

## 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 Australian debt-specialist fund manager with significant direct lending expertise. MCP manages funds on behalf of investors seeking opportunities in credit and fixed income markets. MCP has significant direct corporate and institutional lending experience and currently manages funds in excess of \$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 loans 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<sup>(1)</sup>

ASX Ticker Code	MXT
Price / NAV (share) <sup>(2)</sup>	\$2.07 / \$2.00
Market Cap. / NAV <sup>(2)</sup>	\$753m / \$728m
Unit Pricing	Daily
Distributions	Monthly
Website	<a href="http://metricscredit.com.au">metricscredit.com.au</a>

## MARKET AND INVESTMENT ACTIVITY

The Australian syndicated loan market was relatively quiet over August, and unlike recent months a lack of any benchmark transactions (>A\$1b) meant only A\$3.4b of loans reached financial close (vs A\$4.4b pcp).

The most notable loans to complete during the month included refinancings for ASX-listed Reliance Worldwide and Bega Cheese Ltd, and an acquisition facility for health supplements firm Nature Care which was acquired by private equity sponsor China Jianyin Investment Ltd.

In the commercial real estate market, Scentre Group, which owns and operates 34 Westfield Shopping malls across Australia and New Zealand completed a A\$900m refinancing. This facility was upsized from its initial target of A\$500m due to strong demand from local and offshore banks.

The Scentre Group transaction further evidences the development of a longer dated corporate loan market in Australia with its 7-year tranche attracting A\$218m of lender commitments.

Despite a slower July and August period, there is currently a significant number of Australian corporate borrowers arranging loans, which may see 2018 issuance volume surpass the US\$80b achieved in 2017. However, this will be determined by the level of M&A activity that completes by year-end. In coming months it is expected that loans for data centre owner AirTrunk, Alinta Energy, VIP Petfoods, Sirtex Medical and Santos (which is arranging a US\$1.2b loan to finance its takeover of Quadrant Energy) will complete, providing a diverse set of lending opportunities.

During August, MXT gained exposure to two new loans in the real estate sector and was repaid on one loan to an industrial real estate borrower following the sale of the property. At the end of August, MXT was invested in 85 loan facilities.

MXT announced an 0.96c per unit August distribution to be paid in early September, representing an annualised distribution rate of 5.00% since listing, exceeding the target return of the 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 <sup>(3)</sup>	5yr <sup>(3)</sup>	Incep <sup>(4)</sup>
Net Return (%)	0.49	-	-	-	4.56
RBA Cash Rate (%)	0.13	-	-	-	1.38
Distribution (%)	0.48	-	-	-	4.46
Distribution (c/Unit)	0.96	-	-	-	8.93

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

## RESEARCH



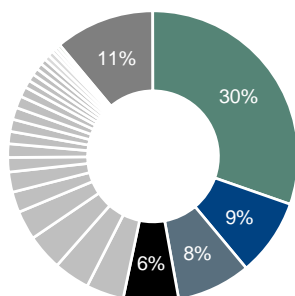
## PLATFORMS

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

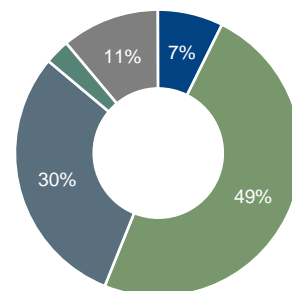
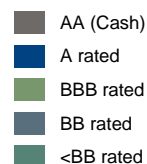
# MCP MASTER INCOME TRUST

## PORTFOLIO CONSTRUCTION<sup>(5)</sup>

### Industry Allocation<sup>(6)</sup>



### Credit Quality<sup>(7)</sup>



## OTHER FUND SETTINGS

Number of Individual investments	85	Interest Duration (days) <sup>(8)</sup>	29
Investment Grade (%) <sup>(7)</sup>	67%	Credit Duration (years) <sup>(9)</sup>	2.6

## NET RETURNS<sup>(10)</sup>

(%)	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	-	-	-	-	3.34
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	-	-	-	-	6.74
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](mailto:invest@metricscredit.com.au) Unit registry ☎ 1300 133 451 ✉ [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com)

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