

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⁾	\$2.08 / \$2.00
Market Cap. / NAV ⁽²⁾	\$756m / \$729m
Unit Pricing	Daily
Distributions	Monthly
Website	www.metricscredit.com.au

MARKET AND INVESTMENT ACTIVITY

There was significant activity in the Australian syndicated and club loan market during October. A total of 11 loans worth A\$13.3b completed during the month, versus A\$2.6b in the pcp. There were two jumbo transactions, being the A\$4b WestConnex toll road loan and a A\$7b refinancing for Ausgrid. Also in October, both the Kwinana Waste to Energy Project and the Sunraysia Solar Project closed their transactions and IVF Australia refinanced its existing facility.

With liquidity in the investment grade loan market high, pricing remains at low levels even as funding costs for domestic banks are rising. The major domestic banks have so far been absorbing these higher costs to remain competitive with international lenders, but their ability to keep doing this may not be sustainable as it increasingly impacts profitability.

During October, MXT gained exposure to six new investments including a project finance loan to a renewable energy project, three commercial real estate loans, an acquisition loan to a national commercial services firm and a loan to a data warehousing and software services firm.

MXT also increased its exposure to an existing investment in the mining services sector, and was repaid on one project finance loan. At the end of October MXT is invested in a well diversified pool of 90 individual loan assets.

To maximise investor risk adjusted returns, MXT maintains a strong pipeline of investments across both the syndicated/club and bi-lateral loan markets. MXT has committed to five loans which are expected to close in November.

MXT announced a 0.90c per unit October distribution to be paid in early November, representing an annualised distribution rate of 5.01% since listing, exceeding the target return of the RBA Cash Rate +3.25% pa (currently 4.75% pa).

MXT was listed on the ASX on the 9th of October 2017 and has now passed its first full year of operations. Since IPO MXT has outperformed the target return, enhanced portfolio diversity (90 loans vs 59 Oct'17) and successfully deployed investor capital achieving the fund's investment objective.

During the month of October, MXT won the Lonsec Listed Fund Award.

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 (%)	0.49	5.04	-	-	5.19
RBA Cash Rate (%)	0.13	1.50	-	-	1.50
Distribution (%)	0.45	5.31	-	-	5.01
Distribution (c/Unit)	0.90	10.62	-	-	10.01

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

RESEARCH



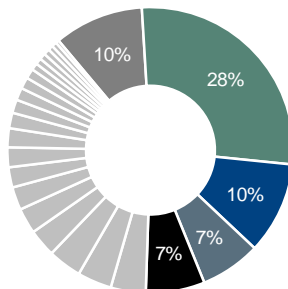
PLATFORMS

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

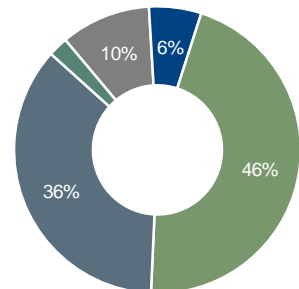
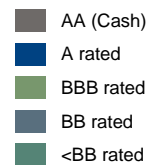
MCP MASTER INCOME TRUST

PORTFOLIO CONSTRUCTION⁽⁵⁾

Industry Allocation⁽⁶⁾



Credit Quality⁽⁷⁾



OTHER FUND SETTINGS

Number of Individual investments	90	Interest Duration (days) ⁽⁸⁾	35
Investment Grade (%) ⁽⁷⁾	62%	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	-	-	4.28
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	-	-	8.43
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

DISCLAIMER The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL 235 150 (Perpetual) is the responsible entity of MCP Master Income Trust (the Trust). This monthly report has been prepared by Metrics Credit Partners Pty Ltd ABN 27 150 646 996 AFSL 416 146 (MCP), the investment manager of the Trust. The information is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Before making an investment decision, you should consider obtaining professional investment advice that takes into account your personal circumstances and should read the current product disclosure statement (PDS) of the Trust. The PDS for the Trust is available from invest@metricscredit.com.au. Neither Perpetual nor MCP guarantees repayment of capital or any particular rate of return from the Trust. All opinions and estimates included in this report constitute judgments of MCP as at the date of the report and are subject to change without notice. Past performance is not a reliable indicator of future performance. Whilst MCP believes the information contained in these materials are based on reliable information, no warranty is given to its accuracy and persons relying on this information do so at their own risk. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

The Zenith Investment Partners ('Zenith') Australian Financial Services License No. 226872 rating (assigned August 2017) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <https://www.zenithpartners.com.au/regulatory-guidelines-funds-research>

BondAdviser has acted on information provided to it and our research is subject to change based on legal offering documents. This research is for informational purposes only. This information discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as investment advice. The content of this report is not intended to provide financial product advice and must not be relied upon as such. The statements and/or recommendations on this Report are our opinions only. We do not explicitly or implicitly recommend or suggest an investment strategy of any kind. Neither the accuracy of that data nor the methodology used to produce the report can be guaranteed or warranted. We have taken all reasonable steps to ensure that any opinion or recommendation is based on reasonable grounds. The data generated by the research is based on methodology that has limitations; and some of the information in the reports is based on information from third parties. Full details regarding BondAdvisers methodology and regulatory compliance are available on our website at <https://www.bondadviser.com.au/documents-and-links>

Independent Investment Research ('IIR') rating ascribed needs to be read together with the IIR disclaimer and the full report