to assist the Responsible Entity to comply with all relevant laws, including the Listing Rules and the Corporations Act.

The Responsible Entity is a wholly-owned subsidiary of Perpetual.

The Responsible Entity is reliant on Perpetual for access to adequate resources, including directors, management, staff, functional support (such as company secretarial, responsible managers, legal, compliance and risk, finance) and financial resources. Perpetual has made such resources available to the Responsible Entity.

## 9.2 CORPORATE GOVERNANCE POLICIES

The Responsible Entity has adopted the following policies and charters, which have been prepared having regard to the ASX Corporate Governance Principles and Recommendations

- **Code of Conduct** – This policy sets out the standards of ethical behaviour and integrity that the Responsible Entity expects from its Directors, officers and any employees.
- **Continuous Disclosure Policy** – The Trust must comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Trust discloses to the ASX any information concerning the Trust which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Units. This policy sets out the Trust's procedures and measures which are designed to ensure that the Trust complies with its continuous disclosure obligations.
- **Risk Framework** – This framework is designed to assist the Trust to identify, evaluate, monitor and manage risks affecting the Trust's business.
- **Securities Trading Policy** – This policy is designed to maintain investor confidence in the integrity of the Responsible Entity's internal controls and procedures and in particular to provide guidance to Directors, executives and any employees on avoiding any conflicts of interest or breaches of insider trading laws.
- **Communications Policy** – This policy sets out the practices which the Trust will implement to ensure effective and efficient communication with its Unitholders.
- **Diversity Policy** – This policy sets out the Trust's objectives for achieving diversity amongst its Directors, executives and any employees.
- **Compliance Plan** – Sets out the procedures for the Responsible Entity to comply with the Corporations Act and the Constitution. This plan is overseen by a Compliance Committee and the Responsible Entity's compliance with it is audited annually.
- **Compliance Committee** – The Responsible Entity has established the Compliance Committee with a majority of external members. A Compliance Committee charter governs the key aspects of the Compliance Committee.



## COMPLIANCE COMMITTEE MEMBERS

### VIRGINIA MALLEY

Virginia has 32 years' experience in the investment and banking sectors, including 16 years' experience as a company director. Her areas of expertise are regulatory compliance, financial and environmental markets and governance, and risk management.

Virginia is a non-executive director of Perpetual Superannuation Limited; a member of several Perpetual compliance committees and the Sydney Airport Trust compliance committee; and member of the clean energy regulator. She is also Deputy Chair of the Biodiversity Conservation Trust of New South Wales.

Virginia was previously the Chief Risk Officer and member of the Clean Technology, Asia/Pacific, Private Equity and Global/Advisory Investment Committees at Macquarie Funds Management Group. She oversaw the risk management of portfolios investing in clean technologies, listed equities, derivatives, currencies and private equity.

Virginia is a Fellow of the Australian Institute of Company Directors. She holds a Bachelor of Arts and a Master of Applied Finance from Macquarie University, a Master of Laws from the University of Sydney, and a Juris Doctor from the University of Technology, Sydney.

### MICHELENE COLLOPY

Michelene is Chair of Perpetual Superannuation Limited as an independent director and a member of its Audit and Risk Committee. Michelene is an experienced professional in funds management, treasury, risk management, compliance, and corporate governance, with over 20 years' experience in financial markets.

Michelene holds a Bachelor of Economics degree from Australian National University and is a Chartered Accountant. Michelene also holds a Financial Planning Accreditation from Deakin University, is a Financial Planning Specialist with the Institute of Chartered Accountants and a Fellow of the Australian Institute of Company Directors.

Michelene is a director of Teachers Mutual Bank and a Council Member of the University of Technology Sydney.

### MICHAEL VAINAUSKAS

Please refer to Michael's biography in section 5.2.

## 9.3 ASX CORPORATE GOVERNANCE PRINCIPLES

The Responsible Entity has evaluated the Trust's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations. A brief summary of the approach currently adopted by the Trust is set out below.

### PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The role of the Responsible Entity's Board is generally to set objectives and goals for the operation of the Responsible Entity and the Trust, to oversee the Responsible Entity's management, to regularly review performance and to monitor the Responsible Entity's affairs acting in the best interests of the Trust as a whole. The Responsible Entity's Board is accountable to the Unitholders, and is responsible for approving the Responsible Entity's overall objectives and overseeing their implementation in discharging their duties and obligations and operating the Trust.

The role of the Responsible Entity's management is to manage the business of the Responsible Entity in operating the Trust. The Responsible Entity's Board delegates to management all matters not reserved to the Responsible Entity Board, including the day-to-day management of the Responsible Entity and the operation of the Trust. Directors, management and staff are guided by Perpetual's Code of Conduct which is designed to assist them in making ethical business decisions.

## SECTION 9: BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

### PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

At present the Responsible Entity's Board consists of three executive Directors and three alternate Directors. The names of the current Directors and year of appointment is provided below:

NAME OF DIRECTOR	YEAR OF APPOINTMENT
Christopher Green	2014
Michael Vainauskas	2015
Glenn Foster	2015
Vikki Riggio (Alternate)	2016
Andrew McIver (Alternate)	2017
Gillian Larkins (Alternate)	2017

As the Responsible Entity Board consists of only executive Directors, a Compliance Committee is appointed in relation to the Trust (refer to Principle 7). The Compliance Committee has a majority of independent members and is chaired by an independent member who is not the chair of the Responsible Entity's Board.

### PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

The Responsible Entity has a Code of Conduct and espoused Core Values and a further values framework known as the 'Way we Work' within which it carries on its business and deals with its stakeholders. These apply to all directors and employees of Perpetual, and the Responsible Entity. The Code of Conduct and Core Values supports all aspects of the way the Responsible Entity conducts its business and is embedded into Perpetual's performance management process. The Code of Conduct is available on Perpetual's website ([www.perpetual.com.au](http://www.perpetual.com.au)).

### PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The functions of an audit committee are undertaken by the full Board of the Responsible Entity with assistance from the Responsible Entity's management.

The declarations under section 295A of the Corporations Act provide formal statements to the Responsible Entity Board in relation to the Trust (refer to Principle 7). The declarations confirm the matters required by the Act in connection with financial reporting. The Responsible Entity receives confirmations from the service providers involved in financial reporting and management of the Trust, including the Manager, which assist its staff in making the declarations provided under section 295A of the Corporations Act.

The Responsible Entity manages the engagement and monitoring of independent external auditors for the Trust. The Responsible Entity Board receives periodic reports from the external auditors in relation to financial reporting and the compliance plan for the Trust.

### PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

The Responsible Entity has a continuous disclosure policy to ensure compliance with the continuous disclosure requirements of the Corporations Act and the Listing Rules in relation to the Trust. The policy requires timely disclosure of information to be reported to the Responsible Entity's management and/or Directors to ensure that information that a reasonable person would expect to have a material effect on the unit price, or would influence an investment decision in relation to any of the Trust, is disclosed to the market. The Responsible Entity's employees assist management and/or the Directors in making disclosures to the ASX after appropriate Responsible Entity Board consultation. The Responsible Entity requires service providers, including the Manager, to comply with its policy in relation to continuous disclosure for the Trust.

## PRINCIPLE 6 – RESPECT THE RIGHTS OF UNITHOLDERS

The Responsible Entity is committed to ensuring timely and accurate information about the Trust is available to security holders via the Manager's website. All ASX announcements will be promptly posted on the Manager's website: [www.metricscredit.com.au](http://www.metricscredit.com.au). The annual and half year financial results statements and other communication materials are also published on the website.

In addition to the continuous disclosure obligations, the Responsible Entity receives and responds to formal and informal communications from Unitholders and convenes formal and informal meetings of Unitholders as requested or required. The Responsible Entity has an active program for effective communication with Unitholders and other stakeholders in relation to the Trust.

The Responsible Entity handles any complaints received from Unitholders in accordance with Perpetual's Complaints Handling Policy. The Responsible Entity is a member of the Financial Ombudsman Service, an independent dispute resolution body, which is available to Unitholders in the event that any complaints in relation to the Trust cannot be satisfactorily resolved by the Responsible Entity.

## PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

The Responsible Entity values the importance of robust risk management systems and maintains a current risk register as part of its formal risk management program. The Responsible Entity has established a Compliance Committee, comprised of Virginia Malley, Michelene Collopy and Michael Vainauskas. The Compliance Committee meets at least quarterly. The Compliance Committee charter sets out the Compliance Committee's role and responsibilities. The Compliance Committee is responsible for compliance matters regarding the Responsible Entity's Compliance Plan and Constitution and the Corporations Act. Perpetual's Audit, Risk and Compliance Committee is responsible for oversight of Perpetual's risk management and internal control systems. The Audit, Risk and Compliance Committee is comprised of Ian Hammond, Philip Bullock, Nancy Fox and Craig Ueland. The Audit, Risk and Compliance Committee terms of reference sets out its role and responsibilities. This can be obtained on the Perpetual website. The majority of the Compliance Committee and the Audit, Risk and Compliance Committee members are independent. They are chaired by independent members.

The Responsible Entity manages the engagement and monitoring of independent external auditors for the Trust. The Responsible Entity Board receives periodic reports in relation to financial reporting and the compliance plan audit outcomes for the Trust.

Perpetual has a risk management framework in place which is reviewed annually. The declarations under section 295A of the Corporations Act provide assurance regarding sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. The Responsible Entity also receives appropriate declarations from the service providers involved in financial reporting.

Perpetual has an internal audit function which reports to Perpetual's Audit, Risk and Compliance Committee and for administrative purposes, the Perpetual Chief Risk Officer, and is independent from the external auditor. Perpetual's Audit and Risk Compliance Committee reviews the annual Internal Audit Plan and also reviews reports issued by the Head of Internal Audit.

The Manager has a formal Environmental, Social and Governance (ESG) Policy in place. Please refer to section 5.4 for further details on the Manager's ESG Policy.

## PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

The fees and expenses which the Responsible Entity is permitted to pay out of the assets of the Trust are set out in the Trust's Constitution. The Trust's financial statements provide details of all fees and expenses paid by the Trust during a financial period.

# SECTION 10: FINANCIAL INFORMATION

## INTRODUCTION

The Trust was established on 14 July 2017 and listed on the ASX on 9 October 2017. Below is a brief outline of the key developments since the trust listed on the ASX:

### KEY MILESTONE

Funds Raised in IPO		\$516,180,370
Units Allotted on 5 October 2017		258,090,185
NTA at IPO allotment – 5 October 2017		\$2.00 / unit
Deployment of Funds since 5 October 2017:		
– Loan drawdown amount		\$13,899,692
– MCP Wholesale Investments Trust (Retained cash)		\$22,280,678
– REDF		\$100,000,000
– SPDF II		\$75,000,000
– DASLF		\$305,000,000
December 2017 Distribution (Paid in January 2018)*	\$0.02186 / Unit	\$5,641,851
31 December 2017 NTA**		\$2.00 / unit
January 2018 Distribution (Paid in February 2018)	\$0.0081 / Unit	\$2,090,531
31 January 2018 NTA		\$2.0103 / unit
February 2018 Distribution (To be paid in March 2018)	\$0.0073 / Unit	\$1,884,058

\* December distribution payable in January has been included as a payable in the Historical Statement of Financial Position (See section 10.1).

\*\* As per reviewed interim financial report.

Refer to section 5 for further information.

This section contains a summary of the Historical and Pro Forma Historical Financial Information of the Trust, which includes:

- Historical and Pro Forma Historical Statement of Financial Position as at 31 December 2017 (see section 10.1);
- Historical Statement of Comprehensive Income for the period ended 31 December 2017 (see section 10.2);
- Historical and Pro Forma Historical Statements of Cash Flows for the period ended 31 December 2017 (see section 10.3);
- The Material assumptions used in the preparation of the Pro Forma Historical Financial Information (see section 10.4);
- Historical and Pro Forma Historical Capital structure of the Trust on completion of the Offer (see section 10.5);
- Historical and Pro Forma Historical Cash balance of the Trust on completion of the Offer (see section 10.6);
- Historical and Pro Forma Historical Manager Loan balance on completion of the Offer (see section 10.7); and
- Significant accounting policies of the Trust (see section 10.8).

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of MCP Master Income Trust, after adjusting for the effects of the Entitlement Offer ("pro forma adjustments"). The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the interim financial report of MCP Master Income Trust for the half year ended 31 December 2017, which was reviewed by KPMG in accordance with the Australian Auditing Standards and is available for review on the ASX. KPMG issued an unmodified review conclusion on the financial report.

All amounts disclosed in this section are presented in Australian dollars.

The Historical and Pro Forma Historical Financial Information has been reviewed by Pitcher Partners, which has provided an Investigating Accountant's Report on the Historical and Pro Forma Historical Financial Information in section 12.

The information in this section should also be read in conjunction with the Risk Factors set out in section 8 and other information contained in this PDS.

## 10.1 HISTORICAL AND PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION

The Historical and Pro Forma Historical Statement of Financial Position set out below has been prepared to illustrate the financial position of the Trust following completion of the Offer. The pro forma balances has been derived from the Historical Financial Information and adjusted for the pro forma adjustments with respect to the Offer as if such events had occurred as at 31 December 2017.

The Historical and Pro Forma Historical Statement of Financial Position is intended to be illustrative only and will not reflect the actual position and balances as at the date of this PDS or at the Completion of the Offer. The Historical and Pro Forma Historical Statement of Financial Position has been prepared in accordance with the principles and significant accounting policies set out in section 10.8.

		HISTORICAL STATEMENT OF FINANCIAL POSITION	PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION	
	NOTES	AS AT 31 DECEMBER 2017 (\$'000)	SUBSCRIPTION (\$304 MILLION) ('\$'000)	MAXIMUM SUBSCRIPTION (\$381 MILLION) ('\$'000)
<b>ASSETS</b>				
Cash and cash equivalents	10.6	96	295,096	370,096
Receivables		69	69	69
Financial Assets	10.7	522,325	531,325	533,325
<b>Total Assets</b>		<b>522,490</b>	<b>826,490</b>	<b>903,490</b>
<b>LIABILITIES</b>				
Distributions payable		5,642	5,642	5,642
Payables		66	66	66
<b>Total liabilities</b>		<b>5,708</b>	<b>5,708</b>	<b>5,708</b>
<b>Net Assets attributable to unitholders – equity</b>		<b>516,782</b>	<b>820,782</b>	<b>897,782</b>

## SECTION 10: FINANCIAL INFORMATION

### 10.2 HISTORICAL STATEMENT OF COMPREHENSIVE INCOME

The Historical Statement of Comprehensive Income set out below has been included to illustrate the financial performance of the Trust for the period from 26 July 2017 to 31 December 2017. There are no pro forma adjustments affecting the balances as at 31 December 2017.

	FOR THE PERIOD 26 JULY 2017 TO 31 DECEMBER 2017 (\$'000)
<b>INVESTMENT INCOME</b>	
Interest income	347
Distribution Income	6,429
<b>Total investment income</b>	<b>6,776</b>
<b>EXPENSES</b>	
Responsible entity fees	42
Investor equalisation expense	434
Administrative expenses	56
<b>Total Expenses</b>	<b>532</b>
<b>Profit/(loss)</b>	<b>6,244</b>
Other comprehensive income	–
<b>Total comprehensive income/(loss) for the period</b>	<b>–</b>
<b>EARNINGS PER UNIT FOR PROFIT ATTRIBUTABLE TO UNITHOLDERS OF THE TRUST</b>	
Basic and diluted gain/(loss) per unit (cents)	2.42

### 10.3 HISTORICAL AND PRO FORMA HISTORICAL STATEMENTS OF CASH FLOWS

The Historical and Pro Forma Historical Statement of Cash Flows set out below have been prepared to illustrate the financial performance of the Trust for the period from 26 July 2017 to 31 December 2017 and following completion of the Offer. The pro forma balances have been derived from the Historical Financial Information and adjusted for the pro forma adjustments which includes the expenditure of funds associated with the Offer as if such events had occurred as at 31 December 2017.

The Historical and Pro Forma Historical Statement of Cash Flows is intended to be illustrative only and will not reflect the actual position and balances as at the date of this PDS or at the Completion of the Offer. The Historical and Pro Forma Historical Statement of Cash Flows has been prepared in accordance with the principles and significant accounting policies set out in section 10.8.

		HISTORICAL STATEMENT OF CASH FLOWS	PRO FORMA HISTORICAL STATEMENT OF CASH FLOWS	
	NOTES	FOR THE PERIOD 26 JULY 2017 TO 31 DECEMBER 2017 (\$'000)	SUBSCRIPTION (\$304 MILLION) (\$'000)	MAXIMUM SUBSCRIPTION (\$381 MILLION) (\$'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Interest received		179	179	179
Net investor equalisation expense		31	31	31
Administrative expenses paid		(37)	(37)	(37)
Other expenses paid		(76)	(76)	(76)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>97</b>	<b>97</b>	<b>97</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of financial assets	10.7	(516,181)	(525,181)	(527,181)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(516,181)</b>	<b>(525,181)</b>	<b>(527,181)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from application by unitholders	10.5	516,180	820,180	897,180
<b>Net cash inflow/(outflow) from financing activities</b>		<b>516,180</b>	<b>820,180</b>	<b>897,180</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>96</b>	<b>295,096</b>	<b>370,096</b>
Cash and cash equivalents at the beginning of the period		–	–	–
<b>Cash and cash equivalents at the end of the period</b>	<b>10.6</b>	<b>96</b>	<b>295,096</b>	<b>370,096</b>

## SECTION 10: FINANCIAL INFORMATION

### 10.4 MATERIAL ASSUMPTIONS IN PREPARATION OF THE PRO FORMA HISTORICAL FINANCIAL INFORMATION

The Pro Forma Historical Financial Information has been prepared on the basis of the following assumptions by the Directors of the Trust:

- a) application of the significant accounting policies set out in section 10.8;
- b) the column headed "Subscription \$304 million", has been prepared on the basis of subscriptions for 152 million Units by participants in the offer under this PDS at an issue price of \$2.00 per Unit;
- c) the column headed "Maximum Subscription \$381 million", has been prepared on the basis of subscriptions of 190.5 million Units by participants in the offer under this PDS at an issue price of \$2.00 per Unit;
- d) Expenses of the Offer are to be paid by the Manager (refer to section 10.7).
- e) For the purpose of the Manager Loan Receivable to MCP in the Pro Forma Historical Statements of Financial Position, the Manager has estimated their intended drawdown.
- f) No adjustment has been made to the pro forma statement of financial position and pro forma statement of cash flows for the following:
  - i. distributions to unitholders accrued at 31 December 2017 and paid on 12 January 2018;
  - ii. distributions notified on 25 January 2018 and paid on 8 February 2018;
  - iii. income earned, and expenses accrued since 31 December 2017; and
  - iv. distribution notified on 23 February 2018 and payable on 8 March 2018.

### 10.5 HISTORICAL AND PRO FORMA HISTORICAL CAPITAL STRUCTURE

Set out below is the anticipated pro forma capital structure of the Trust on completion of the Offer under the different indicated subscription amounts.

	HISTORICAL	PRO FORMA HISTORICAL	
	REVIEWED 31 DECEMBER 2017 ACCOUNTS (UNITS)	SUBSCRIPTION (\$304 MILLION) (UNITS)	MAXIMUM SUBSCRIPTION (\$381 MILLION) (UNITS)
As at 31 December 2017 ('000)	258,090	258,090	258,090
Pro Forma Adjustment – Capital Raising ('000)	–	152,000	190,500
<b>Pro Forma Balance ('000)</b>	<b>258,090</b>	<b>410,090</b>	<b>448,590</b>
NTA per Unit <sup>50</sup>	\$2.00	\$2.00	\$2.00

<sup>50</sup> NTA is calculated as the Trust's net assets position attributable to unitholders in the Pro Forma Historical Financial Information in section 10.1 divided by the corresponding indicated subscription amounts.



## 10.6 HISTORICAL AND PRO FORMA HISTORICAL CASH

Set out below is a reconciliation of the pro forma cash balance under the different indicated subscription amounts

	REVIEWED 31 DECEMBER 2017 ACCOUNTS (\$'000)	SUBSCRIPTION (\$304 MILLION) (\$'000)	MAXIMUM SUBSCRIPTION (\$381 MILLION) (\$'000)
As at 31 December 2017	96	96	96
Pro Forma Adjustment – Estimated Unit allotment from Offer	–	304,000	381,000
Pro Forma Adjustment – Loan drawdown	–	(9,000)	(11,000)
<b>Pro Forma Balance</b>	<b>96</b>	<b>295,096</b>	<b>370,096</b>

## 10.7 HISTORICAL AND PRO FORMA HISTORICAL MANAGER LOAN

The Manager will drawdown out of the Trust property an amount estimated below under the different indicated subscription amounts.

	REVIEWED 31 DECEMBER 2017 ACCOUNTS (\$'000)	SUBSCRIPTION (\$304 MILLION) (\$'000)	MAXIMUM SUBSCRIPTION (\$381 MILLION) (\$'000)
As at 31 December 2017	13,615	13,615	13,615
Pro Forma Adjustment – Loan drawdown	–	9,000	11,000
<b>Pro Forma Balance</b>	<b>13,615</b>	<b>22,615</b>	<b>24,615</b>

## 10.8 SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies that have been adopted in the preparation of the Pro Forma Historical Financial Information set out in section 10.1, and which will be adopted prospectively in preparation of the financial statements of the Trust for the financial year ending 30 June each year, is set out as follows.

The Historical and Pro Forma Historical Financial Information has been prepared in accordance with Australian Accounting Standards and interpretations and other authoritative pronouncements of the Accounting Standards Board (AASB), and the Corporations Act.

Australian Accounting Standards set out an accounting framework that the AASB have concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the unaudited Historical and Pro Forma Historical Statements of Financial Information and notes also comply with the recognition and measurement requirements of International Financial Reporting Standards. Accounting policies are in line with what has been disclosed in the interim accounts reviewed by KPMG, The Manager Loan's recognition and measurement is in accordance with AASB 139 and is covered in Financial Instruments accounting policy noted below, specifically "Held to maturity Investments".

The financial information presented in this PDS is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual report prepared in accordance with Australian Accounting Standards. The Historical and Pro Forma Historical Financial Information have been prepared on the basis of assumptions outlined in this section 10.4.

All amounts disclosed in this section are presented in Australian dollars.

# SECTION 10: FINANCIAL INFORMATION

## BASIS OF PREPARATION

The Pro Forma Historical Financial Information has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Historical and Pro Forma Historical Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to Unitholders and loans. The amount to be recovered or settled in relation to these balances remain subject to the performance of the Trust and its operations in accordance with the Constitution. That is, dealing in assets ahead of the contracted maturity date may be required in circumstances where a Unitholder seeks to redeem. As such the Trust is operated by the Manager to ensure financial assets are held at fair value and that sufficient liquidity can be accommodated from the dealing in Trust assets should a Unitholder request a redemption. In circumstances where Unitholders do not seek to redeem the Manager expects to hold investments in accordance with the contracted provisions of the financial assets held.

## FUNCTIONAL AND PRESENTATION CURRENCY

The Historical and Pro Forma Historical Financial Information is presented in Australian dollars, which is the Trust's functional currency.

## USE OF ESTIMATES AND JUDGEMENTS

The preparation of the Pro Forma Historical Financial Information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## FINANCIAL INSTRUMENTS

### CLASSIFICATION

The Trust's investments are categorised as either fair value through profit or loss or held to maturity in accordance with AASB 139 Financial Instruments: *Recognition and Measurement*, which is comprised of financial instruments designated as at fair value through profit or loss upon initial recognition.

These include financial assets and liabilities that are not held for trading purposes but may be sold. All financial assets held in the Trust are managed by the Manager at their own discretion as disclosed in the PDS including investments in corporate loans and other associated debt instruments.

### FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

This category has two sub-categories: financial assets and liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition. A financial asset or liability is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by the Manager.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed, and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis and together with other related financial information. The information on the fair value basis is provided internally to the Trust's key management personnel.

### HELD TO MATURITY INVESTMENTS

Held to maturity investments are with fixed or determinable payments and fixed maturities and it is the Manager's positive intention and ability to hold to maturity.

## RECOGNITION/DERECOGNITION

The Trust recognises financial assets and financial liabilities on the date on which a contract is entered and settled (trade date). The financial instruments held at fair value through profit and loss are initially recognised at fair value and subsequently remeasured daily at fair value. The financial instruments held to maturity are initially recognised at fair value and subsequently amortised using the effective interest rate method.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass through’ agreement; or
- the Trust has transferred its rights to receive cash flows from the asset and either:
  - a) has transferred substantially all the risks and rewards of the asset; or
  - b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Any gains or losses arising on derecognition of the asset held at fair value through profit and loss (calculated as the difference between the disposal proceeds and the carrying amount of the asset) are included in the condensed statement of comprehensive income in the year the asset is derecognised as realised gains or losses on financial instruments.

## MEASUREMENT

### FINANCIAL ASSETS AND LIABILITIES HELD AT FAIR VALUE THROUGH PROFIT AND LOSS.

At initial recognition, financial assets and liabilities held at fair value through profit or loss are measured at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, less impairment losses if any. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed in the statement of comprehensive income immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are remeasured daily at fair value with changes in their fair value recognised in profit or loss. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is calculated as the present value of expected cash flows arising from the asset having regard to current market prices and returns for assets of comparable credit quality, terms and contracted remaining term to maturity.

### HELD TO MATURITY INVESTMENTS

At initial recognition, held to maturity investments are measured at fair value plus any transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability, less impairment losses if any.

Subsequent to initial recognition, all instruments held to maturity are amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. If in a subsequent period the amount of an impairment loss previously recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income. The Trust assesses impairment losses on a specific basis. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the income or expense from fees, premiums and discounts over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

## SECTION 10: FINANCIAL INFORMATION

### OTHER FINANCIAL ASSETS AND LIABILITIES

Management considers that the carrying amount of cash and cash equivalents and other receivables approximate fair value.

Other financial liabilities are initially measured at fair value and subsequently at amortised cost. Management considers the carrying amount of payables approximate fair value.

### OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### NET ASSETS ATTRIBUTABLE TO UNITHOLDERS – EQUITY

Units in the Trust are intended to be listed on the ASX and traded by unitholders and are therefore classified as equity. The units can be traded on the ASX at any time for cash based on listed price. While the Trust is a listed investment and liquidity is generally expected to exist in the secondary market (ASX), there are no guarantees that an active trading market with sufficient liquidity will be available. In addition to being traded, request for redemption to the responsible Entity may be made, however redemption is dependent on the Responsible Entity's discretion.

### CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as a liability on the statement of financial position.

### INVESTMENT INCOME

The Trust generates interest income from its investments in financial assets, loans, and cash investments. Interest income is recognised daily as it accrues, taking into account the actual interest rate on the financial asset and is recognised in profit or loss.

### EXPENSES

All expenses, including Manager's fees, are recognised in the statement of comprehensive income on an accruals basis.

Interest expense is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

### INCOME TAX

Under current legislation, the Trust is not subject to income tax provided the taxable income of the Trust is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Trust). Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Trust is not subject to capital gains tax. Realised net capital losses are not distributed to Unitholders but are retained in the Trust to be offset against any realised capital gains in future years. If realised capital gains exceed realised capital losses, the excess is distributed to Unitholders.

### PAYABLES

Payables include liabilities and accrued expenses owing by the Trust which are unpaid as at the end of the reporting period. The distribution amount payable to unitholders as at the reporting date is recognised separately in the statement of financial position as unitholders are presently entitled to the distributable income as at 31 December 2017 under the Trust's Constitution.

#### **GOODS AND SERVICES TAX (GST)**

The GST incurred on the costs of various services provided to the Trust by third parties such as audit fees, custodial services and investment management fees have been passed onto the Trust. The Trust qualifies for RITC hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis. Accounts payable are inclusive of GST.

#### **APPLICATIONS AND REDEMPTIONS**

Applications received for units in the Trust are recorded net of any transaction costs payable prior to the issuance of Units in the Trust.

In accordance with the Constitution, the Responsible Entity may determine to reject a redemption request in its absolute discretion. The redemption transaction costs are an estimate by the Responsible Entity of the total transaction cost the Trust would incur selling the Trust Property/Units. If appropriate the Responsible Entity may apply estimate redemption transaction costs in regard to the actual cost incurred from the redemption. If the Responsible Entity makes no estimate, the redemption transaction costs are zero.

#### **DISTRIBUTIONS**

In accordance with the Trust's Constitution, the Trust distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of changes in equity as equity.

# SECTION 11: TAXATION INFORMATION

## AUSTRALIAN TAXATION IMPLICATIONS

The comments in this section 11 are based on the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth), *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the relevant stamp duties legislation as at the date of this PDS.

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Trust and assumes that you hold your investment in the Trust on capital account and are not considered to be carrying on a business of investing, trading in investments, or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ.

This summary is based on the taxation laws as at the date of this PDS. Investing in a registered managed investment scheme is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Unitholders concerned. It is recommended that Unitholders seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Trust.

## AUSTRALIAN TAXATION TREATMENT OF THE TRUST

### GENERAL

The income tax treatment of the Trust and its Unitholders will depend on whether the Responsible Entity is eligible, and elects to apply the Attribution Managed Investment Trust (**AMIT**) provisions. The AMIT provisions are an elective income tax regime for qualifying managed investment trusts (**MIT**) that provide for flow-through taxation to Unitholders. Where the Trust qualifies as a MIT for income tax purposes, the Responsible Entity may seek to make an election to treat the disposal of covered assets (including units) on capital account. Where the AMIT provisions do not apply, the ordinary trust taxation provisions will apply to the Trust. While the AMIT provisions are not expected to materially change the way in which Unitholders would be taxed (as compared to the ordinary trust taxation provisions), the AMIT provisions are intended to provide more certainty on the application of the income tax provisions to the Trust and its Unitholders.

It is expected that the Trust will meet the eligibility requirement to qualify as an AMIT. In this event, the Responsible Entity intends to make the election to become an AMIT.

If the Trust cannot elect into the AMIT rules, the general taxation rules on trusts will continue to apply to the Trust and the Trust can continue to be treated as a flow-through vehicle provided that the Trust will conduct solely eligible investment business and will not control any trading business as defined in the income tax legislation. It is intended that investors will be presently entitled to all of the income of the Trust for each financial year such that no taxation liability will accrue to the Responsible Entity.

### ATTRIBUTION MANAGED INVESTMENT TRUSTS

In May 2016, the Australian Federal Government enacted legislation establishing a new tax system for AMITs. Trusts that meet the eligibility criteria and that have made an irrevocable election may apply the AMIT rules. The Responsible Entity intends on making an irrevocable election to apply the new AMIT provisions and therefore if this election is made, the following will apply:

#### FAIR AND REASONABLE ATTRIBUTION

Each year, the Trust's determined trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be attributed to Unitholders on a 'fair and reasonable' basis, having regard to their income and capital entitlements in accordance with constituent documents.

#### UNDERS OR OVERS ADJUSTMENTS

Where the Trust's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

#### COST BASE ADJUSTMENTS

Where the distribution made is less than (or more than) certain components attributed to Unitholders, then the cost base of a Unitholder's units may be increased (or decreased). Details of net annual tax cost base adjustments will be included on a Unitholder's annual tax statement, referred to as an AMIT Member Annual Statement (**AMMA**).

## **LARGE REDEMPTIONS**

In certain circumstances, gains may be attributed to a specific Unitholder, for example, gains on disposal of assets to fund a large redemption being attributed to the redeeming Unitholder.

## **MULTI-CLASS AMITS**

A choice is available to elect to treat separate classes of units as separate AMITs, where applicable. The purpose of this election is to quarantine the income tax calculation on a class-by-class basis. This can allow income, deductions and tax losses referable to a class of Units to be quarantined in that class, so that they are not spread to Unitholders holding other classes of Units. In the absence of the Trust being an AMIT and having made the multi-class election, the tax treatment of each Unitholder may differ significantly (see below).

## **NON-AMIT PROVISIONS**

On the basis that Unitholders are presently entitled to all of the Trust's distributable income (which is the Responsible Entity's intention) and the Trust is not a public trading trust, the Trust should be treated as a flow-through trust for tax purposes. This means that Unitholders should be taxed on their share of the Trust's net taxable income, and the Trust should not be subject to Australian income tax.

## **MULTI-CLASS NON-AMITS**

In the absence of an AMIT multi-class election being made, the Trust is treated as a single taxpayer. As the classes are not treated as separate taxpayers, it is possible under the current taxation regime that the tax character of distributions made to a particular class may be impacted by transactions associated with another class.

## **PUBLIC TRADING TRUST RULES**

The Trust does not intend to derive income other than from an 'eligible investment business'. Accordingly, it should not be subject to tax as a public trading trust. Further, the Responsible Entity will seek to ensure it does not control entities that carry on trading activities.

## **LOSSES**

In the case where the Trust makes a loss for Australian tax purposes, the Trust cannot distribute the tax loss to Unitholders. However, the tax loss may be carried forward by the Trust for offset against taxable income of the Trust in subsequent years, subject to the operation of the trust loss rules.

## **TAXATION OF FINANCIAL ARRANGEMENTS (TOFA)**

The TOFA rules may apply to financial arrangements held by the Trust when calculating its assessable income. Broadly, the TOFA rules may impact the timing of the recognition of gains and losses in the Trust for tax purposes and will also treat relevant gains and losses as being on revenue account.

## **AUSTRALIAN TAXATION OF AUSTRALIAN RESIDENT UNITHOLDERS**

### **DISTRIBUTIONS – AMIT**

The AMIT provisions require the taxable income of the Trust to be attributed to Unitholders on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. The Responsible Entity will seek to allocate taxable income having regard to the Units held by Unitholders, entitlements to income and capital, as well as cash distributions made to such Unitholders during the relevant period. Under the AMIT provisions, a Unitholder may be taxable on their share of the Trust's taxable income prior to receiving distributions from the Trust.

### **DISTRIBUTIONS – NON-AMIT**

Provided that the Trust is treated as a flow-through vehicle, Unitholders will be assessed on the taxable income derived by the Trust, based on their proportionate share of the annual income of the Trust that is distributed to them in that income year. The Trust's Unitholders will be required to include their share of taxable income in their tax return.

## **FOREIGN INCOME**

The Trust may derive foreign sourced income that might be subject to foreign tax. Australian resident Unitholders should include their share of both the foreign income and the amount of any foreign tax withheld in their assessable income. In such circumstances, Unitholders may be entitled to a Foreign Income Tax Offset (FITO) for the foreign tax paid, against the Australian tax payable on the foreign sourced income. FITO's that are not utilised cannot be carried forward to a future income year.

# SECTION 11: TAXATION INFORMATION

## CAPITAL GAINS

If a Unitholder's share of the taxable income of the Trust includes an amount that consists of discount capital gains derived by the Trust, the Unitholder needs to first 'gross up' the discount capital gain (by multiplying it by 2). However, (after grossing up any discount capital gains) Unitholders may be able to reduce the capital gains distributed by the Trust by any capital losses which are available to them. Furthermore, after applying any loss, individual, trust, and complying superannuation fund, Unitholders may then be entitled, in determining the net capital gain that is to be included in their assessable income, to discount that capital gain by 50% for individuals and trusts and 33.3% for complying superannuation funds.

## NON-ASSESSABLE DISTRIBUTION PAYMENTS – AMIT

Under the AMIT provisions, a Unitholder's cost base in their Units held is increased where taxable income is allocated to them (inclusive of any tax free component of a discount capital gain). The cost base is decreased where cash distribution entitlements are made to the Unitholder in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital. Additional reductions are made for certain tax offsets (such as the franking credit tax offset and foreign income tax offset).

The net annual tax cost base adjustment amount will be detailed in an AMMA tax statement, which will be sent annually to Unitholders after year-end.

## NON-ASSESSABLE DISTRIBUTION PAYMENTS – NON-AMIT

Tax-deferred distributions may occur where the Trust distributes an amount of cash that exceeds the taxable income allocated to a Unitholder. Certain tax-deferred distributions that are not assessable to a Unitholder result in a reduction in the cost base of the Units held by the Unitholder. A capital gain will arise where those tax-deferred distributions exceed the cost base of the Units.

## DISPOSAL OF UNITS BY AUSTRALIAN RESIDENT UNITHOLDERS

If an Australian resident Unitholder transfers or redeems their units in the Trust, this will constitute a disposal for tax purposes.

Where a Unitholder holds their units in the Trust on capital account, a capital gain or loss on the disposal may arise and each Unitholder should calculate their capital gain or loss according to their own particular facts and circumstances. As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 1/3% for complying Australian superannuation funds may be allowed where the units in the Trust have been held for 12 months or more. No Capital Gains Tax (CGT) discount is available to corporate Unitholders.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the Unitholder may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income.

## GOODS AND SERVICES TAX (GST)

The Trust is registered for GST. The acquisition and disposal of units in the Trust by Unitholders should not be subject to GST. Similarly, the distributions paid by the Trust should not be subject to GST. GST is payable on some ongoing expenses, however the Trust may be able to claim a RITC of at least 55% of the GST paid, depending on the precise nature of the expenses incurred. All fees and expenses are quoted inclusive of GST.

## DUTY

The issue or redemption of Units should not attract any duty. Duty may be payable on the transfer of units. Unitholders should confirm the duty consequences of transferring units with their taxation adviser.

## TAX FILE NUMBER (TFN) AND AUSTRALIAN BUSINESS NUMBER (ABN)

As the Trust is an investment body for income tax purposes, the Trust will be required to obtain a TFN or ABN in certain cases from its Unitholders.

It is not compulsory for a Unitholder to quote their TFN or ABN. If a Unitholder is making this investment in the course of a business or enterprise, the Unitholder may quote an ABN instead of a TFN. Failure by a Unitholder to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus levies, on gross payments including distributions of income to the Unitholder. The Unitholder may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.



## FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

In compliance with the U.S income tax laws commonly referred to as the FATCA and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Trust will be required to provide information to the ATO in relation to: (a) Unitholders that are US citizens or residents; (b) entities controlled by US persons; and (c) financial institutions that do not comply with FATCA.

The Trust is intending to conduct its appropriate due diligence (as required). Where the Trust's Unitholders do not provide appropriate information to the Trust, the Trust will also be required to report those accounts to the ATO.

## COMMON REPORTING STANDARD (CRS)

The CRS is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Responsible Entity will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

## ANNUAL INVESTMENT INCOME REPORT (AIIR)

The Responsible Entity is required to lodge annually an AIIR to the ATO containing Unitholder identity details and investment income paid to Unitholders for the relevant financial year.

## TAXATION IMPLICATIONS FOR NEW ZEALAND RESIDENT UNITHOLDERS

The Trust will be a foreign investment fund (FIF) for New Zealand tax purposes. Therefore New Zealand tax resident Unitholders (each a **New Zealand Unitholder**) will need to apply the FIF rules to establish the New Zealand tax treatment that will apply to the Units they hold.

If a New Zealand Unitholder's Units are an 'attributing interest' under the FIF rules, the Unitholder will be required to pay New Zealand tax on the unrealised gains they are deemed (under the FIF rules) to have obtained over the period they hold the Units. Any realised amounts they actually receive in relation to their Units (including ongoing distributions and proceeds from the sale of their Units) will not be separately taxed.

For many New Zealand Unitholders their Units are likely to be an attributing interest for the purposes of the FIF rules. There are, however, various legislative exclusions where FIF interests are expressly excluded from being attributing interests under the FIF rules. New Zealand Unitholders will need to consider these exclusions carefully. Different tax rules will apply if a New Zealand Unitholder's Units are not an attributing interest.

If a New Zealand Unitholder's Units are not an attributing interest under the FIF rules, the Unitholder will be taxed on a realisation basis. Any ongoing distributions they receive in relation to their Units will generally be taxable as dividends when they are received. However, as New Zealand does not have a formal capital gains tax, any amounts a New Zealand Unitholder receives from disposing of their Units will generally not be subject to New Zealand income tax unless the Unitholder holds their Units on 'revenue account'. A New Zealand Unitholder will hold their Units on revenue account if they hold their Units as part of a share dealing business, the Units were acquired with a dominant purpose of disposal, or the Units are being disposed of as part of a profit-making undertaking or scheme.

New Zealand resident Unitholders will not be subject to Australian CGT on a capital gain (or loss) on the disposal of Units in the Trust unless:

- The New Zealand resident holds more than 10% of the Units in the Trust or has held more than 10% for at least 12 months in the prior two years; and
- Broadly, more than 50% of the Trust's assets (by market value) are represented by 'taxable Australian real property'.

Distributions received by New Zealand resident Unitholders from the Trust would be subject to Australian withholding tax.

New Zealand Unitholders should seek their own professional advice regarding the taxation implications of investing in the Trust.

# SECTION 12: INVESTIGATING ACCOUNTANT'S REPORT



**PITCHER PARTNERS**  
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Pitcher Partners is an association of independent firms  
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

26 February 2018

The Directors  
The Trust Company (RE Services) Limited  
as responsible entity for the MCP Master Income Trust  
Angel Place  
Level 18 123 Pitt Street  
SYDNEY NSW 2000

Dear Directors

## **PART 1: INDEPENDENT LIMITED ASSURANCE REPORT ON THE MCP MASTER INCOME TRUST'S HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION**

### **12.1 INTRODUCTION**

The directors of The Trust Company (RE Services) Limited (**Issuer**) (in its capacity as responsible entity of the MCP Master Income Trust (**Trust**)), on behalf of the Trust have engaged Pitcher Partners to report on the historical and pro-forma historical financial information of the Trust as at 26 February 2018.

We have prepared this Independent Limited Assurance Report (**Report**) to be included in the PDS dated on or about 26 February 2018 and relating to the Offer.

Unless stated otherwise, expressions defined in the PDS have the same meaning in this Report and section references are to sections of the PDS.

The nature of this Report is such that it can only be issued by an entity which holds an AFSL under the Corporations Act. Pitcher Partners holds the appropriate AFSL authority under the Corporations Act. Refer to our Financial Services Guide included as Part 2 of this Report.

### **12.2 BACKGROUND**

The Trust was established on 14 July 2017 and has been listed on the ASX since 9 October 2017. As at the date of this Report, the Trust has 258,090,185 Units on issue. As at 31 December 2017 the net assets of the Trust were \$516,782,000.

### 12.3 SCOPE

#### *Historical Financial Information*

This Report deals with the review of the following historical financial information of the Trust which is included in the PDS:

- Historic Statement of Financial Position as at 31 December 2017;
- Historic Statement of Comprehensive Income for the period ended 31 December 2017;
- Historic Statement of Cash Flows for the period ended 31 December 2017; and
- Significant accounting policies as set out in section 10 of the PDS, (together, the **Historical Financial Information**).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Trust's adopted accounting policies. The Historical Financial Information has been extracted from the interim financial report of the Trust for the interim period ended 31 December 2017, which was reviewed by KPMG in accordance with the Australian Auditing Standards. KPMG issued an unmodified review conclusion on the interim financial report of the Trust for the period from establishment on 14 July 2017 to 31 December 2017. The Historical Financial Information is presented in the PDS in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

#### *Pro Forma Historical Financial Information*

This Report further deals with the review of the pro forma historical statement of financial position as at 31 December 2017 and the pro forma historical statement of cash flows for the interim period ended 31 December 2017 (**Pro Forma Historical Financial Information**).

The Pro Forma Historical Financial Information has been derived from the historical financial information of the Trust, after adjusting for the effects of pro forma adjustments described in section 10 of the PDS. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event to which the pro forma adjustments relate, as described in section 10 of the PDS, as if that event had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Trust's actual or prospective statement of financial position and statement of cash flows

The Pro Forma Historical Financial Information is presented in the PDS in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Pitcher Partners disclaims any responsibility for any reliance on this Report or the financial information to which it relates for any purpose other than that for which it was prepared. This Report should be read in conjunction with the full PDS and has been prepared for inclusion in the PDS.



## 12.4 DIRECTOR'S RESPONSIBILITIES

The directors of the Issuer are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information including the selection and determination of pro forma assumptions, accounting policies and the notes Section 10. This includes responsibility for such internal controls as the directors of the Issuer determine are necessary to enable the preparation of the Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

## 12.5 OUR RESPONSIBILITIES

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information included in section 10 of the PDS based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Historical Financial Information and Pro Forma Historical Financial Information of the Trust.

Our engagement did not involve updating or re issuing any previously issued audit or review report on any financial information used as a source of the financial information.

## 12.6 CONCLUSION

### *Historical Financial Information*

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical Financial Information, as described in section 10 of the PDS, and comprising:

- Historic Statement of Financial Position as at 31 December 2017;
- Historic Statement of Comprehensive Income for the period ended 31 December 2017;
- Historic Statement of Cash Flows for the period ended 31 December 2017; and
- Significant accounting policies as set out in section 10 of the PDS

are not presented fairly, in all material respects, on the basis of the assumptions described in section 10 of the PDS and in accordance with the recognition and measurement principles described under Australian Accounting Standards, other mandatory professional reporting requirements in Australia and the accounting policies adopted by the Trust as described in section 10 of the PDS.

#### *Pro Forma Historical Financial Information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information being the Statement of Financial Position as at 31 December 2017 and the pro forma historical statement of cash flows for the interim period ended 31 December 2017 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 10 of the PDS.

#### **12.7 RESTRICTION ON USE**

Without modifying our conclusions, we draw attention to section 10 of the PDS, which describes the purpose of the financial information, being for inclusion in the PDS. As a result, the financial information may not be suitable for use for another purpose.

Investors should consider the risks set out in section 8 of the PDS.

#### **12.8 LEGAL PROCEEDINGS**

The Trust is not and has not been, since its establishment to the date of this PDS, involved in any legal or arbitration proceedings that have had a significant effect on the financial position of the Trust.

As far as the Directors of the Responsible Entity for the Trust are aware, no such proceedings are threatened against the Trust.

#### **12.9 SUBSEQUENT EVENTS**

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no other material transactions or events outside of the ordinary business of the Trust have come to our attention, that would require comment on, or adjustment to the information referred to in our Report, or that would cause such information to be misleading or deceptive.

#### **12.10 SOURCES OF INFORMATION**

Pitcher Partners has made enquiries of the directors of the Issuer, selected management of the Issuer, members of the Metrics Credit Partners Pty Ltd (in its capacity as investment manager of the Trust) and other parties as considered necessary during the course of our analysis of the Historical Financial Information and Pro Forma Historical Financial Information of the Trust. We have also referred to the PDS and material documents which relate to the proposed operations of the Trust.

We have no reason to believe the information supplied is not reliable.

#### **12.11 INDEPENDENCE OR DISCLOSURE OF INTEREST**

Pitcher Partners has no financial or other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion on the matters that are subject of this Report for which normal professional fees will be received.

## SECTION 12: INVESTIGATING ACCOUNTANT'S REPORT



Neither Pitcher Partners Sydney Corporate Finance Pty Ltd, Pitcher Partners Sydney Wealth Management Pty Ltd, nor any director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of the Offer, other than a fee payable to Pitcher Partners in connection with the preparation of our Report for which normal professional fees will be received.

### **12.12 LIABILITY**

The liability of Pitcher Partners is limited to the inclusion of this Report in the PDS. Pitcher Partners has not authorised the issue of the PDS. Accordingly, Pitcher Partners makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from, the PDS.

### **12.13 FINANCIAL SERVICES GUIDE**

We have included our Financial Services Guide as Part 2 of this Report. The Financial Services Guide is designed to assist retail investors in their use of any general financial product advice in our Report.

### **12.14 CONSENT TO USE**

We consent to the inclusion of this Report in the PDS in the form and context in which it is included. As at the date of this Report, this consent has not been withdrawn.

Yours faithfully

**Pitcher Partners Sydney Corporate Finance Pty Ltd**

A handwritten signature in black ink, appearing to read 'S Whiddett'.

**Scott Whiddett**  
Director

## PART 2 - FINANCIAL SERVICES GUIDE

### 1. Pitcher Partners Sydney Corporate Finance Pty Ltd

Pitcher Partners Sydney Corporate Finance Pty Ltd ("**Pitcher Partners**") is an authorised representative of Pitcher Partners Sydney Wealth Management Pty Ltd ("**Licence Holder**") in relation to Australian Financial Services Licence No. 336950.

Pitcher Partners may provide the following financial services to wholesale and retail clients as an authorised representative of the Licence Holder:

- Financial product advice in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, deposit and payment products, life products, retirement savings accounts and superannuation (collectively "**Authorised Financial Products**"); and
- Applying for, varying or disposing of a financial product on behalf of another person in respect of Authorised Financial Products.

### 2. Financial Services Guide

The Corporations Act 2001 requires Pitcher Partners to provide this Financial Services Guide ("**FSG**") in connection with its provision of an Investigating Accountant's Report ("**Report**") which is included in the PDS provided by The Trust Company (RE Services) Limited as responsible entity for the MCP Master Income Trust (the "**Entity**").

### 3. General Financial Product Advice

The financial product advice provided in our Report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our Report is appropriate for you, having regard to your own personal objectives, financial situation or needs. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence ("**AFSL**") to assist you in this assessment.

### 4. Remuneration

Pitcher Partners' client is the Entity to which it provides the Report. Pitcher Partners receives its remuneration from the Entity. Our fee for the Report is based on a time cost or fixed fee basis. This fee has been agreed in writing with the party who engaged us. Neither Pitcher Partners nor its Directors and employees, nor any related bodies corporate (including the Licence Holder) receive any commissions or other benefits in connection with the preparation of this Report, except for the fees referred to above.

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of Pitcher

Partners or related entities but any bonuses are not directly connected with any assignment and in particular not directly related to the engagement for which our Report was provided.

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connections with the reports that we are licensed to provide.

### 5. Independence

Pitcher Partners is required to be independent of the Entity.

Neither Pitcher Partners, Pitcher Partners Sydney Wealth Management Pty Ltd, any Director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of this Offer, other than a fee in connection with the preparation of our Report for which professional fees in the order of \$35,000 (excluding GST) will be received. No pecuniary or other benefit, direct or indirect, has been received by Pitcher Partners, their Directors or employees, or related bodies corporate for or in connection with the preparation of this Report.

### 6. Complaints Resolution

Pitcher Partners is only responsible for its Report and this FSG. Complaints or questions about the PDS should not be directed to Pitcher Partners which is not responsible for that document.

Both Pitcher Partners and the Licence Holder may be contacted as follows:

- By phone: (02) 9221 2099
- By fax: (02) 9223 1762
- By mail: GPO Box 1615  
SYDNEY NSW 2001

If you have a complaint about Pitcher Partners' Report or this FSG you should take the following steps:

1. Contact the Enquiries and Complaints Officer of the Licence Holder on (02) 9221 2099 or send a written complaint to the Licence Holder at Level 22, MLC Centre 19 Martin Place, Sydney NSW 2000. We will try and resolve your complaint quickly and fairly.
2. If you still do not get a satisfactory outcome, you have the right to complain to the Financial Industry Complaints Service at PO Box 579 Collins St West, Melbourne, Victoria 8007 or call on 1300 78 08 08. We are a member of this scheme.
3. The Australian Securities & Investments Commission (ASIC) also has a freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

The Licence Holder, as holder of the AFSL, gives authority to Pitcher Partners to distribute this FSG.

## SECTION 13: MATERIAL AGREEMENTS

The Responsible Entity considers that certain agreements are material to the Trust or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Units (**Material Agreements**).

The provisions of the Material Agreements are summarised below. As this section 13 only contains a summary, the provisions of each agreement are not fully described. To understand fully all rights and obligations pertaining to the Material Agreements, it would be necessary to read them in full.

### 13.1 INVESTMENT MANAGEMENT AGREEMENT

The Responsible Entity has appointed the Manager on an exclusive basis to be the manager of the Trust and has entered into the Investment Management Agreement.

A summary of the material terms of the Investment Management Agreement are set out below.

ASX Listing Rule 15.16 sets a maximum term of 5 years for an Investment Management Agreement. The Responsible Entity obtained a waiver of ASX Listing Rule 15.16 to allow for an initial term of 10 years under the Investment Management Agreement, which may be extended as set out below under 'Manager Term'.

#### SERVICES

Pursuant to the Investment Management Agreement, the Manager agrees to invest and manage the Trust's portfolio in accordance with the terms of the Investment Management Agreement.

The other services provided by the Manager under the Investment Management Agreement include, but are not limited to:

- a) keeping proper books of account in relation to the Trust and recording transactions by the Manager;
- b) complying with any reasonable requests for information or assistance from any auditor appointed by the Responsible Entity or the Manager in relation to the Trust;
- c) assisting the Responsible Entity in determining the amount of, or declaring, any distribution (including a payment of a capital nature) to be paid by the Responsible Entity in respect of the Trust;
- d) assisting the Responsible Entity to comply with its continuous disclosure obligations under the Corporations Act and Listing Rules;
- e) assisting the Responsible Entity with preparing financial statements and other filings, including the annual report of the Trust;
- f) assisting in the resolution of any complaints by, or disputes with, Unitholders;
- g) making written recommendations (together with reasonable supporting information and analysis) to the Responsible Entity in respect of any matter which requires the approval of the Responsible Entity; and
- h) capital advisory and management services.

#### POWERS AND DISCRETIONS

For the purpose of carrying out its functions and duties under the Investment Management Agreement and subject to certain restrictions set out in the Investment Management Agreement, the Manager has the powers of a natural person to deal with the Trust including those powers that the Responsible Entity may delegate to the Manager pursuant to the Constitution and to do all things and execute all documents necessary for the purpose of managing the Trust.

#### DELEGATION

The Manager may not delegate its duties, responsibilities, functions and powers under the Investment Management Agreement to an agent without the prior written consent of the Responsible Entity. The Manager must also exercise reasonable care and diligence in appointing any broker to act in relation to the Trust.

#### EXCLUSIVITY

Pursuant to the Investment Management Agreement, the Responsible Entity has agreed to appoint the Manager on an exclusive basis whereby the Responsible Entity will not appoint another manager to the Trust during the term of the Investment Management Agreement. The Manager may from time to time perform similar investment, management and administration services for itself and other persons to the services performed in respect of the Trust.



## FEES

Investment management fees are charged by the Wholesale Funds only and the Trust and the MCP Wholesale Investments Trust will not charge Unitholders any additional investment management fees (except to the extent that the MCP Wholesale Investments Trust invests directly in the assets itself). As a wholesale investor in the Wholesale Funds, the MCP Wholesale Investments Trust will incur investment management fees in line with those available to other wholesale investors, which will be paid by the MCP Wholesale Investments Trust to MCP in its capacity of manager of the Wholesale Funds.

Wholesale Funds may also include performance fees that will be payable by the MCP Wholesale Investments Trust as an investor in the Wholesale Funds. For so long as the Manager is MCP, where performance fees have been earned in the Wholesale Fund but the Target Return for Unitholders has not been achieved by the Trust, MCP will refund the Trust's proportion of the performance fees to the Trust towards ensuring the Target Return is achieved.

The Responsible Entity and the Manager may, from time to time, agree that additional fees are payable to the Manager from the Trust. The only such fees currently agreed is the IEE.

Refer to section 7 for details.

## MANAGER TERM

The Manager has an initial term of ten years subject to an automatic extension of the initial term for a further one year, every year from the fifth year of the initial term provided that Unitholders do not vote against the extension.

The Manager may also request a meeting of Unitholders to pass an ordinary resolution to extend the initial term for a period of up to ten years.

## TERMINATION RIGHTS

During the initial term, the Manager can only be terminated by the Responsible Entity where there is cause to do so, including if:

- a) a receiver, receiver and manager, administrator or similar person is appointed to the Manager;
- b) the Manager goes into liquidation other than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Responsible Entity;
- c) the Manager ceases to carry on business in relation to its activities as an investment manager;
- d) the Manager breaches the Investment Management Agreement and fails to correct such breach within 20 Business Days of receiving notice in writing from the Responsible Entity;
- e) required by the Listing Rules; or
- f) relevant law requires the Investment Management Agreement to be terminated;

Following the initial term, the Responsible Entity may also terminate the Investment Management Agreement, on giving three months' notice if an ordinary resolution (50% of votes cast) terminating the appointment of the Manager is passed by Unitholders. The Responsible Entity must also provide notice of the termination of the Manager to the trustee of the MCP Wholesale Investments Trust on the date the resolution is passed.

The Manager may also terminate the Investment Management Agreement in certain circumstances by giving written notice to the Responsible Entity.

The Manager may request the Responsible Entity to retire for cause or on three months' notice after the fourth year of the initial term. If the Responsible Entity receives this request it will retire and be replaced in accordance with the Corporations Act. This is to ensure the Manager can maintain a cost effective Responsible Entity.

## TERMINATION PAYMENT

If the Manager's appointment is terminated without cause, then it is entitled to either any management fee (excluding the IEE) charged by the Manager to the Trust calculated over a 12-month period or if there is no management fee the aggregate management fees that the Manager is entitled to receive in respect of the Wholesale Funds calculated over a 12-month period payable within 20 Business Days after effective termination.

If the Manager's appointment is terminated, it is entitled to be paid the unpaid IEE for the remainder of the term of appointment (had the Manager not been terminated) calculated from the date of termination and based on the NAV of the Trust at termination in addition to any costs incurred, as outlined in above in this section 13.1. If the Manager retires, the unpaid IEE is not payable.'

## SECTION 13: MATERIAL AGREEMENTS

### MANAGER INDEMNITY

The Responsible Entity must indemnify the Manager against any direct losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the Manager or any of its officers or agents acting under the Investment Management Agreement except to the extent of the Manager's or any of its officers' or agents' negligence, fraud or dishonesty, or its officers, employees or agents or the Manager's breach of the management agreement, or any act or omission of the Manager or any of its officers, employees or agents that causes the Responsible Entity to be liable to Unitholders for which the Responsible Entity has no right of indemnity from the Trust.

### RESPONSIBLE ENTITY INDEMNITY

The Manager must indemnify the Responsible Entity against any direct loss or liability reasonably incurred by the Responsible Entity in connection with any negligent, fraudulent or dishonest act or omission of the Manager, its officers, employees or agents, the Manager's breach of the Investment Management Agreement, any negligent, fraudulent or dishonest act or omission of the Manager, its officers, employees or agents and any act or omission of the Manager or any of its officers, employees or agents that causes the Responsible Entity to be liable to Unitholders for which the Responsible Entity has no right of indemnity from the Trust.

### EXPENSES

The Responsible Entity must reimburse the Manager from the assets of the Trust all taxes, costs, charges (including negative interest rate charges provided those charges are reasonably incurred) and expenses properly incurred by the Manager in connection with the services provided under the Investment Management Agreement. Any deferral of expense reimbursement by the Manager will not affect its rights to such amounts.

### AMENDMENT

The Investment Management Agreement may be amended by the written agreement of the Responsible Entity and the Manager.

## 13.2 OFFER MANAGEMENT AGREEMENT

The Responsible Entity and the Manager have entered into an Offer Management Agreement with the Joint Lead Managers with respect to management of the Offer. Under the Offer Management Agreement, the Joint Lead Managers have agreed to, among other things, use their reasonable endeavours to procure Applications under the Offer. A summary of the key terms of the Offer Management Agreement are set out below.

### FEES AND EXPENSES

The Joint Lead Managers will be entitled to the following fees set out in the Offer Management Agreement:

- a) a lead arranger fee to CSL of 0.10% of the total amount raised under the Offer (plus GST); and
- b) a management fee to the Joint Lead Managers of 0.75% (plus GST) of the total amount raised under the Offer (plus GST):
  - a. in the proportions specified in the Offer Management Agreement, in respect of the total amount raised under the Offer up to or equalling \$200 million; and
  - b. where the amount raised under the Offer is in excess of \$200 million, in the proportion that the amount raised by a Joint Lead Manager bears to the total amount raised under the Offer.

The Joint Lead Managers will be reimbursed by the Manager for all reasonable expenses (including any applicable GST) incurred by the Joint Lead Managers in connection with the Offer Management Agreement, this PDS and the Offer including:

- a) all reasonable legal fees of the Joint Lead Managers;
- b) marketing, travel, postage, printing and accommodation expenses and other costs, fees, commissions, disbursements, charges, taxes or duties;
- c) any documentary, stamp duty, transfer taxes, withholding taxes or similar taxes (but excluding the income tax of the Joint Lead Managers) payable in respect of the Offer Management Agreement, the Offer and any other costs in respect of the Offer and the allocation and issue of the New Units (including any ASTC delivery versus payment or other settlement arrangements); and
- d) all reasonable costs and expenses payable in relation to completion of the Offer (on a delivery versus payment basis) including any fees or charges payable by the Joint Lead Managers to the ASX or ASX Settlement,

as soon as reasonably practicable, and in any case within five days after a request for payment or reimbursement by the Manager is made by the Lead Managers or on termination of the Offer Management Agreement.

The Manager will also be responsible for:

- a) the payment to any broker to the Offer of 1.00% of the amount equal to the total number of Units in respect of which any broker under the Entitlement Offer procures valid applications multiplied by the Offer Price (excluding GST);
- b) to a Joint Lead Manager, a selling fee of 1.00% (excluding GST) of the total amount raised by the Joint Lead Manager in the Oversubscription Facility and the Shortfall Offer; and
- c) to each Co-Manager, a selling fee of 1.00% (excluding GST) of the amount equal to the total number of Units in respect of which a Co-Manager procures valid applications under the Oversubscription Facility and the Shortfall Offer multiplied by the Offer Price.

## WARRANTIES AND REPRESENTATIONS

Customary and usual representations and warranties are given by the parties in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals and the Responsible Entity's and Manager's compliance with the Corporations Act and Listing Rules in relation to making the Offer. The Responsible Entity and Manager give a number of further representations and warranties, including that the PDS will not contain any untrue, inaccurate, misleading or deceptive statements and will not omit information necessary in order to make the statements therein not misleading.

Except as disclosed in the PDS, the Manager and Responsible Entity must not:

- a) without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld or refused) at any time after the date of the Offer Management Agreement and before the expiration of 120 days after the Settlement Date (as defined in the Offer Management Agreement) issue or agree to issue any units (including Units), options to acquire units, or other interests or securities in the Trust (**New Issue** as defined in the Offer Management Agreement), other than pursuant to the Offer, the Offer Management Agreement, the distribution reinvestment plan which the Trust announced on 13 February 2018 or where the New Issue is made to investors outside Australia and is not capable of acceptance by any investor in, or with a registered address in, Australia, or the exercise of options currently on issue or as disclosed in the PDS; or where the New Issue is in respect of:
  - a. Units not taken up under the Shortfall (and such issue is made within two months of the Entitlement Offer first being made); or
  - b. New Units not taken up under the Shortfall Offer; or
- b) in any way reduce, reorganise, or otherwise alter the Trust's capital structure or agree or announce an intention to do any of those things, without the prior written consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed) at any time after the date of the Offer Management Agreement and before the expiration of 120 days after the Units are issued pursuant to the Offer, provided that this prohibition will not apply if the alteration of the Trust's capital structure arises from a takeover bid or merger proposal which has been approved by the Responsible Entity acting in accordance with its duties to unitholders.

## INDEMNITY BY THE RESPONSIBLE ENTITY AND MANAGER

Subject to certain exclusions relating to, among other things, fraud, wilful misconduct or gross negligence, The Responsible Entity and Manager indemnify the Joint Lead Managers and certain affiliated parties against certain liabilities and losses incurred or sustained directly or indirectly as a result of the appointment of the Joint Lead Managers pursuant to the Offer Management Agreement.

## TERMINATION EVENTS

### TERMINATION EVENTS NOT SUBJECT TO MATERIALITY

A Joint Lead Manager may terminate its appointment under the Offer Management Agreement without cost or liability to that Joint Lead Manager at any time before the issue of Units under the Offer by written notice to the other parties if any of the following occurs:

- a) (**adverse change**) in the reasonable opinion of a Joint Lead Manager, any matter described in paragraph (a)(i) of the definition of 'Material Adverse Effect' in the Offer Management Agreement occurs (eg. a matter which has a material adverse effect on the general affairs, business, operations, assets, liabilities, financial position or performance, profits, losses, product disclosure statement, earnings position, unitholder's equity, or results of operations of the Trust);

## SECTION 13: MATERIAL AGREEMENTS

- b) (**withdrawal**) the Responsible Entity or the Manager withdraws the PDS, any supplementary PDS, the Offer or any part of the Offer, or indicates that it intends to do any of those things;
- c) (**confirmation certificate**) the Responsible Entity or the Manager does not provide the confirmation certificate in accordance with the requirements of the Offer Management Agreement;
- d) (**quotation**) ASX indicates to the Responsible Entity, the Manager or a Joint Lead Manager that it will not approve the granting of official quotation to the Units offered under the Offer or that it will impose conditions which are not acceptable to the Joint Lead Manager, acting reasonably, by 5pm on the Business Day immediately preceding the settlement date for the Offer;
- e) (**listing**) the Trust ceases to be admitted to the official list of ASX or the Units are non-voluntarily suspended from trading on, or cease to be quoted on, ASX;
- f) (**PDS/disclosure documents**) any of the following occur:
  - a. there is a material omission from the PDS or any other document issued or published by the Responsible Entity, or on behalf of the Company with its written consent, in respect of the Offer, and any marketing presentation used by the Company to conduct the marketing of the Offer (**Disclosure Document**), of information required by the Corporations Act or any other applicable law or requirement;
  - b. the PDS or any other Disclosure Document contains a misleading or deceptive statement or a statement which is not substantiated;
  - c. a statement in the PDS or any other Disclosure Document becomes misleading or deceptive in any material respect;
  - d. a matter referred to in section 1014E of the Corporations Act occurs in respect of the PDS; or
  - e. a Disclosure Document does not comply with, in any material respect, an applicable law.
- g) (**ASIC investigation**) ASIC issues or threatens to issue proceedings in relation to the Offer or commences, or threatens to commence any inquiry or investigation in relation to the Offer or any subscription of Units in the Trust;
- h) (**Corporations Act**) any of the following occur:
  - a. ASIC applies for an order under section 1324B of the Corporations Act in relation to the PDS and the application is not dismissed or withdrawn before the Closing Date;
  - b. ASIC gives notice of intention to hold a hearing in relation to the PDS or the Offer, or makes an interim order or any other order under section 1020E of the Corporations Act in relation to the PDS or any supplementary PDS or the Offer;
  - c. an application is made by ASIC for an order under Part 9.5 in relation to the PDS or any supplementary PDS or the Offer or ASIC commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the PDS or any supplementary PDS or the Offer; or
  - d. any person gives a notice under sections 1021J(3) or 1021L(2) of the Corporations Act.
- i) (**insolvency**) an 'Insolvency Event' (as defined in the Offer Management Agreement) occurs with respect to the Responsible Entity, the Manager or the Trust;
- j) (**repayment of application monies**) any circumstance arising after the lodgement of the PDS with ASIC that results in the Responsible Entity or Manager being required by ASIC or under any applicable law to repay funds raised under the Offer or to offer an opportunity to applicants to withdraw their applications and receive a refund of their application money;
- k) (**consent**) any person (other than a Joint Lead Manager) whose consent to the issue of the PDS is required by the Corporations Act who has previously consented to the issue of the PDS withdraws such consent or any person otherwise named in the PDS with their consent (other than a Joint Lead Manager) withdraws such consent;
- l) (**supplementary PDS**) a supplementary PDS must, in the reasonable opinion of a Joint Lead Manager, be lodged with ASIC under the Corporations Act or the Responsible Entity lodges a supplementary PDS (other than in accordance with the Offer Management Agreement);
- m) (**Director**) a director of the Responsible Entity:
  - a. is charged with an indictable offence or any regulatory body commences any public action against the director in his or her capacity as a director of the Responsible Entity or announces that it intends to take any such action; or
  - b. is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;

- n) **(market fall)** the S&P ASX All Ordinaries Index closes on any business day before the settlement date (as defined in the Offer Management Agreement) at a level that is 15% or more below the level of that index at the close of normal trading on ASX on the business day immediately preceding the date of the Offer Management Agreement and closes at or below that level:
  - a. for at least two consecutive business days; or
  - b. on the business day before the settlement date;
- o) **(credit index rise)** the average mid-rate for the iTraxx Australia Index of a term 5 years is 45% or more above its level as at the close of business on the business day immediately before the date of the Offer Management Agreement and remains at or above that level for two consecutive business days;
- p) **(ratings downgrade)** the credit rating assigned to the DASLF on or about the lodgement of the PDS by Standard & Poor's is downgraded or withdrawn or the MCP Diversified Australian Senior Loan Fund is placed on negative watch;
- q) **(no issue)** the Responsible Entity is or becomes unable, for any reason, to issue or allot the Units within the time required by the timetable set out in the Offer Management Agreement and in accordance with all applicable laws;
- r) **(key executives)** Andrew Lockhart, Justin Hynes, Graham McNamara or Andrew Tremain is removed from office or replaced;
- s) **(Manager)** there is a change in ownership of the Manager;
- t) **(illegality)** there is an event or occurrence, including any statute, order, rule or regulation, official directive or request (including on compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for a Joint Lead Manager to satisfy an obligation under the Offer Management Agreement, or to market, promote or settle the Offer in accordance with the Offer Management Agreement;
- u) **(misleading or deceptive conduct)** any civil or criminal proceedings are brought against the Responsible Entity or the Manager or any officer of the Responsible Entity or the Manager in relation to any fraudulent, misleading or deceptive conduct relating to the Responsible Entity or the Manager whether or not in connection with the Offer except for any claim where at the time the claim is made, it is immediately apparent, in the reasonable opinion of a Joint Lead Manager, that, on the face of the claim, it has no prospect of success, is vexatious or without merit;
- v) **(timetable)** the Offer is not conducted in accordance with the timetable in the Offer Management Agreement or any event specified in the timetable is delayed for more than two Business Days without the prior written consent of the Joint Lead Managers; or
- w) **(Material Contract)** Any of the following occurs:
  - a. a material contract disclosed in the PDS **(Material Contract)** is terminated;
  - b. an event occurs which entitles a party to terminate a Material Contract;
  - c. there is a material breach of a Material Contract including a failure to satisfy a condition precedent to performance of a Material Contract;
  - d. a condition precedent to performance a Material Contract becomes incapable of being satisfied; or
  - e. a Material Contract is amended without the Joint Lead Managers' prior written consent (such consent not to be unreasonably withheld).

## TERMINATION EVENTS SUBJECT TO MATERIALITY

In addition a Joint Lead Manager may terminate its appointment under the Offer Management Agreement without cost or liability to that Joint Lead Manager at any time before the issue of Units under the Offer by written notice to the other parties if in the reasonable opinion of that Joint Lead Manager, any of the following has, or is likely to have, a Material Adverse Effect (as defined in the Offer Management Agreement):

- a) **(breach)** there is a breach by a party of the Offer Management Agreement;
- b) **(change in law)** there is introduced, or there is a public announcement of a proposal to introduce into any legislature of Australia, a law or regulation, or a new government policy is adopted by a government in any of those jurisdictions or there is a public announcement of a proposal to adopt a new government policy by such a government (other than a law or government policy announced before the date of the Offer Management Agreement) any of which does or is likely to prohibit the Offer, capital issues or the taxation treatment of the Units or regulate or affect the Offer, capital issues or taxation treatment of the Units;

## SECTION 13: MATERIAL AGREEMENTS

- c) (**political or economic conditions**) any adverse change or disruption occurs in the existing financial markets, political or economic conditions currency exchange rates or controls or financial markets in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any Member State of the European Union or in foreign exchange rates or any development involving a prospective adverse change in political, financial or economic conditions in any of those countries;
- d) (**moratorium**) a general moratorium on commercial banking activities in Australia, New Zealand, the United States, the United Kingdom, Hong Kong or any Member State of the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- e) (**market disruption**) trading in all securities quoted or listed on ASX, the New Zealand Stock Exchange, New York Stock Exchange, London Stock Exchange or the Hong Kong Stock Exchange, is suspended or limited in a material respect;
- f) (**breach of significant contracts**) a material contract or an agreement referred to in the PDS is:
  - a. breached by the Responsible Entity or Manager or any of their related bodies corporates; or
  - b. terminated (whether by breach or otherwise);
- g) (**default**) a party is in default of any of the material terms or conditions of the Offer Management Agreement or breaches any warranty, undertaking or covenant given or made by it under the Offer Management Agreement and that default or breach is either incapable of remedy or is not remedied within five business days after it occurs;
- h) (**charge**) the Responsible Entity or the Manager charges or agrees to charge, the whole, or a substantial part of the assets of the Trust;
- i) (**prosecution**) any of the following occur:
  - a. a director or member of a party is charged with an indictable offence;
  - b. any governmental agency commences any public action against a party or any of its directors or senior managers in their capacity as a director or senior manager of the party;
  - c. any director or senior manager of a party is disqualified from managing a corporation under any law of any jurisdiction; or
  - d. a party or a director or senior manager of the party engages in any fraudulent conduct or activity; or
- j) (**representations and warranties**) any representation or warranty contained in the Offer Management Agreement on the part of a party is breached or becomes false, misleading or incorrect;
- k) (**prescribed occurrence**) a Prescribed Occurrence (as defined in the Offer Management Agreement) occurs;
- l) (**hostilities**) there is an outbreak of hostilities (whether or not war or a national emergency has been declared) not presently existing, or a major escalation in existing hostilities occurs, or a major act of terrorism occurs in or involving any one or more of Australia, New Zealand, the United Kingdom, the United States of America, Hong Kong, China, India, South Korea, Russia or Japan or involving any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world; or
- m) (**disclosures in due diligence report**) the due diligence report or verification material or any other information supplied by or on behalf of the Responsible Entity or the Manager to a Joint Lead Manager in relation to the Responsible Entity, the Trust, the Manager or the Offer is or becomes false or misleading or deceptive or likely to mislead or deceive, including by way of omission.

### 13.3 MANAGER LOAN

The Responsible Entity and the Manager have entered into a loan agreement under which the Responsible Entity has agreed to provide a working capital loan facility to the Manager for 10 years from the date of this PDS. The Manager may make draw downs under the facility of amounts agreed between the Manager and the Responsible Entity from time to time. The Manager Loan provides that the Manager must pay interest at a rate of 4.00% per annum on any amounts borrowed and outstanding under this facility. The interest payable under the Manager Loan is capitalised.

Where the Manager defaults on its payments under the Manager Loan, the Responsible Entity may have recourse against the Manager for any moneys owing. The Manager Loan terminates 10 years from the date of this PDS. The loan becomes repayable at termination. The Manager may assign or transfer any of its rights or obligations under the Manager Loan to an entity under the control or common control of the Manager.

## 13.4 INVESTMENTS OF THE MCP WHOLESALe INVESTMENTS TRUST

The MCP Wholesale Investments Trust may, as set out in section 5.10 of this PDS, invest in the Wholesale Funds from time to time and this may be through a variety of different financial instruments in order to obtain an investment exposure.

This may include investing in the Wholesale Funds by way of units, convertible notes (**Notes**), debt facilities and other financial instruments from time to time. Whilst the nature and terms of these potential investments are not known as at the date of this PDS the following summary sets out the key terms of the initial investments of the MCP Wholesale Investments Trust in the Wholesale Funds.

Where practicable the MCP Wholesale Investments Trust will invest via Notes to give greater security to the tenure of returns for the Trust. To date the Manager has been successful in deploying capital from the Trust into Notes.

Whilst it is intended, as set out below, that the MCP Wholesale Investments Trust will primarily invest into the Wholesale Funds by way of Notes, the proportion of Notes to units in the Wholesale Funds is not known as at the date of this PDS. Where practicable the MCP Wholesale Investments Trust will invest via Notes to give greater security to the tenure of returns for the Trust. To date the Manager has been successful in deploying the capital from the Trust into Notes.

## SUMMARY OF UNITS

The following summary of units in the Wholesale Funds are provided given the MCP Wholesale Investments Trust will invest in units in the Wholesale Funds.

### REDEMPTIONS

For the DASLF the trustee may allow redemptions on the first Business Day of each quarter and or such other days as the trustee may determine, with redemption proceeds payable generally within five Business Days after the relevant redemption date. The trustee may refuse any redemption request. Redemption requests must be received at least 90 days prior to a redemption date otherwise the request will be held over for consideration for the following redemption date. The trustee has discretion to apply amounts to redemption proceeds to ensure no investor is adversely impacted by the actions of other investors.

For the SPDF II and REDF redemptions are allowed at any time. The redemptions will be paid from the redeeming unitholder's share of the proceeds received by the trustee from the realisation or repayment of investments (less fees and costs) in the relevant fund as at the redemption date (run-off investments). The redeeming unitholder will still be entitled to their pro rata share of distributable income.

### RETIREMENT OF THE TRUSTEE OF A WHOLESALe FUND

The DASLF is a registered managed investment scheme under the Corporations Act. As such retirement of the trustee of the DASLF must be in accordance with the Corporations Act. Pursuant to the Corporations Act unitholders may remove the trustee if an extraordinary resolution (50% of votes that may be cast by unitholders) is passed at a meeting of unitholders.

In respect of the REDF and SPDF II the trustee may retire on 90 days' notice. The trustee may be forced to retire if directed to retire by ordinary resolution of unitholders in certain circumstances (e.g. insolvency, if required by law or due to wilful misconduct, fraud or negligence or an unremedied breach of an investment document).

### RETIREMENT OF THE MANAGER OF THE WHOLESALe FUNDS

MCP acts as the manager of the Wholesale Funds.

In respect of the DASLF the trustee has various rights under the investment management agreement of DASLF to terminate MCP's appointment as manager to the fund including:

- if an insolvency event occurs to MCP;
- if a change in control occurs in respect of MCP; or
- where MCP breaches the investment management agreement of DASLF in a way that materially adversely affects the interests of members (and fails to rectify the breach within a reasonable time). The investment management agreement of the DASLF includes a process for an expert to resolve any disputes between the trustee and MCP including in relation to whether a breach is material or has been adequately rectified.

In respect of the REDF and SPDF II, MCP as manager may retire upon 90 days' notice if unitholders approve the retirement by special resolution. MCP as manager may be forced to retire if directed to retire by ordinary resolution of unitholders in certain circumstances (e.g. insolvency, if required by law or due to wilful misconduct, fraud or negligence, an unremedied breach of an investment document or if a key person has acted with fraud, dishonesty or wilful misconduct in connection with the relevant Wholesale Fund).



## SECTION 13: MATERIAL AGREEMENTS

### WHOLESALE FUND TERMINATION

The DASLF may be terminated by an extraordinary resolution of unitholders (50% of votes that may be cast by unitholders), as determined by the trustee (with not less than 60 days prior written notice to investors) or in accordance with the Corporations Act (e.g. if ordered by a court).

The REDF and SPDF II may be terminated by the trustee with approval of unitholders by special resolution.

### VOTING

As the DASLF is a registered managed investment scheme under the Corporations Act each unitholder, on a show of hands has 1 vote and on a poll, has 1 vote for each dollar of the value of the total interests they have in the scheme.

Each unitholder in the REDF and SPDF II has one vote for each dollar of its committed capital on a resolution.

### TRUSTEE INDEMNITY

In respect of the DASLF the trustee is entitled to be indemnified in full out of the assets of the fund for any liability incurred by it in the proper performance of its duties or powers in relation to the fund.

In respect of the REDF and SPDF II the trustee is entitled to be indemnified out of the property of the relevant fund for any loss incurred by it, excluding overheads, in performing any of its duties or exercising any of its powers in relation to the relevant fund or attempting to do so.

### SUMMARY OF CONVERTIBLE NOTES

The following summary of convertible notes (**Notes**) in the Wholesale Funds are provided given the MCP Wholesale Investments Trust has invested in Notes in the Wholesale Funds.

Notes are unsecured with a term of up to 10 years, and the MCP Wholesale Investments Trust is entitled to a return referable to the returns on the underlying investments of the Wholesale Funds.

The Notes rank behind third party creditors and will rank equally alongside other noteholders and unitholders in the respective Wholesale Funds.

Any losses in the underlying portfolios of the Wholesale Funds will reduce the value of the Notes.

Distributions on the Notes are paid monthly or such other times as the relevant trustee of the Wholesale Fund determines.

The trustee of the relevant Wholesale Fund may choose to terminate the Notes by not less than 90 days' notice to the trustee of the relevant Wholesale Fund. The redemptions will be paid from the redeeming noteholder's pro rata share of the proceeds received by the trustee of the Wholesale Fund from the realisation or repayment of run-off investments (less fees and costs in the relevant fund). The redeeming noteholder will still be entitled to their pro rata share of distributable income whilst Notes remain outstanding.

If the trustee of the MCP Wholesale Investments Trust does not choose to terminate the Notes as set out above for the initial term of the Notes, the Notes will automatically roll over for their term.

The Notes do not carry the right to vote unless required by law such as for DASLF.

The trustee of the relevant Wholesale Fund may repay the Notes early and must repay early if an event of default occurs. An event of default includes if the trustee of the Wholesale Fund is insolvent or the Wholesale Fund is terminated.

The trustee of a relevant Wholesale Fund may choose to convert the Notes into units in the relevant Wholesale Fund during the term of the Notes provided that it does not dilute the MCP Wholesale Investments Trust's economic interest in the Wholesale Fund.



## 13.5 OTHER MATERIAL AGREEMENTS

### ADMINISTRATOR

The Responsible Entity has appointed Mainstream as administrator of the Trust. Under this arrangement, Mainstream is responsible for general administration of the Trust, including providing valuation, investment administration, accounting and registry services.

### CUSTODIAN

The Responsible Entity has appointed Perpetual Corporate Trust Limited as custodian for the Trust. Under this arrangement, the role of Perpetual Corporate Trust Limited as custodian is limited to holding and maintaining assets of the Trust on behalf, and as agent of the Responsible Entity.

### AUDITOR

The Responsible Entity was required to appoint an auditor to the Trust within one month after the day on which the Trust was registered with ASIC. KPMG has been appointed by the Responsible Entity as the independent auditor of the Trust's financial statements (**Auditor**).

The Responsible Entity is also required to appoint an auditor of the compliance plan. The auditor is required to conduct an audit of the compliance plan within 3 months of the end of the financial year of the registered scheme and provide a report to the Responsible Entity. KPMG has been appointed by the Responsible Entity to conduct this audit on the Trust's compliance plan on an annual basis.

# SECTION 14: ADDITIONAL INFORMATION

## 14.1 REPORTING AND DISCLOSURE OBLIGATIONS

The Trust is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require the ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of the ASX making the information available to the financial market operated by it. In particular, the Trust has an obligation under the Listing Rules (subject to certain limited exceptions) to notify the ASX immediately of any information concerning the Trust, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Trust's securities. The Trust is also required to prepare and lodge with ASIC and the ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

## 14.2 SUMMARY OF THE CONSTITUTION

The Trust is governed by the Constitution and applicable laws. A summary of the key rights and obligations attaching to the Units and a description of the material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the terms of the Constitution. The rights and obligations attaching to ownership of Units are also governed by the Corporations Act, the Listing Rules and general law which are not discussed in full.

If you invest in the Trust, you agree to be bound by the terms of this PDS and Constitution. Copies of the Constitution are available, free of charge on request from the Responsible Entity. Please consider the Constitution before investing in the Trust.

### UNITS

The Trust is divided into Units. A Unit confers on the Unitholder an undivided beneficial interest in the Trust as a whole, subject to trust liabilities and not in parts or single assets. A Unitholder holds a Unit subject to the rights and obligations attaching to that Unit. Units may be issued at a price determined by the Responsible Entity that may be above or below the trading value of Units.

### NO REDEMPTION OF UNITS

While the Trust is listed on the ASX, Units are not able to be redeemed, except under a withdrawal offer or buy-back of Units which is at the absolute discretion of the Responsible Entity to offer and which satisfies the Corporations Act and Listing Rules.

### BUY-BACKS

While the Trust is listed on the ASX the Responsible Entity may, but is under no obligation to, buy-back units and cause units purchased to be cancelled.

### AMENDMENTS TO CONSTITUTION

While the Trust is listed on the ASX and is a registered scheme, the Constitution may be amended by the Responsible Entity, provided that the Responsible Entity reasonably considers that the amendment will not adversely affect the rights of Unitholders, or by special resolution of Unitholders. Any amendment to the Constitution will not be effected until the modification is lodged with ASIC.

### LIABILITY OF UNITHOLDERS

As is typically the case with Australian managed funds, the liability of each Unitholder is limited to the amount subscribed, or agreed to be subscribed by the Unitholder, for Units plus any losses related to their default under the Constitution and taxes related to their Units, although this has not been definitively tested by the courts.

### RESPONSIBLE ENTITY'S POWERS AND DUTIES

The Responsible Entity has within and outside Australia all the powers in relation to the Trust that it is legally possible for a natural person, corporation, trustee or responsible entity to have, including to invest in real or personal property of any nature, to borrow or raise money and to secure by mortgage or otherwise, give guarantees and incur liabilities and obligations of any kind and to fetter its own discretion, as if it were the absolute and beneficial owner of all Trust assets.

The Responsible Entity may appoint delegates or agents to perform any act and to exercise any of its powers, as well as advisers to assist with its duties and functions.

In discharging its duties, the Responsible Entity is required to comply with the Constitution, the Corporations Act, the Listing Rules and the general law in Australia.

## **RESPONSIBLE ENTITY'S INDEMNITY AND EXPENSE REIMBURSEMENT**

The Responsible Entity is indemnified out of the Trust assets and can be reimbursed for any liability incurred by it, in its own capacity or through an agent, manager, adviser or delegate, in relation to the proper performance of any of its duties in respect of the Trust. The Responsible Entity will incur expenses to maintain the Trust and its listing on the ASX such as the maintenance of the Custodian, fund administration and Unit Registry fee.

## **FEES**

Fees are covered in section 7 of this PDS.

## **RESPONSIBLE ENTITY'S LIABILITY**

Under the Constitution the Responsible Entity will not be liable to Unitholders except in the case of its fraud, negligence or breach of trust or any other amounts required under applicable law.

The Responsible Entity's liability is generally limited to the extent to which it is entitled and does recover through its right of indemnity from the Trust property.

## **RELATED PARTIES**

The Responsible Entity, the Manager and any related company or Associate of the Responsible Entity or Manager, may, subject always to acting in good faith to Unitholders:

- a) hold Units;
- b) represent or act for, or contract with, individual Unitholders;
- c) deal in any capacity with the Responsible Entity, the Manager or with any related body corporate or Associate of the Responsible Entity, the Manager or with any trust;
- d) invest in and deal in any capacity with the same investments as those of the Trust, on similar or different terms;
- e) recommend that investments be purchased or sold, on behalf of the Trust, regardless of whether at the same time it may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to itself or other clients;
- f) deal in any investment regardless of whether that dealing is inconsistent with the dealing of the Trust;
- g) act in any capacity in relation to any other trusts, including subscribing for units in other trusts on behalf of Unitholders;
- h) act in various capacities in relation to, or be otherwise involved in (such as by way of investment), other business activities that may be in competition with the interests of Unitholders;
- i) acquire or dispose of Trust property to associates of the Responsible Entity or the Manager at the price and in the manner contemplated by this PDS or in the Constitution; or
- j) receive and retain profits or benefits of any nature, in connection with the Trust or otherwise, including buying or selling Trust property from or to itself in another capacity,

without being liable to account to the Trust, to the Responsible Entity, to the Manager or to a Unitholder.

## **REMOVAL AND RETIREMENT OF THE RESPONSIBLE ENTITY**

Unitholders do not have a right to remove the Responsible Entity other than the right granted by the Corporations Act which requires members with at least 5% of the votes that may be cast on the resolution or at least 100 members who are entitled to vote on the resolution to call a meeting to consider a vote on an ordinary resolution to remove the Responsible Entity. The Responsible Entity may retire in accordance with the Corporations Act. The Responsible Entity and its associates may vote on a resolution to remove it.

## **SMALL HOLDINGS**

In certain circumstances, the Responsible Entity may sell any Units held by a Unitholder which comprise less than the minimum balance as provided in the Constitution and Listing Rules.

## **MEETINGS**

Unitholders with at least 5% of the votes that may be cast on the resolution or at least 100 members who are entitled to vote on the resolution may generally call a meeting to consider a resolution. Resolutions must only be matters that Unitholders are permitted to vote on under the law or Constitution. Resolutions may be determined by postal ballot if permitted under the law and Listing Rules or at a meeting of Unitholders.

## SECTION 14: ADDITIONAL INFORMATION

### TERMINATION OF THE TRUST

The Unitholders may at any time terminate the Trust by calling a Unitholders' meeting in accordance with the Corporations Act to consider and vote on an extraordinary resolution directing the Responsible Entity to wind up the Trust. Otherwise, whilst the Trust is listed, the Trust is not able to be terminated under its Constitution.

### LISTING RULES

The Trust is subject to the Listing Rules and, despite anything in the Constitution, if the Listing Rules prohibit an act being done, that act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules requires to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision, the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If any provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

### 14.3 AVAILABILITY OF OTHER DOCUMENTS

The ASX maintains records of announcements for all entities listed on the ASX. The Trust's announcements may be viewed on the ASX website ([www.asx.com.au](http://www.asx.com.au)). ASIC also maintains records in respect of documents lodged with it by the Trust, and these may be obtained from or inspected at any office of ASIC.

### 14.4 UNITHOLDERS ELIGIBLE TO PARTICIPATE IN THE ENTITLEMENT OFFER

The information in this PDS relating to the Entitlement Offer is in respect of an offer of New Units and Additional New Units to Eligible Unitholders. Please refer to section 2.4.2 for Eligible Unitholder criteria.

The Entitlement Offer is not being extended to any Unitholders outside Australia and New Zealand. By returning your completed personalised Entitlement and Acceptance Form or making a payment through BPAY<sup>®</sup>, you will be taken to have represented and warranted that you satisfy each of the Eligible Unitholder criteria, including making the warranties and representations in section 14.5. Due to legal restrictions, nominees, trustees and custodians may not send copies of this PDS or any material relating to the Entitlement Offer or accept the Entitlement Offer in relation to any person in the United States, or any other person acting for the account or benefit of persons in the United States, or to any person in any other jurisdiction outside Australia and New Zealand.

### 14.5 WARRANTIES MADE ON ACCEPTANCE OF OFFER

By completing and returning your personalised Entitlement and Acceptance Form, by making a payment by BPAY<sup>®</sup> or by completing and returning your Shortfall Offer Application Form you will be deemed to have irrevocably acknowledged, represented and warranted that you, and each person on whose account you are acting:

- acknowledge that you have fully read and understood both this PDS and your Entitlement and Acceptance Form or Shortfall Offer Application Form (as the case may be) in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this PDS and the Entitlement and Acceptance Form or Shortfall Offer Application Form (as the case may be);
- agree to be bound by the terms of the Offer, the provisions of this PDS and the Constitution;
- authorise the Responsible Entity to register you as the holder(s) of New Units (and any Additional New Units) issued to you;
- declare that all details and statements in your Entitlement and Acceptance Form or Shortfall Offer Application Form (as the case may be) are complete and accurate;
- declare that you are over 18 years of age (if you are an individual) and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form or Shortfall Offer Application Form (as the case may be);
- acknowledge that once the Responsible Entity receives your Entitlement and Acceptance Form, Shortfall Offer Application Form or any payment of Application Monies via BPAY<sup>®</sup> (as the case may be) you may not withdraw your Application or Application Monies provided except as allowed by law;
- agree to apply for and be issued up to the number of New Units specified in the Entitlement and Acceptance Form or Shortfall Offer Application Form (as the case may be), or for which you have submitted payment of any Application Monies via BPAY<sup>®</sup> at the Offer Price per New Unit;

- agreed to being allocated and issued the number of New Units applied for (or a lower number allocated in a way described in this PDS), or no New Units at all;
- authorise the Responsible Entity, the Joint Lead Managers, the Unit Registry and their respective officers or agents to do anything on your behalf necessary for New Units (and any Additional New Units (if applicable)) to be issued to you, including to act on instructions of the Unit Registry upon using the contact details set out in your Entitlement and Acceptance Form or Shortfall Offer Application Form (as the case may be);
- in respect of Eligible Unitholders only, declare that you were the registered holder(s) at the Record Date of the Units indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this PDS and your personalised Entitlement and Acceptance Form or Shortfall Offer Application Form (as the case may be) is not investment advice or financial product advice nor have they been prepared taking into account your investment objectives, financial circumstances or particular needs or circumstances. You acknowledge that this PDS and your personalised Entitlement and Acceptance Form and Shortfall Offer Application Form (as the case may be) is not a recommendation that New Units (including Additional New Units) are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge the statement of risks in section 8 and that investments in the Trust are subject to risk;
- in respect of applicants in the Shortfall Offer, declare that you are a resident of Australia or New Zealand;
- acknowledge and agree that the Offer may be withdrawn by the Responsible Entity or may otherwise not proceed in the circumstances described in this PDS;
- acknowledge that none of the Responsible Entity, the Joint Lead Managers, or their respective related bodies corporate, affiliates or respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantee the performance of the Trust, nor do they guarantee the repayment of capital;
- in respect of Eligible Unitholders, agree to provide (and, if applicable, direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Units on the Record Date;
- authorise the Responsible Entity to correct any errors in your personalised Entitlement and Acceptance Form or Shortfall Offer Application Form (as applicable) or other form provided by you;
- represent and warrant that the law of any place does not prohibit you from being given this PDS and the Entitlement and Acceptance Form or the Shortfall Offer Application Form, nor does it prohibit you from making an application for New Units (or Additional New Units (if applicable)); and
- represent and warrant that your acceptance of the Offer does not breach any laws in the jurisdiction in which you reside.

By completing and returning your personalised Entitlement and Acceptance Form or Shortfall Offer Application Form (as applicable) or making a payment by B\*PAY®, you will also be deemed to have irrevocably acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting:

- in respect of participants in the Entitlement Offer, that you are an Eligible Unitholder or otherwise eligible to participate in the Entitlement Offer and you and each person on whose account you are acting are not in the United States and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements, New Units or Additional New Units under the Entitlement Offer and under any applicable laws and regulations;
- the Entitlements, New Units and Additional New Units have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia and, accordingly, the Entitlements may not be taken up, and the New Units or Additional New Units may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- you and each person on whose account you are acting have not and will not send any materials relating to the Offer to any person in the United States;

## SECTION 14: ADDITIONAL INFORMATION

- if in the future you decide to sell or otherwise transfer the New Units (or Additional New Units (if applicable)), you will only do so in the regular way transactions take place on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form or Shortfall Offer Application Form (as applicable) is not in the United States, and you have not sent this PDS, the Entitlement and Acceptance Form, the Shortfall Offer Application Form or any information relating to the Offer to any such person.
- each Applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

### 14.6 FOREIGN JURISDICTIONS

The information in this PDS has been prepared to comply with the applicable requirements of the securities laws of Australia and New Zealand.

The information in this PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer, the Entitlements, the New Units or the Additional New Units, or otherwise permit a public offering of the New Units or Additional New Units, in any jurisdiction outside of Australia. Return of the personalised Entitlement and Acceptance Form or Shortfall Offer Application Form (as applicable) or your BPAY\* payment will be taken by the Responsible Entity to constitute an irrevocable representation by you that there has been no breach of any laws of a jurisdiction outside Australia, New Zealand or the jurisdictions contemplated in the 'Selling Restrictions' contained in this section 14.6.

The distribution of this PDS (including an electronic copy) outside Australia or New Zealand may be restricted by law. If you come into possession of this PDS, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

### 14.7 COMPLAINTS RESOLUTION

The Responsible Entity has established procedures for dealing with complaints. If an investor has a complaint, they can contact the Responsible Entity or the Manager during business hours.

The Responsible Entity will use reasonable endeavours to deal with and resolve the complaint within a reasonable time but in any case no later than 45 days after receipt of the complaint.

If an investor is not satisfied with the outcome, the complaint can be referred to the Financial Ombudsman Service (FOS), an external complaints resolution scheme of which the Responsible Entity and the Manager are members. FOS's postal address is GPO Box 3, Melbourne, Victoria 3001 and the toll free number is 1300 780 808. FOS' role and terms of reference are specified in FOS' Rules available from their website [www.fos.org.au](http://www.fos.org.au).

### 14.8 INTERESTS OF RESPONSIBLE ENTITY DIRECTORS

This section 14.8 sets out the nature and extent of the interests and fees of certain persons involved in the Offer other than as set out below or elsewhere in this PDS:

- a) no Director or proposed Director holds at the date of this PDS, or held at any time during the last two years before the date of lodgement of this PDS with ASIC, any interest in:
  - the formation or promotion of the Trust; or
  - any property acquired or proposed to be acquired by the Trust in connection with its formation or in connection with the Offer; or
  - the Offer; and
- b) no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:
  - to a Director or proposed Director to induce him to become, or to qualify as, a Director; or
  - for services provided by a Director or proposed Director in connection with the formation or promotion of the Trust or in connection with the Offer.

## 14.9 RELATED PARTY INTERESTS

Other than as set out in this PDS, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Responsible Entity was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest.

The Investment Management Agreement and other Material Agreements have been entered into on arm's length terms between the Trust and the Manager. The Responsible Entity and the Manager may be subject to conflicts of interest when performing their duties in relation to the Trust. Both the Responsible Entity and the Manager have policies and procedures in place to appropriately manage these conflicts of interest.

## 14.10 INTERESTS OF EXPERTS AND ADVISERS

Except as disclosed in this PDS, no amounts of any kind (whether in cash or otherwise) have been paid or agreed to be paid to any expert, stockbroker, promoter or any other person named in this PDS as performing a function in a professional capacity in connection with the preparation or distribution of this PDS, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated, for services rendered by that person in connection with the formation or promotion of the Trust or the Offer under this PDS.

- Grant Samuel Capital Advisory Pty Limited ABN 91 003 241 745; AFSL 241 010 (**Grant Samuel**) has acted as Financial Adviser to the Manager in relation to the Offer. In consideration of these services, Grant Samuel will be paid a fee of 0.175% (plus GST) of the total proceeds raised in the Offer.
- Pinnacle Investment Management Limited ABN 66 109 659 109 (**Pinnacle**) has been appointed as a Distribution Partner in relation to the Offer. In consideration of these services, Pinnacle will be paid a fee of 0.15% (plus GST) of the proceeds of the Offer.
- CSL is the Lead Arranger to the Offer. In accordance with the Offer Management Agreement, the Manager will pay the Lead Arranger and arranging fee of 0.10% (plus GST) of the total proceeds of the Offer.
- CSL, Morgans, Wilsons and Ords have agreed to act as Joint Lead Managers to the Offer. In consideration of these services, CSL, Morgans, Wilsons and Ords will be paid a management fee of 0.75% (plus GST) of the gross proceeds of the Offer. In addition to the management fee, the Joint Lead Managers will also be paid a Broker fee and for additional expenses, as set out in section 13.2. Bell Potter Securities Limited; Shaw and Partners Limited; and Taylor Collison Limited have agreed to act as Co-Managers to the Offer, and any fee payable to the Co-Managers will be paid from the fees to the Joint Lead Managers.
- In addition to CSL receiving fees in its role as Lead Arranger and Joint Lead Manager, Commonwealth Bank of Australia Limited, the ultimate holding company of CSL is also a lender to DASLF and has, on occasion, co-invested alongside DASLF in providing syndicated loan facilities to Australian corporate borrowers. In its capacity as both a debt provider to and co-investor with the DASLF, the Commonwealth Bank of Australia Limited has received fees in the past and may receive fees in the future.
- Pitcher Partners has acted as the Australian Investigating Accountant to the Offer and has prepared the Investigating Accountant's Report on the Historical and Pro-Forma Historical Financial Information in section 12. In respect of these services, the Manager will pay approximately \$35,000 (plus GST and disbursements) to Pitcher Partners.
- MinterEllison has acted as the Trust's legal advisers and in that capacity has been involved in undertaking due diligence enquiries for the preparation of this PDS and providing legal advice to the Trust in relation to the Offer. In respect of this work, the Manager will pay approximately \$150,000 (plus GST and disbursements) for services in relation to this PDS. Further amounts may be paid to MinterEllison for other services in accordance with its normal time-based charges.

## 14.11 OFFER EXPENSES

The Manager may drawdown loan funds provided by the Trust for the purposes of paying the costs of the Offer in addition to other working capital purposes. If the Manager is terminated it is entitled to recover such amounts that exceed the IEE it has received.

If the Offer proceeds, the total estimated cash expenses in connection with the Offer (including advisory, legal, accounting, tax, listing and administrative fees) are estimated to be \$8,521,985 (net of claimable GST) assuming the Maximum Entitlement Offer is achieved, \$10,479,130 (net of claimable GST) assuming the Maximum Capital Raise is achieved.

The Responsible Entity may engage in future capital raisings in relation to the Trust and accordingly the Manager Loan and IEE may be extended if agreed by the Manager.

## SECTION 14: ADDITIONAL INFORMATION

### 14.12 CONSENTS

Each of the parties referred to below:

- does not make the Offer;
- other than as specified in this PDS, does not make, or purport to make, any statement that is included in this PDS, or a statement on which a statement made in this PDS is based, other than as specified in this section 14;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than a reference to its name and a statement included in this PDS with the consent of that party as specified below;
- each of the parties listed below has given and has not, before lodgement of this PDS with ASIC, withdrawn its written consent to the inclusion of the statements in this PDS that are specified below in the form and content in which the statements appear:
  - a) Grant Samuel has given and not withdrawn its consent prior to the lodgement of this PDS with ASIC, its written consent to being named as Financial Adviser in this PDS, and any electronic version of this PDS, in the form and context in which it is named.
  - b) CSL has given and has not withdrawn prior to the lodgement of this PDS with ASIC, its written consent to being named as Lead Arranger to the Trust in this PDS, and any electronic version of this PDS, in the form and context in which it is named.
  - c) Each of CSL, Morgans, Ords and Wilsons has given and has not withdrawn prior to the lodgement of this PDS with ASIC, its written consent to being named as Joint Lead Managers to the Trust in this PDS, and any electronic version of this PDS, in the form and context in which it is named.
  - d) Each of: Bell Potter Securities Limited, Shaw and Partners Limited and Taylor Collison Limited has given and has not withdrawn prior to the lodgement of this PDS with ASIC, its written consent to being named as Co-Managers to the Trust in this PDS, and any electronic version of this PDS, in the form and context in which it is named.
  - e) Pitcher Partners has given, and has not withdrawn prior to the lodgement of this PDS with ASIC, its written consent to be named in this PDS as Investigating Accountant to the Trust in relation to the unaudited Pro-Forma Financial Information in the form and context in which it is named and has given and not withdrawn its consent to the inclusion in this PDS of its Investigating Accountant's Report in the form and context in which it is included.
  - f) MCP has given and not withdrawn its consent prior to the lodgement of this PDS with ASIC, its written consent to being named as the Manager to the Trust in this PDS, and any electronic version of this PDS, in the form and context in which it is named.
  - g) Perpetual Corporate Trust Limited ACN 000 341 533 has consented to being named in this PDS, but it does not make any statement in this PDS, nor is any statement in this PDS based on any statement by it.
  - h) MinterEllison has given and not withdrawn its consent prior to lodgement of this PDS with ASIC, its written consent to being named as Australian legal adviser to the Offer in this PDS, and any electronic version of this PDS, in the form and context in which it is named.
  - i) Mainstream has given, and has not before the date of this PDS withdrawn, its consent to be named as the Unit Registry to the Trust in this PDS and any electronic version of this PDS in the form and context in which it is named. Mainstream was not involved in the preparation of this PDS, did not authorise or cause the issue of this PDS and takes no responsibility for any material in or omission from this PDS.
  - j) Perpetual Limited and The Trust Company Limited have given and not withdrawn their consent prior to the lodgement of this PDS with ASIC, their written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which they are named.
  - k) Pinnacle has given and not withdrawn its consent prior to the lodgement of this PDS with ASIC, its written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which it is named.
  - l) KPMG has given and not withdrawn its consent prior to the lodgement of this PDS with ASIC, its written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which it is named.
  - m) Metrics Credit Holdings Pty Ltd has given and not withdrawn its consent prior to the lodgement of this PDS with ASIC, its written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which it is named.



### 14.13 LEGAL PROCEEDINGS

The Trust is not engaged in any litigation at the date of this PDS, and as far as the Responsible Entity is aware, no litigation involving the Trust is pending or threatened.

### 14.14 ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING

The Anti-Money Laundering Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity (**AML Requirements**), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The Anti-Money Laundering Act is enforced by the Australian Transaction Reports and Analysis Centre (**AUSTRAC**). In order to comply with the AML Requirements, the Responsible Entity is required to, amongst other things:

- Verify an investor's identity and the source of their application monies before providing services to them, and to re-identify them if they consider it necessary to do so; and
- Where an investor supplies documentation relating to the verification of their identity, keep a record of this documentation for 7 years.

The Responsible Entity and Administrator as its agent (collectively, the **Entities**) reserve the right to request such information as is necessary to verify the identity of an investor and the source of the payment. In the event of delay or failure by the investor to produce this information, the Entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to the investor for any loss suffered by the investor as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. As a result of the implementation of these measures and controls:

- transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- where transactions are delayed, blocked, frozen or refused, the Entities are not liable for any loss investors suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Trust; and
- the Responsible Entity or Administrator may from time to time require additional information from investors to assist it in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss an investor may suffer as a result of their compliance with the AML Requirements.

## SECTION 14: ADDITIONAL INFORMATION

### 14.15 PRIVACY

The Responsible Entity may collect personal information from you when you contact it and from any other relevant forms to be able to administer your investment and comply with any relevant laws, including the Privacy Act 1988 (Cth) and provide information to relevant government agencies in accordance with those laws. If you do not provide us with your relevant personal information, the Responsible Entity may not be able to properly administer your investment.

Privacy laws apply to the handling of personal information and the Responsible Entity will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information the Responsible Entity collects and holds;
- how the Responsible Entity collects and holds personal information;
- the purposes for which the Responsible Entity collects, holds, uses and discloses personal information;
- how you may access personal information that the Responsible Entity holds about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles (**APP**), or a registered APP code (if any) that binds the Responsible Entity, and how the Responsible Entity will deal with such a complaint; and
- whether the Responsible Entity is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for the Responsible Entity to specify those countries.

The privacy policy of the Responsible Entity is publicly available at its website at [www.perpetual.com.au](http://www.perpetual.com.au) or you can obtain a copy free of charge by contacting the Responsible Entity.

The Manager may also collect, use and disclose your personal information, including personal information provided to the Manager by the Responsible Entity, for investor relations purposes in accordance with its privacy policy. A copy of the Manager's privacy policy will be publicly available at [www.metricscredit.com.au](http://www.metricscredit.com.au).

### 14.16 INVESTOR CONSIDERATIONS

Before deciding to participate in this Offer, you should consider whether the Units to be issued are a suitable investment for you. There are general risks associated with any investment in the financial markets. The value of securities listed on the ASX may rise or fall depending on a range of factors beyond the control of the Trust.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this PDS from a stockbroker, solicitor, accountant or other professional adviser.

The potential tax effects relating to the Offer will vary between investors.

### 14.17 GOVERNING LAW

This PDS and the contracts that arise from the acceptance of Applications under the Offer are governed by the laws applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

### 14.18 STATEMENT OF DIRECTORS

The Directors of the Responsible Entity believe that, on completion of the Offer, the Trust will have sufficient working capital to carry out its objectives as stated in this PDS.

# APPENDIX A: GLOSSARY

TERM	MEANING
\$, AUD	Dollars of the currency of Australia, and all amounts in this PDS are in Australian dollars unless otherwise stated.
AAS	Australian Accounting Standards.
AASB	Australian Accounting Standards Board.
ABN	Australian Business Number.
<b>Additional New Units</b>	New Units applied for by an Eligible Unitholder in excess of their Entitlement under the Oversubscription Facility.
<b>Administrator</b>	Mainstream Fund Services Pty Ltd ACN 118 902 891; AFSL 303253.
AET	Australian Eastern Time.
AFSL	Australian Financial Services Licence.
AIIR	Annual Investment Income Report.
AMIT	Attribution Managed Investment Trust.
<b>AML Requirements</b>	The Anti-Money Laundering Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity.
AMMA	AMIT Member Annual Statement.
<b>Anti-Money Laundering Act</b>	The <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth).
APP	Australian Privacy Principles.
<b>Applicant</b>	A person who submits a valid Application Form and required Application Monies pursuant to this PDS.
<b>Application</b>	An application for New Units and Additional New Units (if any) under this PDS.
<b>Application Form</b>	The Entitlement and Acceptance Form and/or the Shortfall Offer Application Form.
<b>Application Monies</b>	Money submitted by Applicants under the Offer.
ASIC	Australian Securities and Investments Commission.
<b>Associate</b>	Has the meaning given to that term in the Corporations Act.
ASX	ASX Limited ABN 98 008 624 691 or the market it operates (Australian Securities Exchange), as the context requires.

## APPENDIX A: GLOSSARY

TERM	MEANING
<b>ASX Corporate Governance Principles and Recommendations</b>	Corporate governance principles and recommendations issued by the ASX Corporate Governance Council dated 27 March 2014.
<b>ATO</b>	Australian Taxation Office.
<b>Auditor</b>	KPMG Australia ABN 51 194 660 183.
<b>AUSTRAC</b>	The Australian Transaction Reports and Analysis Centre.
<b>BBSW</b>	The bank bill reference rate as published by the Australian Financial Markets Association.
<b>BBSY</b>	The Bank Bill Swap Bid Rate – which consists of BBSY plus (minus) a bid (ask) spread of 0.05%.
<b>Board</b>	The board of Directors of the Responsible Entity.
<b>Bond</b>	A type of debt product issued by borrowers such as governments and companies.
<b>BPAY®</b>	Payments system operated by BPAY Pty Ltd ABN 69 079 137 518.
<b>Broker</b>	Any ASX participating organisation selected by the Joint Lead Managers in consultation with the Trust to participate in the Broker Firm Offer.
<b>Broker Firm Applicant</b>	An Applicant under the Broker Firm Offer.
<b>Broker Firm Offer</b>	The invitation to apply for New Units under the Shortfall Offer under this PDS as described in section 2.
<b>Business Day</b>	A day, other than a Saturday, Sunday or public holiday on which Australian banks are open for business in Sydney, Australia.
<b>CGT</b>	Capital Gains Tax.
<b>Closing Date</b>	5:00pm (AET) on 29 March 2018.
<b>Co-Managers</b>	Bell Potter Securities Limited; Shaw and Partners Limited and Taylor Collison Limited.
<b>CSL</b>	Commonwealth Securities Limited ABN 60 067 254 399, AFSL 238 814.
<b>Constitution</b>	The constitution of the Trust.
<b>Convertible Bonds</b>	A Bond that gives the holder a right to a specified amount of Ordinary Shares in the issuing company or cash of equal value.
<b>Convertible Preference Share</b>	A Preference Share that may be converted into Ordinary Shares in the issuing company.
<b>Corporate Bond</b>	A Bond issued by a company.

TERM	MEANING
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>CRN</b>	Customer Reference Number.
<b>CRS</b>	Common Reporting Standard.
<b>Custodian</b>	Perpetual Corporate Trust Limited ACN 000 341 533.
<b>Custodian Agreement</b>	The agreement between the Trust and the Custodian.
<b>Custodian's Group</b>	The Custodian and its other group companies.
<b>DASLF</b>	Metrics Credit Partners Diversified Australian Senior Loan Fund, a registered managed investment scheme ARSN 163 161 591.
<b>Directors</b>	The directors (including any alternate directors) of the Responsible Entity as at the date of this PDS.
<b>Distribution Partner</b>	Pinnacle.
<b>DRP</b>	The Trust's Distribution Reinvestment Plan, being a plan that provides Unitholders the option to re-invest the Trust's distributions.
<b>Eligible Unitholder</b>	Has the meaning given to that term in section 2.4.
<b>Entities</b>	The Responsible Entity and Administrator as its agent.
<b>Entitlement</b>	The number of New Units each Eligible Unitholder is invited to apply for under the Entitlement Offer as designated on their Entitlement and Acceptance Form.
<b>Entitlement and Acceptance Form</b>	The personalised form for participation in the Entitlement Offer attached to, or accompanying, this PDS.
<b>Entitlement Offer</b>	The pro rata non-renounceable entitlement offer under which Eligible Unitholders are invited to apply for 1 New Unit for every 1.7 existing Units held on the Record Date at \$2.00 per New Unit to raise up to \$303,635,512.
<b>Entitlement Offer Issue Date</b>	The date on which the Units are issued under the Entitlement Offer, being 9 April 2018.
<b>ESG</b>	Environmental, social and governance.
<b>Excess Amount</b>	Any monies that an Eligible Unitholder pays above the full amount of Application Monies for its whole Entitlement.
<b>FATCA</b>	U.S income tax laws commonly referred to as the Foreign Account Tax Compliance Act.
<b>FIF</b>	Foreign Investment Fund.

## APPENDIX A: GLOSSARY

TERM	MEANING
<b>Financial Adviser</b>	Grant Samuel.
<b>Financial Services Guide</b>	A guide in accordance with Part 7.7 of the Corporations Act.
<b>FITO</b>	Foreign Income Tax Offset.
<b>FOS</b>	Financial Ombudsman Service.
<b>Fund Administration Agreement</b>	The agreement relating to the administration of the Trust between the Administrator and the Responsible Entity.
<b>GAV</b>	Gross asset value.
<b>GFC</b>	Global Financial Crisis.
<b>Grant Samuel</b>	Grant Samuel Capital Advisory Pty Limited ABN 91 003 241 745; AFSL 241 010.
<b>GST</b>	Goods and Services Tax.
<b>IEE or Investor Equalisation Expense</b>	The fee paid to the Manager under the Investment Management Agreement in connection with the services it provides under the Investment Management Agreement.
<b>Institutional Investor</b>	<p>An investor who is:</p> <ul style="list-style-type: none"> <li>– a person in Australia who is wholesale investor for the purposes of section 761G of the Corporations Act; and</li> <li>– an institutional investor in certain other jurisdictions, as agreed between the Responsible Entity and the Joint Lead Managers, to whom offers of Units may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing, registration or qualification with, or approval by, any governmental agency (except one with which the Responsible Entity is willing, in its absolute discretion, to comply).</li> </ul>
<b>Institutional Offer</b>	The invitation to bid for New Units made to Institutional Investors to acquire New Units under this PDS as described in section 2.5.3.
<b>Investigating Accountant</b>	Pitcher Partners.
<b>Investigating Accountant's Report</b>	The report by the Investigating Accountant in section 12, also referred to as the Independent Limited Assurance Report or the Report.
<b>Investment Management Agreement</b>	The agreement between the Trust and the Manager.
<b>Investment Objective</b>	The objectives that the Trust seeks to achieve through its investments.
<b>Investment Strategy</b>	The investment strategy of the Trust, as set out in section 5.4.

TERM	MEANING
<b>Investment Team</b>	The team that comprises the MCP Investment Committee and is responsible for all investment decisions of the Trust, MCP Wholesale Investments Trust and the Wholesale Funds and consists of Justin Hynes, Andrew Lockhart, Graham McNamara and Andrew Tremain.
<b>IPO</b>	Initial Public Offer.
<b>Joint Lead Managers</b>	CSL, Morgans, Ords and Wilsons.
<b>Lead Arranger</b>	CSL.
<b>Listing Rules</b>	The official Listing Rules of the ASX as amended or waived from time to time.
<b>Mainstream</b>	Mainstream Fund Services Pty Ltd ACN 118 902 891; AFSL 303253.
<b>Material Agreements</b>	The agreements set out in section 13.
<b>Manager or MCP</b>	Metrics Credit Partners Pty Ltd ACN 150 646 996; AFSL 416 146.
<b>Manager Loan</b>	A working capital loan provided by the Responsible Entity to the Manager to be used by the Manager to pay certain costs in relation to the advisory services and other amounts as agreed between the Responsible Entity and the Manager from time to time.
<b>Maximum Offer Size</b>	\$381,062,566.
<b>MCP Board</b>	The board of directors of MCP.
<b>MCP Investment Committee</b>	Committee responsible for all investment decisions concerning assets of funds managed by MCP.
<b>MCP Wholesale Investments Trust or the Sub-Trust</b>	The trust known as 'MCP Wholesale Investments Trust' established by deed dated 14 July 2017.
<b>MIT</b>	Managed Investment Trust.
<b>Morgans</b>	Morgans Financial Limited ABN 49 010 669 726, AFSL 235 410.
<b>MXT</b>	The ASX ticker code for the MCP Master Income Trust.
<b>NAB</b>	National Australia Bank Limited ABN 12 004 044 937.
<b>NAB Group</b>	NAB and its other group companies.
<b>Net Asset Value or NAV</b>	The net asset value for the Trust calculated in accordance with section 5.9.
<b>Net Tangible Asset Backing</b>	The value of the Trust's total assets reduced by the Trust's intangible assets and the Trust's total liabilities, which includes declared but unpaid distributions and unpaid management fees earned, as calculated in accordance with the Listing Rules.

## APPENDIX A: GLOSSARY

TERM	MEANING
<b>New Units</b>	A Unit offered and issued under the Offer.
<b>New Zealand Unitholder</b>	New Zealand tax resident Unitholders.
<b>Notes</b>	A type of debt security with rights to payments of interest and principal.
<b>Offer</b>	The Entitlement Offer and the Shortfall Offer.
<b>Offer Management Agreement</b>	The agreement dated 26 February between the Responsible Entity, the Manager and the Joint Lead Managers in respect of the offer, a summary of which is included in section 13.2.
<b>Offer Period</b>	The period between the Opening Date and the Closing Date.
<b>Offer Price</b>	The price payable for a New Unit (or Additional New Unit, if applicable) under the Offer, being \$2.00 per New Unit.
<b>Opening Date</b>	9:00am (AET) on 5 March 2018.
<b>Ordinary Shares</b>	The common equity of a company which contains no special or preferred rights.
<b>Ords</b>	Ord Minnett Limited ABN 86 002 733 048, AFSL 237 121.
<b>OTC</b>	Over the counter. This means products described as such are traded privately using financial institutions and not on a public market.
<b>Oversubscription Facility</b>	The facility by which Eligible Unitholders who take up their Entitlement in full may also apply for Additional New Units in excess of their Entitlements at the Offer Price.
<b>PDS</b>	This product disclosure statement, dated 26 February for the issue of Units to raise up to \$381,062,566.
<b>Perpetual</b>	Perpetual Limited ABN 86 000 431 827, ASX:PPT.
<b>Pinnacle</b>	Pinnacle Investment Management Limited ABN 66 109 659 109.
<b>Pitcher Partners</b>	Pitcher Partners Sydney Corporate Finance Pty Ltd ACN 122 561 184.
<b>Preference Shares</b>	A type of share that gives holders a priority over Ordinary Shares in regard to payments of dividends or the winding up of a company.
<b>Portfolio Construction</b>	The allocation of assets by the MCP Wholesale Investments Trust to achieve the Investment Objective.
<b>Pro Forma Financial Information</b>	The unaudited Pro Forma Financial Information as set out in section 10.
<b>RBA Cash Rate</b>	The interest rate which banks pay to borrow funds from other banks in the money market on an overnight basis as published by the Reserve Bank of Australia.



TERM	MEANING
<b>Record Date</b>	7.00pm (AET) on 1 March 2018.
<b>REDF</b>	MCP Real Estate Debt Fund.
<b>Responsible Entity</b>	The Trust Company (RE Services) Limited ACN 003 278 831; AFSL 235 150.
<b>RITC</b>	Reduced Input Tax Credit.
<b>Shortfall</b>	Any New Units or Additional New Units not taken up by Eligible Unitholders under the Entitlement Offer or the Oversubscription Facility.
<b>Shortfall Offer</b>	The shortfall offer described in section 2.5.
<b>Shortfall Offer Application</b>	An application for Units under the Shortfall Offer, being 18 April 2018.
<b>Shortfall Offer Application Form</b>	The application form for participation in the Shortfall Offer attached to, or accompanying, this PDS.
<b>Shortfall Offer Closing Date</b>	5:00pm (AET) on 29 March 2018.
<b>Shortfall Offer Issue Date</b>	The date on which the Units are issued under the Shortfall Offer.
<b>SMSF</b>	Self Managed Superannuation Fund.
<b>SPDF</b>	Metrics Credit Partners Secured Private Debt Fund.
<b>SPDF II</b>	MCP Secured Private Debt Fund II.
<b>Sub-Trustee</b>	The Trust Company Limited (ACN 004 027 749).
<b>Sub-Trust Manager</b>	Metrics Credit Partners Pty Ltd ACN 150 646 996; AFSL 416 146.
<b>Subordinated Notes</b>	A type of debt security with rights to payments of interest and principal that rank behind other classes of debt.
<b>Target Return</b>	The return that the Trust targets for its investments, being the RBA Cash Rate plus 3.25% per annum net of fees.
<b>Tenor</b>	Contracted loan term for repayment.
<b>TFN</b>	Tax File Number.
<b>TOFA</b>	Taxation of Financial Arrangements.
<b>Trust</b>	MCP Master Income Trust ARSN 620 465 090.

## APPENDIX A: GLOSSARY

TERM	MEANING
<b>Unit</b>	An ordinary unit in the Trust.
<b>Unitholder</b>	A registered holder of a Unit.
<b>Unit Registry</b>	Mainstream Fund Services Pty Ltd ACN 118 902 891; AFSL 303253.
<b>US</b>	United States of America.
<b>USD or US\$</b>	US Dollars, being the currency of the United States of America.
<b>US Person</b>	Citizen and residents of the United States of America.
<b>Wholesale Funds</b>	Funds managed by MCP that are available only to wholesale investors and open for investment, including (but not limited to) Metrics Credit Partners Diversified Australian Senior Loan Fund, MCP Secured Private Debt Fund II and MCP Real Estate Debt Fund.
<b>Wilsons</b>	Wilsons Corporate Finance Limited ABN 65 057 547 323, AFSL 238 383.

# APPENDIX B: CORPORATE DIRECTORY

## RESPONSIBLE ENTITY

**The Trust Company (RE Services) Limited**  
Level 18, Angel Place  
123 Pitt Street  
Sydney NSW 2001

## MANAGER

**Metrics Credit Partners Pty Ltd**  
2 Ridge Street  
North Sydney NSW 2060

## FINANCIAL ADVISER

**Grant Samuel Capital Advisory Pty Limited**  
Level 19, Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

## SOLICITORS TO THE OFFER

**MinterEllison**  
Level 40, Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

## DISTRIBUTION PARTNER

**Pinnacle Investment Management Group Limited**  
Level 35, 60 Margaret Street  
Sydney NSW 2000

## JOINT LEAD MANAGERS

**Morgans Financial Limited**  
Level 29, 123 Eagle Street  
Brisbane QLD 4000

**Ord Minnett Limited**  
Level 8, NAB House  
255 George Street  
Sydney NSW 2000

**Wilsons Corporate Finance Limited**  
Level 30, Waterfront Place  
1 Eagle Street  
Brisbane QLD 4000

## TRUSTEE

**The Trust Company Limited**  
Level 18, Angel Place  
123 Pitt Street  
Sydney NSW 2001

## CUSTODIAN

**Perpetual Corporate Trust Limited**  
Level 18, Angel Place  
123 Pitt Street  
Sydney NSW 2001

## ADMINISTRATOR AND REGISTRY

**Mainstream Fund Services Pty Ltd**  
Level 1, 51-57 Pitt Street  
Sydney NSW 2000

## INVESTIGATING ACCOUNTANT

**Pitcher Partners Sydney Corporate Finance Pty Ltd**  
Level 22, MLC Centre  
19 Martin Place  
Sydney NSW 2000

## LEAD ARRANGER AND JOINT LEAD MANAGER

**Commonwealth Securities Limited**  
Ground Floor, Tower 1  
201 Sussex Street  
Sydney NSW 2000

## CO-MANAGERS

**Bell Potter Securities Limited**  
Level 29, 101 Collins Street  
Melbourne VIC 3000

**Shaw and Partners Limited**  
Level 15, 60 Castlereagh Street  
Sydney NSW 2000

**Taylor Collison Limited**  
Level 16, 211 Victoria Square  
Adelaide SA 5000

