

TRUST INFORMATION

Trust

MCP Master Income Trust (MXT) ARSN 620 465 090

Responsible Entity

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

Manager

Metrics Credit Partners Pty Ltd (MCP) ACN 150 646 996; AFSL 416 146. MCP is an alternatives asset manager specialising in private credit, equity and debt capital markets. MCP has significant experience in corporate and institutional lending and currently manages assets in excess of \$3.0 billion.

Investment Objective

Provide monthly cash income, low risk of capital loss and portfolio diversification by actively managing diversified loan portfolios and participating in Australia's bank-dominated corporate loan market.

Investment Strategy

Provide exposure reflecting activity in the Australian corporate loan market with diversification by borrower, industry and credit quality. MCP seeks to implement active strategies designed to balance delivery of the Target Return, while preserving investor capital.

Target Return

RBA Cash Rate +3.25% pa net of fees.

Investment Highlights

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

UNIT PRICE AND NAV⁽¹⁾

ASX Ticker Code	MXT
Price / NAV (share) ⁽²⁾	\$2.08 / \$2.00
Market Cap. / NAV ⁽²⁾	\$756m / \$729m
Unit Pricing	Daily
Distributions	Monthly
Website	www.metricscredit.com.au

MARKET AND INVESTMENT ACTIVITY

There was significant activity in the Australian syndicated and club loan market during October. A total of 11 loans worth A\$13.3b completed during the month, versus A\$2.6b in the pcp. There were two jumbo transactions, being the A\$4b WestConnex toll road loan and a A\$7b refinancing for Ausgrid. Also in October, both the Kwinana Waste to Energy Project and the Sunraysia Solar Project closed their transactions and IVF Australia refinanced its existing facility.

With liquidity in the investment grade loan market high, pricing remains at low levels even as funding costs for domestic banks are rising. The major domestic banks have so far been absorbing these higher costs to remain competitive with international lenders, but their ability to keep doing this may not be sustainable as it increasingly impacts profitability.

During October, MXT gained exposure to six new investments including a project finance loan to a renewable energy project, three commercial real estate loans, an acquisition loan to a national commercial services firm and a loan to a data warehousing and software services firm.

MXT also increased its exposure to an existing investment in the mining services sector, and was repaid on one project finance loan. At the end of October MXT is invested in a well diversified pool of 90 individual loan assets.

To maximise investor risk adjusted returns, MXT maintains a strong pipeline of investments across both the syndicated/club and bi-lateral loan markets. MXT has committed to five loans which are expected to close in November.

MXT announced a 0.90c per unit October distribution to be paid in early November, representing an annualised distribution rate of 5.01% since listing, exceeding the target return of the RBA Cash Rate +3.25% pa (currently 4.75% pa).

MXT was listed on the ASX on the 9th of October 2017 and has now passed its first full year of operations. Since IPO MXT has outperformed the target return, enhanced portfolio diversity (90 loans vs 59 Oct'17) and successfully deployed investor capital achieving the fund's investment objective.

During the month of October, MXT won the Lonsec Listed Fund Award.

NAV/UNIT AND UNIT PRICE PERFORMANCE



NOTE: First distribution end December 2017 and month end thereafter.

Entitlement Offer announced 26 February 2018 and closed 27 March 2018.

FUND PERFORMANCE

	1mth	1yr	3yr ⁽³⁾	5yr ⁽³⁾	Incep ⁽⁴⁾
Net Return (%)	0.49	5.04	-	-	5.19
RBA Cash Rate (%)	0.13	1.50	-	-	1.50
Distribution (%)	0.45	5.31	-	-	5.01
Distribution (c/Unit)	0.90	10.62	-	-	10.01

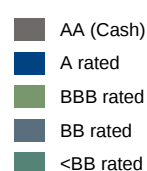
NOTE: Past performance is not a reliable indicator of future performance.

RESEARCH



PLATFORMS

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

PORTFOLIO CONSTRUCTION⁽⁵⁾Industry Allocation⁽⁶⁾Credit Quality⁽⁷⁾

OTHER FUND SETTINGS

Number of Individual investments	90	Interest Duration (days) ⁽⁸⁾	35
Investment Grade (%) ⁽⁹⁾	62%	Credit Duration (years) ⁽⁹⁾	2.5

NET RETURNS⁽¹⁰⁾

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	0.38	0.32	0.43	0.38	0.38	0.45	0.50	0.49	0.45	0.49	-	-	4.28
2017	-	-	-	-	-	-	-	-	-	0.46	0.35	0.41	1.23

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

DISTRIBUTIONS

(cents/Unit)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	0.81	0.73	0.81	0.78	0.81	0.93	0.91	0.96	0.79	0.90	-	-	8.43
2017	-	-	-	-	-	-	-	-	-	-	-	2.19	2.19

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

NOTES

1. As at close of business month end 2. Ex-distribution 3. Annualised. 4. IPO 9 October 2017. 5. Note MXT invests in underlying MCP funds which engage in direct lending activities. 6. MSCI and Standard & Poor's' Global Industry Classification Standard Industry. 7. Rated by MCP including where not rated by public rating agencies. 8. Weighted average to next interest rate roll on underlying loans and cash. 9. Weighted average to final maturity on underlying loans and cash. 10. Where last day of the month is a non business day returns based on estimated unit price at month end.

ENQUIRIES

General ☎ 1300 010 311 ✉ invest@metricscredit.com.au Unit registry ☎ 1300 133 451 ✉ registry@mainstreamgroup.com

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