



The Trust Company (RE Services) Limited
Level 18, 123 Pitt Street, Sydney NSW 2000
ABN 45 003 278 831 AFSL 235150

ASX ANNOUNCEMENT

24 January 2020

MCP MASTER INCOME TRUST (ASX:MXT) ANNOUNCES NON-RENOUNCEABLE ENTITLEMENT OFFER

- **Proceeds of capital raising to fund investment opportunities that are consistent with MXT's investment mandate and Target Return**
- **Capital raising will provide MXT with greater scale to participate in the Australian private credit market and deliver lower overall costs for unitholders**
- **Offer open to existing unitholders and new investors (subject to shortfall offer) at an offer price of \$2.00 (Offer Price) per New Unit.**

Sydney, 24 January 2020: The Trust Company (RE Services) Limited (ABN 45 003 278 831) (**Responsible Entity**), is the responsible entity for the MCP Master Income Trust ARSN 620 465 090 (**MXT** or **Trust**). The Responsible Entity has today announced a pro rata 1 for 2 non-renounceable entitlement offer of new fully paid ordinary units in the Trust (**New Units**) to eligible unitholders to raise up to approximately \$638 million, including an oversubscription facility through which eligible unitholders who take up the number of New Units they are invited to apply for (**Entitlement**) in full may also apply for additional New Units (**Additional New Units**) in excess of their entitlement at the Offer Price (**Entitlement Offer**). Any New Units not taken up by eligible unitholders under the Entitlement Offer will be offered to certain new investors (**Shortfall Offer** and, together with the Entitlement Offer, the **Offer**).

The Offer is being managed by each of Morgans Financial Limited (ABN 49 010 699 726), Ord Minnett Limited (ABN 86 002 733 048), Taylor Collison Limited (ABN 53 008 172 450) and Wilsons Corporate Finance Limited (ABN 65 057 547 323). The co-managers of the Offer are Bell Potter Securities Limited (ABN 25 006 390 772) and Escala Partners Pty Ltd (ABN 74 155 884 236). The distribution partner for the Offer is Pinnacle Investment Management Limited (ABN 66 109 659 109).

Metrics Managing Partner, Andrew Lockhart said the capital raising will provide the Trust with additional scale to invest in a strong pipeline of investment opportunities, improve the Trust's liquidity and lower the total costs to unitholders whilst maintaining target returns.

"We are pleased to again offer our existing unitholders and new investors an opportunity to gain exposure to the private credit market and an investment that is uncorrelated to listed equities or bonds. The Trust aims to continue to deliver monthly cash income, with a low risk of capital loss, through a diversified portfolio of directly originated loans that reflects activity in the Australian private credit market."

As previously disclosed, the Investment Objective of the Trust is to provide monthly cash income, low risk of capital loss and portfolio diversification, by gaining exposure to actively managing diversified loan portfolios and participating in Australia's corporate loan market. The Trust may not be successful in achieving its Investment Objective.

MXT has consistently delivered cash income of 5.55% per annum over the twelve months including December 2019 and 5.45% per annum since listing in October 2017. Past performance is not a reliable indicator of future performance.

The Trust's investment manager, Metrics Credit Partners Pty Ltd (**Investment Manager** or **Metrics**), is an Australian based alternative asset management firm specialising in direct lending to Australian companies and is an active participant in the Australian

private credit market, with assets under management in excess of A\$5bn, including the MCP Income Opportunities Trust (ASX:MOT), as well as a number of other wholesale funds. Metrics seeks to implement active strategies designed to balance delivery of the Target Return (defined below), while at the same time seeking to preserve investor capital in the Trust.

The Trust aims 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 (currently 4%) (**Target Return**) and pays cash distributions monthly. The Target Return is only a target and the Trust may not be successful in achieving its Target Return. The Trust also operates a Distribution Reinvestment Plan.
- Exposure to Australian corporate loans that generally reflect 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 Investment Manager seeks to preserve investor capital:
 - 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 portfolio currently in excess of 140 corporate loans diversified by: borrowers; industries; across the credit spectrum; position in the capital structure; and by loan product.
- An experienced and active management team:
 - The investment team each has on average over 33 years' experience in origination and active risk management of corporate debt investments and seeks to manage risk through detailed initial and ongoing due diligence, structuring and portfolio risk management strategies.
- Low management fees:

- Base management fees are equivalent to fees paid by wholesale investors in Metrics' wholesale funds.

The Trust may from time to time be unsuccessful in providing all these benefits.

Since the Trust's initial public offering in October 2017 (**IPO**), the Trust has exceeded all targets disclosed in its product disclosure statement prepared in connection with the IPO, including the deployment of proceeds raised under the IPO and two subsequent capital raisings, payment of monthly distributions from January 2018 consistent with the Target Return, and has established a diversified loan portfolio. Past performance is not a reliable indicator of future performance.

An investment in the 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 product disclosure statement (**PDS**). Key risks to an investment in 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, this will likely have a material adverse impact on the Trust's future financial performance and position. An investment in the Trust also carries investment risks such as loss of invested capital, ordinary units in the trust trading at less than their net asset value, inability to buy and sell units on the ASX, volatility of returns and the Trust not delivering the Target Return and distributions set out above.

The PDS for the Trust will be lodged today with ASIC. The PDS contains important information regarding the Offer. You are encouraged to read it carefully and in its entirety, including Section 8. If you have any questions, you should seek relevant professional advice before making an investment decision.

Details of the capital raising

Key Dates

Announcement of Offer	24 January 2020
Lodgement of PDS with ASIC	24 January 2020
Units trade on an ex-Entitlement basis	11 February 2020
Record Date for Entitlement Offer (7:00pm Sydney, Australia time)	12 February 2020
Offer opens (9:00 am Sydney, Australia time) (Opening Date)	13 February 2020
Dispatch of PDS and application forms for the Offer	13 February 2020
Last day to extend the Offer	3 March 2020
Offer closes (5:00pm Sydney, Australia time) (Closing Date)	6 March 2020
New Units quoted on ASX on a deferred settlement basis	9 March 2020
Results of the Offer announced	9 March 2020
Shortfall notification date	10 March 2020
Issue of New Units and Additional New Units under the Entitlement Offer	13 March 2020
Normal trading of New Units and Additional New Units issued under the Entitlement Offer expected to commence on ASX	16 March 2020
Issue of New Units under the Shortfall Offer	18 March 2020
Normal trading of New Units under the Shortfall Offer expected to commence on ASX	20 March 2020

The above timetable is indicative only and subject to change without notice. All times and dates refer to Sydney, Australia time. The Responsible Entity reserves the right, subject to the

Corporations Act 2001 (Cth), ASX Listing Rules, lead arranger and joint lead manager approval and other applicable laws, to vary the dates of the Offer without prior notice, including closing the Offer early, 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. Applicants are encouraged to submit their application forms as soon as possible. Any changes to the Offer timetable including closing the Offer early will be made via the website (www.metrics.com.au/mxt/) and by way of ASX announcement. The commencement of quotation of New Units and Additional New Units is subject to confirmation from the ASX.

Investor enquiries

Please call Pinnacle Investment Management Ltd, the Distribution Partner to the Offer, between 9.00am and 5.00 pm Sydney, Australia time Monday to Friday during the period between the Opening Date and the Closing Date on 1300 010 311, email invest@metrics.com.au or visit www.metrics.com.au/mxt/.

About Metrics

Metrics is an alternative asset management firm specialising in direct lending to Australian companies and is an active participant in the Australian private credit market. Metrics launched its first wholesale fund in 2013 and is the appointed manager of a number of wholesale investment trusts, in addition to the MCP Master Income Trust (ASX:MXT), which successfully listed on 9 October 2017.

Metrics currently manages in excess of A\$5 billion in assets, including the MCP Income Opportunities Trust (ASX:MOT) which listed on the ASX in April 2019.

Media contact:

Guy McKanna

Honner

0430 355 985

Directory

Trust

MCP Master Income Trust

ARSN 620 465 090

Responsible Entity

The Trust Company (RE Services) Limited

ACN 003 278 831

Level 18, 123 Pitt Street

Sydney NSW 2000

AFS Licence No 235 150

Manager

Metrics Credit Partners Pty Ltd

ACN 150 646 996

2 Ridge Street

North Sydney NSW 2060

AFS Licence No 416 146

Unit Registry

Automic Pty Ltd

ACN 152 260 814

Level 5, 126 Philip Street

Sydney NSW 2000

Distribution Partner

Pinnacle Investment Management Group Limited

ACN 109 659 109

Level 35, 60 Margaret Street

Sydney NSW 2000

Ph: 1300 010 311

This document is prepared by Metrics Credit Partners Pty Ltd (ABN 27 150 646 996 AFSL No. 416 146), the manager of MCP Master Income Trust (**Manager**) and is issued by The Trust Company (RE Services) Limited (ABN 45 003 278 831 and AFSL No. 235 150), the responsible entity of MCP Master Income Trust (**Responsible Entity**).

This announcement is not a product disclosure statement or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the Units in any jurisdiction outside Australia and New Zealand. This announcement is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any Units in the Trust. This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements, the New Units (including Additional New Units) or the Units have been or will be registered under the U.S. Securities Act of 1933 (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Units (including Additional New Units) and Units may not be offered or sold in the United States or to any person acting for the account or benefit of a person in the United States unless they are registered under the Securities Act or unless they are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. The New Units to be offered and sold in the Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act.

The provision of this announcement is not, and should not be considered as, financial product advice. The information in this announcement is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

This announcement contains certain "forward-looking statements" including

statements regarding the Trust, Manager and the Responsible Entity's intent, belief or current expectations with respect to the Trust, Manager and Responsible Entity's business and operations, market conditions, results of operations, financial condition, and risk management practices. The words "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements in this announcement include statements regarding the completion of the Offer. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Before making an investment decision about the Trust, individuals should read and consider the product disclosure statement for the Trust dated 24 January 2020 (**PDS**), carefully and in its entirety, consider the appropriateness of the information and whether an investment in the Trust is appropriate having regard to their objectives, financial situation and needs, and obtain advice from an appropriate financial adviser. The PDS is available at www.metrics.com.au/mxt/. The Responsible Entity and the Manager do not guarantee investment performance or distributions, and the value of your investment may rise or fall.