



## ASX ANNOUNCEMENT

26 February 2018

### MCP MASTER INCOME TRUST (ASX: MXT) OFFER OF NEW UNITS

- **Capital raising in ASX-listed investment trust which provides investors with direct exposure to the Australian corporate loan market**
- **Monthly cash income with low risk of capital loss**
- **Diversified portfolio managed by experienced debt-specialist fund manager, Metrics Credit Partners Pty Ltd**
- **Low management fee and cost structure**
- **Offer open to existing unitholders and new investors at an offer price of \$2.00 per New Unit**

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (**Responsible Entity**), part of Perpetual Limited, 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 1.7 non-renounceable entitlement offer of new fully paid ordinary units in the Trust (**New Units**) to raise up to \$303.6 million (**Entitlement Offer**), with an ability to place additional New Units as described below.

As previously disclosed, the investment objective of the Trust is to 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. Metrics Credit Partners Pty Ltd (as investment manager of the Trust) (**Investment Manager** or **MCP**) 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 provides investors with:

- Monthly cash income
  - The Trust targets a return of the RBA Cash Rate plus 3.25% per annum net of fees (**Target Return**)<sup>1</sup> and pays cash distributions monthly. The Trust also operates a Distribution Reinvestment Plan
- Exposure to Australian corporate loans offer low risk of capital loss
  - 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 diversified portfolio
  - The Trust offers direct, diversified exposure to the Australian corporate loan market
- An experienced and active management team
  - The Trust is managed by MCP - a debt-specialist fund manager with approximately \$2.7 billion assets under management
- Low management fees
  - Base management fees are equivalent to fees paid by wholesale investors in the Manager's wholesale funds

---

<sup>1</sup> The Target Return is only a target and the actual return may be lower than the Target Return. The Target Return is a target only and may not be achieved.

Since raising over \$516 million from its initial public offering in October 2017 (**IPO**), the Trust has met or achieved all targets disclosed in its product disclosure statement prepared in connection with the IPO, including the deployment of proceeds raised under the IPO, payment of monthly distributions from January 2018 consistent with the Target Return, and has established a portfolio which is diversified by borrower, industry and credit quality. The Trust continues to have access to a strong pipeline of investment opportunities and will invest proceeds from the capital raising in opportunities which are consistent with its investment mandate and target return.

“We are pleased to offer our existing unitholders and new investors the opportunity to participate in the capital raising. The capital raising will provide the Trust with greater scale to participate in the Australian corporate lending market and continue to deliver unitholders stable, monthly cash income with low risk of capital loss from exposure to a diversified portfolio that reflects activity in the Australian corporate loan market” said MCP Managing Partner, Andrew Lockhart. “The capital raising will reduce overall management costs and promote additional market liquidity for unitholders”.

#### **Details of the capital raising**

Under the Entitlement Offer eligible unitholders are invited to apply for 1 new fully paid ordinary unit in the Trust (**New Unit**) for every 1.7 existing fully paid ordinary units held in the Trust (**Units**) as at 7:00pm (AET) on 1 March 2018 (**Record Date**) at an issue price of \$2.00 per New Unit (**Offer Price**). Approximately, 151,817,756 New Units may be issued under the Entitlement Offer.

The Offer Price represents a:

- 3.0% discount to the last closing price of ordinary units of the Trust as traded on ASX on 23 February 2018 (\$2.06)<sup>2</sup> (being the business day immediately prior to announcement of the capital raising); and
- 3.9% discount to the 30-day volume weighted average price ('VWAP') of the Trust's ordinary units as traded on ASX for the period ending on 23 February 2018 (\$2.08)<sup>2</sup>

The Entitlement Offer is non-renounceable which means that entitlements to participate in the Entitlement Offer are not transferable and therefore cannot be traded on the ASX or any other exchange or transferred privately. Eligible unitholders that do not take up their entitlements under the Entitlement Offer will not receive any value in respect of those entitlements they do not take up.

Under the Entitlement Offer, eligible unitholders who take up their entitlement in full may apply for additional New Units (**Additional New Units**) in excess of their entitlement at the Offer Price (**Oversubscription Facility**). Additional New Units will only be allocated to eligible unitholders if available and allocations of Additional New Units will be determined by agreement between the Responsible Entity and the joint lead managers appointed to manage and arrange the Entitlement Offer (**Joint Lead Managers**).

Any New Units not taken up under the Entitlement Offer or Oversubscription Facility (**Shortfall**) will be offered to new investors resident in Australia and New Zealand (**Shortfall Offer**). In the event that applications for New Units under the Shortfall Offer exceed the number of New Units representing the Shortfall, the Responsible Entity may issue up to 38,713,527 New Units at the Offer Price to Australian and New Zealand resident investors (being that number of New Units which represents the Trust's available placement capacity under ASX Listing Rule 7.1). The Entitlement Offer and the Shortfall Offer are collectively referred to as the **Offer**.

All invitations to apply for New Units under the Offer must be made under the product disclosure statement dated 26 February 2018 (and lodged with ASIC and released to ASX on that date) prepared in connection with the Offer. A copy of the PDS is available for download on MCP's website: [www.metricscredit.com.au](http://www.metricscredit.com.au).

---

<sup>2</sup> The last closing price and the 30-day VWAP have been adjusted for the distribution of \$0.0073 announced to the ASX on 23 February 2018. New Units issued under the Offer will not be eligible for this distribution or the distribution expected to be declared in March 2018. The first distribution to be paid on New Units is expected to be declared in April 2018.

Australian and New Zealand retail investors wishing to participate in the Shortfall Offer should contact their broker or financial adviser in relation to participation. Australian and New Zealand institutional investors wishing to participate in the Shortfall Offer should contact the Joint Lead Managers.

The Offer is not underwritten.

The New Units to be issued under the Offer will rank equally with existing Units on issue at the time of allotment including full entitlement to any distributions declared on or after the allotment date (being 9 April 2018 for New Units issued under the Entitlement Offer and 18 April 2018 for New Units issued under the Shortfall Offer). For the avoidance of doubt, New Units issued under the Offer will not be eligible to the distribution declared by the Trust on 23 February 2018 which is due to be paid on 8 March 2018, or the distribution expected to be declared by the Trust in March 2018 and paid in early April 2018.

Those unitholders of the Trust who are determined to be ineligible to participate in the Entitlement Offer will be notified in due course.

#### **Investor enquiries**

For further information regarding the Offer, please contact the MCP Master Income Trust Offer Information Line on 1300 010 311 at any time between 9.00am and 5.00pm (AET time), Monday to Friday.

Nothing contained in this announcement constitutes investment, legal tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

#### **Further Information**

Grant Samuel is acting as financial adviser to the Trust. MinterEllison is acting as legal adviser to the Trust in respect of the Offer.

Commonwealth Securities Limited is acting as Lead Arranger and Joint Lead Manager to the Offer.

Morgans Financial Limited; Ord Minnett Limited and Wilsons Corporate Finance Limited are acting as Joint Lead Managers to the Offer.

Bell Potter Securities Limited; Shaw and Partners Limited and Taylor Collison Limited are acting as Co-Managers to the Offer.

Pinnacle Investment Management Limited is acting as Distribution Partner to the Offer.

Further details about the Offer are contained in the PDS dated 26 February 2018 (and released to ASX on that date) and a separate investor presentation lodged with the ASX today.

**Key Dates**

Announcement of the Offer	26 February 2018
Lodgement of PDS with ASIC	26 February 2018
Units trade on an ex-Entitlement basis	28 February 2018
<b>Record Date for Entitlement Offer (7:00pm AEDT)</b>	<b>1 March 2018</b>
<b>Offer opens</b>	<b>5 March 2018</b>
Dispatch of PDS and Application Forms for the Offer	5 March 2018
<b>Entitlement Offer and Shortfall Offer closes</b>	<b>29 March 2018</b>
New Units quoted on ASX on a deferred settlement basis	3 April 2018
Results of the Offer announced	4 April 2018
<b>Allotment of New Units issued under the Entitlement Offer (Entitlement Offer Allotment Date)</b>	<b>9 April 2018</b>
Normal trading of New Units issued under the Entitlement Offer expected to commence on ASX	10 April 2018
<b>Allotment of Additional New Units issued under the Shortfall Offer (Entitlement Offer Allotment Date)</b>	<b>18 April 2018</b>
Normal trading of Additional New Units issued under the Shortfall Offer expected to commence on ASX	19 April 2018

The above timetable is indicative only and subject to change without notice. All times and dates refer to Australian Eastern Time. The Responsible Entity reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Offer without prior notice, including extending the Offer or accepting late applications, either generally or in particular cases, or to withdraw the Offer without prior notice. Applicants are encouraged to submit their application forms as soon as possible. The commencement of quotation of New Units and Additional New Units is subject to confirmation from ASX.

## 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 Registrar

**Mainstream Fund Services Pty Ltd**  
ACN 118 902 891  
Level 1, 51-57 Pitt Street  
Sydney NSW 2000  
AFS Licence No 303 253