

**MCP Master Income Trust**  
**Appendix 4D**  
**For the half-year ended 31 December 2018**

**Details of Reporting Period**

Current: Half-year ended 31 December 2018

Previous corresponding: Period 26 July 2017 to 31 December 2017

The Directors of The Trust Company (RE Services) Limited, the Responsible Entity of the MCP Master Income Trust (the "Fund") announce the reviewed results of the Fund for the half-year ended 31 December 2018 as follows:

**Results for announcement to the market**

Extracted from Condensed Interim Financial Statements for the half-year ended 31 December 2018:

	2018 \$'000	2017* \$'000	% increase/(decrease)
<b>Revenue</b> from ordinary activities	22,938	6,776	238.52%
<b>Profit/(loss)</b> from the half-year	21,234	6,244	240.07%
<b>Total comprehensive income/(loss)</b> for the half-year	21,234	6,244	240.07%

\* Represents results between the period 5 October 2017 - 31 December 2017

**Details of distributions**

Distributions for the half-year ended 31 December 2018 were \$20,545,020 (5.65 cents per ordinary unit).

Subsequent to the period end, the distribution declared on 21 December 2018 of 0.89 cents per ordinary unit which amounted to \$3,237,330, was paid on 9 January 2019.

On 23 January 2019, the Directors declared a distribution of 1.08 cents per ordinary unit which amounted to \$3,929,027 and was paid on 8 February 2019.

**Details of distribution reinvestment plan**

The Responsible Entity has established a Distribution Reinvestment Plan ("DRP") on 13 February 2018 in relation to all future distributions.

The Responsible Entity expects to make distributions on a monthly basis. For such distributions, it is expected that the record date will be the first ASX trading day of each month and the last day for electing into the DRP will be 5.00pm (Sydney time) on the first business day after the record date.

Units under the DRP are currently issued at the net asset value of a unit as determined in accordance with the MXT constitution on the record date.

**Net Tangible Assets**

	As at 31 December 2018 \$'000	As at 31 December 2017 \$'000
Total Net Tangible Assets attributable to unitholders (\$'000)	728,578	516,782
Units on issue ('000)	363,745	258,090
Net Tangible Assets attributable to unit holders per unit (cents)	2.00	2.00

There were no entities over which control was gained or lost during the half-year ended 31 December 2018. Control gained or lost over entities during the period ended 31 December 2017 are listed below:

Name of entities	Date of gain of control	Contribution to profit (\$'000)
MCP Wholesale Investments Trust	5/10/2017	22,553

**Details of associates and joint venture entities**

The Fund did not have any interest in associates and joint venture entities during current half-year.

**Independent review report**

This report is based on the condensed interim financial statements which has been subject to an independent review by the Fund's Auditors, KPMG. All the documents in this report comprise the information required by Listing Rule 4.2A.

# MCP MASTER INCOME TRUST

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## CONDENSED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2018

ARSN 620 465 090



**METRICS**

# **MCP Master Income Trust**

ARSN 620 465 090

## **Condensed interim financial statements**

### **For the half-year ended 31 December 2018**

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The condensed interim financial statements covers the MCP Master Income Trust as an individual entity.

The Responsible Entity of the MCP Master Income Trust is The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235 150).

The Responsible Entity's registered office is:  
Level 18, Angel Place  
123 Pitt Street  
Sydney NSW 2000

## Directors' report

The Directors of The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235 150), the Responsible Entity of the MCP Master Income Trust ("the Fund"), present their report together with the condensed interim financial statements of the Fund for the half-year ended 31 December 2018 and the auditor's report thereon.

### Principal activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund's investment strategy is to create a diversified exposure to Australian corporate loans generally reflecting activity in the corporate loan market and diversified by borrower, industry and credit quality. Amounts raised by the Fund are invested in the MCP Wholesale Investments Trust. The MCP Wholesale Investments Trust invests directly in wholesale funds, managed by the Investment Manager (Metrics Credit Partners Pty Ltd) which currently comprise of MCP Real Estate Debt Fund, MCP Secured Private Debt Fund II and the Metrics Credit Partners Diversified Australian Senior Loan Fund, or directly in investment assets.

Through active portfolio risk management, the Investment Manager will seek to balance the delivery of unitholder returns and preserving investor capital.

The Fund was constituted on the 25 July 2017 and commenced operations on 5 October 2017 and its units commenced trading on the Australian Securities Exchange (ASX: MXT) on 9 October 2017.

The Fund did not have any employees during the half-year.

There were no significant changes in the nature of the Fund's activities during the half-year.

### Directors

The Directors of The Trust Company (RE Services) Limited during the half-year and up to the date of this report are shown below. The Directors were in office for this entire period except where stated otherwise:

Glenn Foster

Christopher Green      Resigned as Director on 17 October 2018

Michael Vainauskas

Richard McCarthy      Appointed as Director on 17 October 2018

Andrew McIver      Alternate Director for Michael Vainauskas

Vicki Riggio

Gillian Larkins      Resigned as Alternate Director on 12 October 2018

Phillip Blackmore      Resigned as Alternate Director for Christopher Green on 17 October 2018  
Appointed as Alternate Director for Vicki Riggio on 6 July 2019

### Units on issue

Units on issue in the Fund at the end of the half-year are set out below:

	As at 31 December 2018 Units ('000)	As at 30 June 2018 Units ('000)
Units on issue	363,745	363,471

## Directors' report (continued)

### Review of operations

During the half-year, the Fund invested in accordance with the investment objective and guidelines as set out in the governing documents of the Fund and in accordance with the provision of the Fund's Constitution.

### Results

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended 31 December 2018	For the period 26 July 2017 to 31 December 2017
Operating profit/(loss) (\$'000)	21,234	6,244
Distribution paid and payable (\$'000)	20,545	5,642
Distribution (cents per unit)	5.65	2.19

### Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial half-year.

### Events subsequent to reporting date

On 21 December 2018, the Directors declared a distribution of 0.89 cents per ordinary unit which amounted to \$3,237,330 and was paid on 9 January 2019.

On 23 January 2019, the Directors declared a distribution of 1.08 cents per ordinary unit which amounted to \$3,929,027 and was paid on 8 February 2019.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

### Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regards to the insurance cover provided to the officers of The Trust Company (RE Services) Limited or the auditor of the Fund. So long as the officers of The Trust Company (RE Services) Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditor of the Fund is not indemnified out of the assets of the Fund.

### Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Fund's property during the half-year are disclosed in Note 8 of the financial statements.

No fees were paid out of the Fund's property to the Directors of the Responsible Entity during the half-year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial half-year are disclosed in Note 8 of the financial statements.

## Directors' report (continued)

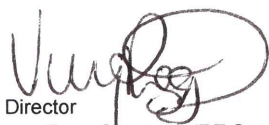
### Rounding of amounts

The Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the condensed interim financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

### Lead auditor's independence declaration

A copy of the Lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This Directors' report is signed in accordance with a resolution of Directors.



Director  
The Trust Company (RE Services) Limited

Sydney  
21 February 2019



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of The Trust Company (RE Services) Limited

I declare that, to the best of my knowledge and belief, in relation to the review of MCP Master Income Trust, for the period from 1 July 2018 to 31 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Jessica Davis

Partner

Sydney

21 February 2019

## Condensed interim statement of comprehensive income

		Half-year ended 31 December 2018 \$'000	For the period 26 July 2017 to 31 December 2017 \$'000
	Notes		
<b>Investment income</b>			
Interest income		385	347
Net gains/(losses) on financial instruments held at fair value through profit or loss		834	-
Distribution income		21,719	6,429
<b>Total investment income</b>		<u>22,938</u>	<u>6,776</u>
<b>Expenses</b>			
Responsible entity fees	8	109	42
Investor equalisation expense		1,255	434
Administrative expenses		340	56
<b>Total expenses</b>		<u>1,704</u>	<u>532</u>
<b>Profit/(loss)</b>		<u>21,234</u>	<u>6,244</u>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the half-year</b>		<u>21,234</u>	<u>6,244</u>
<b>Earnings per unit for profit attributable to unitholders of the Fund</b>			
Basic and diluted gain/(loss) per unit (cents)	7	5.84	2.42

The above condensed interim statement of comprehensive income should be read in conjunction with the accompanying notes.

**Condensed interim statement of financial position**

	Notes	As at 31 December 2018 \$'000	As at 30 June 2018 \$'000
<b>Assets</b>			
Cash and cash equivalents		1,183	1,921
Receivables		3,524	3,558
Financial assets	4	727,370	725,543
<b>Total assets</b>		<u>732,077</u>	<u>731,022</u>
<b>Liabilities</b>			
Distributions payable	6	3,237	3,389
Payables		262	293
<b>Total liabilities</b>		<u>3,499</u>	<u>3,682</u>
<b>Net assets attributable to unitholders - equity</b>	5	<u>728,578</u>	<u>727,340</u>

The above condensed interim statement of financial position should be read in conjunction with the accompanying notes.

**Condensed interim statement of changes in equity**

		Half-year ended 31 December 2018 \$'000	For the period 26 July 2017 to 31 December 2017 \$'000
	Notes		
<b>Total Equity at the beginning of the period</b>		727,340	-
<b>Comprehensive income for the period</b>			
Profit/(loss)		21,234	6,244
<b>Total comprehensive income for the period</b>		<u>748,574</u>	<u>6,244</u>
<b>Transactions with unitholders</b>			
Applications	5	-	516,180
Reinvestments	5	549	-
Distributions to unitholders	5	<u>(20,545)</u>	<u>(5,642)</u>
<b>Total transactions with unitholders</b>		<u>(19,996)</u>	<u>510,538</u>
<b>Total net assets attributable to unitholders - equity at the end of the period</b>		<u>728,578</u>	<u>516,782</u>

The above condensed interim statement of changes in equity should be read in conjunction with the accompanying notes.

**Condensed interim statement of cash flows**

	Half-year ended 31 December 2018 \$'000	For the period 26 July 2017 to 31 December 2017 \$'000
<b>Cash flows from operating activities</b>		
Interest received	33	179
Net investor equalisation expense paid	(20)	31
Distribution income received	21,809	-
Responsible Entity fees paid	(85)	-
Administrative expenses paid	(314)	(37)
Other expenses paid	(163)	(76)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>21,260</b>	<b>97</b>
<b>Cash flows from investing activities</b>		
Purchase of financial assets	(1,000)	(516,181)
Loan drawdown	(850)	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(1,850)</b>	<b>(516,181)</b>
<b>Cash flows from financing activities</b>		
Proceeds from application by unitholders	-	516,180
Distributions paid to unitholders	(20,148)	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(20,148)</b>	<b>516,180</b>
<b>Net increase in cash and cash equivalents</b>	<b>(738)</b>	<b>96</b>
Cash and cash equivalents at the beginning of the half-year	1,921	-
<b>Cash and cash equivalents at the end of the half-year</b>	<b>1,183</b>	<b>96</b>

The above condensed interim statement of cash flows should be read in conjunction with the accompanying notes.

## 1 General information

The condensed interim financial statements covers the MCP Master Income Trust (the "Fund") as an individual entity. The Fund was constituted on 25 July 2017, registered with the Australian Securities and Investments Commission on 26 July 2017, commenced operations on 5 October 2017 and its units commenced trading on the Australian Securities Exchange (ASX: MXT) on 9 October 2017. The Fund is domiciled in Australia.

The Responsible Entity of the Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235 150) (the "Responsible Entity"). The Responsible Entity's registered office is Level 18, Angel Place, 123 Pitt Street, Sydney NSW 2000.

The Investment Manager of the Fund is Metrics Credit Partners Pty Ltd (AFSL 416 146).

The Custodian of the Fund is Perpetual Corporate Trust Limited (ABN 99 000 341 533).

The Fund's investment strategy is to create a diversified exposure to Australian corporate loans generally reflecting activity in the corporate loan market and diversified by borrower, industry and credit quality. Through active portfolio risk management, the Investment Manager seeks to preserve investor capital. Amounts raised by the Fund are invested in the MCP Wholesale Investments Trust. The MCP Wholesale Investments Trust invests directly in wholesale funds or directly in investment assets.

The condensed interim financial statements were authorised for issue by the Directors on 21 February 2019. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below. These policies have been consistently applied during the reporting period presented, unless otherwise stated.

### (a) Basis of preparation

The condensed interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting*, IAS 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2018 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### (b) Significant accounting policies

Except as disclosed below, the accounting policies in these interim financial statements are the same as those applied in the Fund's financial statements for the year ended 30 June 2018.

The Fund had to change some of its accounting policies as a result of new and revised accounting standards which became effective for the first time in the current reporting period. The affected policies are:

- *AASB 9 Financial Instruments* (and applicable amendments)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The adoption of the amendment does not have a significant impact on the recognition, classification and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Investment in the MCP Wholesale Investments Trust is held at fair value through profit or loss, the change in impairment rules does not impact the Fund. An Expected Credit Losses model is applied to the Investment Manager Loan to consider any impairment of the asset. The impairment provisions were assessed using a 12 month Expected Credit Loss model. There is no material impact from the adoption of this model.

## 2 Summary of significant accounting policies (continued)

### (b) Significant accounting policies (continued)

- *AASB 15 Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

## 3 Fair value measurements

The Fund discloses fair value measurements by level using the following fair value hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

### (i) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on last traded prices at the end of the reporting period without any deduction for estimated future selling costs. For the majority of financial assets and liabilities, information provided by the quoted market independent pricing services is relied upon for valuation.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. An active market is a market in which transactions for the financial asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

### (ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on Investment Manager best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. For other pricing models, inputs are based on market data at the end of the reporting period.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

### 3 Fair value measurements (continued)

#### (iii) Recognised fair value measurements

The tables below set out the Fund's financial assets and liabilities measured at fair value according to the fair value hierarchy at 31 December 2018 and 30 June 2018.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>At 31 December 2018</b>				
<b>Financials assets</b>				
<i>Designated at fair value through profit or loss</i>				
MCP Wholesale Investments Trust	-	709,517	-	709,517
<b>Total financial assets designated at fair</b>	-	709,517	-	709,517
<i>Held to maturity</i>				
Investment manager loan asset	-	-	17,853	17,853
<b>Total financial assets held to maturity</b>	-	-	17,853	17,853
<b>Total financial assets</b>	-	709,517	17,853	727,370
<b>At 30 June 2018</b>				
<b>Financials assets</b>				
<i>Designated at fair value through profit or loss</i>				
MCP Wholesale Investments Trust	-	707,683	-	707,683
<b>Total financial assets designated at fair</b>	-	707,683	-	707,683
<i>Held to maturity</i>				
Investment manager loan asset	-	-	17,860	17,860
<b>Total financial assets held to maturity</b>	-	-	17,860	17,860
<b>Total financial assets</b>	-	707,683	17,860	725,543

The following tables present the movement in level 3 instruments, by class of financial instruments, for the half-years ended 31 December 2018 and 31 December 2017.

Half-year ended	Investment Manager	Total
31 December 2018	Loan Assets \$'000	\$'000
Opening balance	17,860	17,860
Drawdown	850	850
Repayment	(1,224)	(1,224)
Capitalised Interest expense	367	367
Closing balance	17,853	17,853
<b>For the period 26 July 2017 to 31 December 2017</b>		
Opening balance	-	-
Drawdown	13,900	13,900
Repayment	(418)	(418)
Capitalised Interest expense	133	133
Closing balance	13,615	13,615

#### 4 Financial assets

	As At 31 December 2018 \$'000	As At 30 June 2018 \$'000
MCP Wholesale Investments Trust	709,517	707,683
Investment manager loan asset	17,853	17,860
	<u>727,370</u>	<u>725,543</u>

- *Investment manager loan asset*

The Fund provided a working capital loan to the Investment Manager. Over a period of ten years the Investment Manager will repay the Investment Manager Loan, including payment of interest on the loan which will be interest income to the Fund.

- *Investor equalisation expense (IEE)*

In consideration for the Investment Manager providing advisory and management services to the Fund under the Investment Management Agreement, the Investment Manager is paid an IEE. The IEE is a monthly expense to the Fund calculated based on Net Asset Value ("NAV") and payable to the Investment Manager.

#### 5 Net assets attributable to unitholders - equity

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Movements in number of units and net assets attributable to unitholders during the half-year were as follows:

	Half-year ended 31 December 2018		For the period 26 July 2017 to 31 December 2017	
	Units ('000)	\$'000	Units ('000)	\$'000
<b>Net assets attributable to unitholders</b>				
Opening balance	363,471	727,340	-	-
Capital raising - Initial Public Offering (IPO)	-	-	258,090	516,180
Reinvestments	274	549	-	-
Distributions to unitholders	-	(20,545)	-	(5,642)
Profit/(Loss)	-	21,234	-	6,244
<b>Closing balance</b>	<u>363,745</u>	<u>728,578</u>	<u>258,090</u>	<u>516,782</u>

#### 6 Distributions to unitholders

The distributions were paid/payable as follows:

	Half-year ended 31 December 2018		For the period 26 July 2017 to 31 December 2017	
	\$'000	Cents per unit	\$'000	Cents per unit
<b>Distributions</b>				
31 July	3,308	0.91	-	-
31 August	3,490	0.96	-	-
30 September	2,872	0.79	-	-
31 October	3,273	0.90	-	-
30 November	4,365	1.20	-	-
31 December (payable)	3,237	0.89	5,642	2.19
	<u>20,545</u>	<u>5.65</u>	<u>5,642</u>	<u>2.19</u>

## 7 Earnings per unit

Earnings per unit amounts are calculated by dividing net profit/(loss) attributable to unitholders before distributions by the weighted average number of units outstanding during the half-year.

	Half-year ended 31 December 2018	For the period 26 July 2017 to 31 December 2017
Operating profit/(loss) attributable to unitholders (\$'000)	21,234	6,244
Weighted average number of units on issue ('000)	363,653	258,090
Basic and diluted earnings per unit (cents)	5.84	2.42

## 8 Related party transactions

### (a) Responsible Entity

The Responsible Entity of the MCP Master Income Trust is The Trust Company (RE Services) Limited. The Responsible Entity is a wholly owned subsidiary in the Perpetual Limited Group (ASX: PPT).

### (b) Key management personnel of the Responsible Entity

#### **Directors**

The following persons held office as directors of The Trust Company (RE Services) Limited during the half-year and up to the date of this report:

Glenn Foster

Christopher Green      Resigned as Director on 17 October 2018

Michael Vainauskas

Richard McCarthy      Appointed as Director on 17 October 2018

Andrew McIver      Alternate Director for Michael Vainauskas

Vicki Riggio

Gillian Larkins      Resigned as Alternate Director on 12 October 2018

Phillip Blackmore      Resigned as Alternate Director for Christopher Green on 17 October 2018  
Appointed as Alternate Director for Vicki Riggio on 6 July 2019

### (c) Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

### (d) Responsible Entity and other transactions

#### *(i) Responsible Entity fee*

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

#### *(ii) Indirect costs*

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

## 8 Related party transactions (continued)

### (d) Responsible Entity and other transactions (continued)

#### (ii) Indirect costs (continued)

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the half-year and amounts payable at half-year end between the Fund and the Responsible Entity were as follows:

	Half-year ended 31 December 2018 \$	For the period 26 July 2017 to 31 December 2017 \$
Responsible entity fees for the half-year paid/payable by the Fund	108,510	41,534
Aggregate amount payable to The Trust Company (RE Services) Limited at the half-year end	160,801	41,534

Fees payable to the Responsible Entity are calculated on the adjusted net asset value of the Fund and accrued daily and paid monthly in arrears from the assets of the Fund and reflected in the daily unit price.

### (e) Key management personnel of the Responsible Entity and Investment Manager compensation

Payments made from the Fund to The Trust Company (RE Services) Limited do not include any amounts directly attributable to key management personnel remuneration.

### (f) Key management personnel of the Responsible Entity unitholdings

From time to time Directors of The Trust Company (RE Services) Limited, or their Directors' related entities, may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other Fund investors. The Trust Company (RE Services) Limited, their related parties and other Funds managed by The Trust Company (RE Services) Limited, held no units in the Fund at 31 December 2018.

### (g) Investments

The Fund held investments in the following Trust which is managed by the Investment Manager:

	Fair Value of Investment \$	Interest held (%)	Distributions received/ receivable \$	Units acquired during the period	Units disposed during the period
<b>At 31 December 2018</b>					
MCP Wholesale Investments Trust	709,516,039	98	21,718,716	998,203	-
<b>At 30 June 2018</b>					
MCP Wholesale Investments Trust	707,682,503	100	21,613,522	707,116,809	-

### (h) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into any transactions with the Fund during the financial half-year and there were no material balances involving key management personnel's interests outstanding at half-year end.

## 9 Segment information

The Fund is organised into one main operating segment with only one key function, being the investment of funds predominantly in Australia.

## 10 Contingent assets and liabilities and commitments

There are no other outstanding contingent assets and liabilities or commitments as at 31 December 2018 and 30 June 2018.

## 11 Events occurring after the reporting period

On 21 December 2018, the Directors declared a distribution of 0.89 cents per ordinary unit which amounted to \$3,237,330 and was paid on 9 January 2019.

On 23 January 2019, the Directors declared a distribution of 1.08 cents per ordinary unit which amounted to \$3,929,027 and was paid on 8 February 2019.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect:

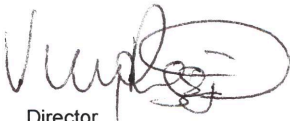
- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

### Directors' declaration

In the opinion of the Directors of The Trust Company (RE Services) Limited, the Responsible Entity of MCP Master Income Trust:

- (a) the financial statements and notes set out on pages 6 to 16 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Fund's financial position as at 31 December 2018 and of its performance for the half-year to 31 December 2018;
  - (ii) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Director  
The Trust Company (RE Services) Limited

Sydney  
21 February 2019



# Independent Auditor's Review Report

To the unitholders of MCP Master Income Trust

## Report on the Condensed Interim Financial Statements

### Conclusion

We have reviewed the accompanying **Condensed Interim Financial Statements** of MCP Master Income Trust (the Fund).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Statements of the Fund is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Fund's financial position as at 31 December 2018 and of its performance for the period from 1 July 2018 to 31 December 2018; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Statements** comprises:

- Condensed interim statement of financial position as at 31 December 2018
- Condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the period from 1 July 2018 to 31 December 2018
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration made by the Directors of The Trust Company (RE Services) Limited (the Responsible Entity).

### Responsibilities of the Directors for the Condensed Interim Financial Statements

The Directors of the Responsible Entity are responsible for:

- the preparation of the Condensed Interim Financial Statements that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Statements that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility for the review of the Condensed Interim Financial Statements

Our responsibility is to express a conclusion on the Condensed Interim Financial Statements based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Condensed Interim Financial Statements is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2018 and its performance for the period from 1 July 2018 to 31 December 2018; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of MCP Master Income Trust, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Condensed Interim Financial Statements 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 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.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

The KPMG logo, consisting of the letters 'KPMG' in a stylized, handwritten font.

KPMG

A handwritten signature in cursive script that reads 'J. Davis'.

Jessica Davis

Partner

Sydney

21 February 2019

