

MCP MASTER INCOME TRUST

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⁾	\$2.09 / \$2.00
Market Cap. / NAV ⁽²⁾	\$760m / \$729m
Unit Pricing	Daily
Distributions	Monthly
Website	www.metricscredit.com.au

MARKET AND INVESTMENT ACTIVITY

Activity in the Australian syndicated and club-style loan market moderated during November with only five loans worth A\$2b completed during the month, versus A\$5b in the previous corresponding period. However, whilst November was a relatively quiet month for new issuance, there is a significant pipeline of transactions targeting financial close prior to the holiday period.

The market pipeline is diversified across refinancings and new money transactions arising from corporate activity and with several >A\$1b transactions scheduled to close in December, 2018 could be a record breaking year for the Australian corporate loan market. It also appears unlikely that all transactions will achieve financial close prior to year-end, meaning market activity should continue through Q1 of next year, an otherwise quiet period for the market.

During November, MXT gained exposure to four new investments including loans to ASX-200 borrowers in the industrials and healthcare sectors, a loan to one of Australia's largest power utility companies and an acquisition loan to a horticultural production and distribution company.

MXT also increased its exposure to an existing investment in the real estate sector. At the end of November, MXT is invested in a well-diversified pool of 94 individual loan assets.

MXT is positioned to take advantage of current market demand for corporate debt financing having already committed to seven loans which are expected to close in December, and is also assessing several other investment opportunities for the new year.

MXT announced a 1.2c per unit November distribution to be paid in early December, representing an annualised distribution rate of 5.17% since listing (exceeding the target return of the 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 (%)	0.47	5.16	-	-	5.23
RBA Cash Rate (%)	0.12	1.50	-	-	1.50
Distribution (%)	0.60	5.91	-	-	5.17
Distribution (c/Unit)	1.20	11.82	-	-	10.34

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

RESEARCH



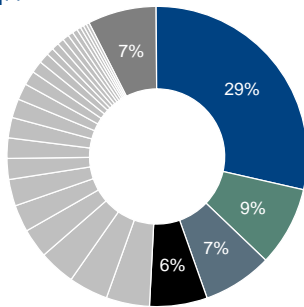
PLATFORMS

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

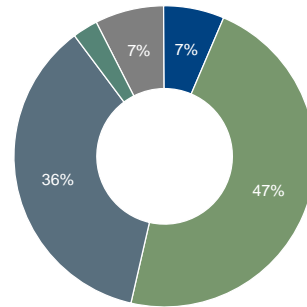
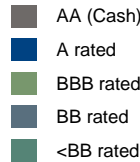
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PORTFOLIO CONSTRUCTION⁽⁵⁾

Industry Allocation⁽⁶⁾



Credit Quality⁽⁷⁾



OTHER FUND SETTINGS

Number of Individual investments	94	Interest Duration (days) ⁽⁸⁾	33
Investment Grade (%) ⁽⁷⁾	61%	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	0.47	-	4.75
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	1.20	-	9.63
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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