

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 (Metrics) ACN 150 646 996;
AFSL 416 146. Metrics is an alternative asset manager with expertise in fixed income, private credit, equity and capital markets. Metrics has significant experience in corporate and institutional lending and currently manages assets in excess of \$3.3 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. Metrics 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⁾	\$2.10 / \$2.00
Market Cap. / NAV ⁽²⁾	\$764m / \$729m
Unit Pricing	Daily
Distributions	Monthly
Website	metrics.com.au

MARKET AND INVESTMENT ACTIVITY

January was a typically subdued month for the Australian corporate loan market with only a handful of transactions completing, however unlike recent years, the pipeline remains full and with several significant refinancings and acquisition financings currently in market, activity should ramp up quickly in 2019.

Whilst pricing in the corporate loan market generally remained flat over the last quarter of 2018, in response to higher wholesale funding costs all four major banks have now raised their residential mortgage rates and the potential for increased pricing in the corporate loan market remains a key consideration for borrowers in 2019. This is expected to drive another year of elevated refinancing activity.

During January, MXT gained exposure to two new investments including an acquisition loan to a borrower in the consumer sector and a loan to a borrower in the real estate sector. Both investments were bi-lateral loans directly originated by Metrics.

Also in January, MXT exited one investment being a syndicated loan to an infrastructure borrower which refinanced its loan facility. MXT has strategically looked to reduce its exposure to the infrastructure segment of the loan market as liquidity remains elevated and pricing has compressed to unattractive levels as a result.

At the end of January, MXT was invested in 97 loans and it's investment pipeline remains full, having committed to several loans closing in coming months. Across the loan market activity will be supported by a combination of refinancings and corporate activity and MXT will continue to invest across a diverse range of investment opportunities.

MXT announced a 1.08c per unit January distribution paid in early February, representing an annualised distribution rate of 5.33% since listing (exceeding the target return of RBA Cash Rate +3.25% pa (currently 4.75% pa)).

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 (%)	0.48	5.50	-	-	5.40
RBA Cash Rate (%)	0.13	1.51	-	-	1.53
Distribution (%)	0.54	5.53	-	-	5.33
Spread to RBA (%)	0.41	4.02	-	-	3.80

NOTE: Past performance is not a reliable indicator of future performance.
Assumes participation in Distribution Reinvestment Plan (DRP).

RESEARCH



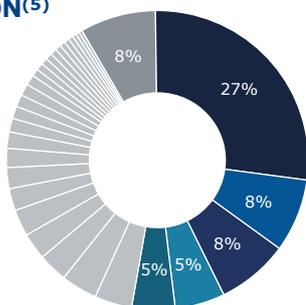
PLATFORMS

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

PORTFOLIO CONSTRUCTION⁽⁵⁾

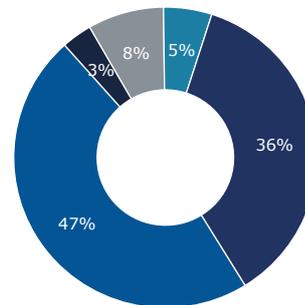
Industry Allocation⁽⁶⁾

- Cash
- Real Estate Mgt & Development
- Hotels, Restaurants & Leisure
- Real Estate Investment Trusts
- Health Care Providers & Services
- Transportation & Infrastructure
- Other



Credit Quality⁽⁷⁾

- AA (Cash)
- A rated
- BBB rated
- BB rated
- <BB rated



OTHER FUND SETTINGS

Number of Individual Investments	97	Interest Duration (days) ⁽⁸⁾	34
Investment Grade (%) ⁽⁷⁾	50%	Credit Duration (years) ⁽⁹⁾	2.5

NET RETURNS⁽¹⁰⁾

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	0.48												0.48
2018	0.38	0.32	0.43	0.38	0.38	0.45	0.50	0.49	0.45	0.49	0.47	0.52	5.40
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
2019	1.08												1.08
2018	0.81	0.73	0.81	0.78	0.81	0.93	0.91	0.96	0.79	0.90	1.20	0.89	11.04
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 Metrics funds which engage in direct lending activities (6) MSCI and Standard & Poor's Global Industry Classification Standard (7) Rated by Metrics 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

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Unit registry P 1300 133 451 **E** registry@mainstreamgroup.com

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