

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

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. The Manager seeks to implement active strategies designed to balance delivery of the Target Return, while seeking to preserve investor capital.

Investment Strategy

To create a diversified exposure to Australian corporate loans generally reflecting activity in the corporate loan market and with the resultant diversity by borrower, industry and credit quality. Through active portfolio risk management, the Manager seeks to preserve 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⁾	\$2.02 / \$2.00
Market Cap. / NAV ⁽²⁾	\$521m / \$517m
Unit Pricing	Daily
Distributions	Monthly
Website	metricscredit.com.au

MARKET AND INVESTMENT ACTIVITY

With many market participants taking a break for Chinese New Year, the Australian syndicated loan market remained relatively quiet in February with only US\$1.5b of primary issuance completed (vs US\$2.1b pcp). Market volume was largely attributed to Fortescue Metals Group's US\$1.4b four-year refinancing loan facility which was provided by a mix of domestic and foreign banks.

Although new issuance volume was subdued, the transaction pipeline continues to develop and presents lenders with a diverse set of opportunities in coming months. ASX-listed renewable energy producer Infigen Energy has launched a A\$605m loan which includes a 5-year \$525m institutional tranche and a A\$80m super senior bank tranche. Queensland Investment Corporation (QIC) is seeking to refinance its A\$977m Iona Gas Storage Facility loan and Viva Energy is in the market to refinance its US\$600m loan originally used to finance its acquisition of Shell's Australian refining operations and petrol stations. In the leveraged acquisition market private equity firm Permira has launched a A\$690m loan to fund its acquisition of I-Med from private equity fund EQT.

In the commercial real estate market segment, final syndication of the loan financing Blackstone Group's purchase of a portfolio of industrial assets from

Goodman Group was completed with 10 lenders providing the A\$715m 4-year facility. Highlighting the divergent demand for commercial real estate loans, of the 10 bank syndicate, only 1 of the major Australian banks participated and 8 of the lenders were Asian-based banks.

Through February, MXT provided 3 additional loan facilities, including a loan to an ASX-listed corporate borrower, a residential development loan and a loan to an Australian airport owner, all provided via the MCP Diversified Australian Senior Loan Fund. At the end of February MXT was invested in 68 loan facilities. MXT has announced a 0.73c per unit distribution to be paid in early March representing an annualised distribution rate of 4.75% from listing date to 28 February 2018.

On the 26th of February MXT announced a pro rata 1 for 1.7 non-renounceable entitlement offer of new fully paid ordinary units in MXT to raise up to \$304m, with an ability to place additional new units. The offer price of \$2.00 per unit represents a 3.9% discount to the 30-day volume weighted price. All invitations to apply for new units under the offer must be made under the product disclosure statement dated 26 February 2018 (lodged with ASIC and released to ASX on that date) prepared for the offer. The PDS is available on MCP's website.

NAV/UNIT AND UNIT PRICE PERFORMANCE



NOTE: First distribution end December 2017 and month end thereafter.
Entitlement Offer announced 26 February 2017

FUND PERFORMANCE

	1mth	1yr	3yr ⁽³⁾	5yr ⁽³⁾	Incep ⁽⁴⁾
Net Return (%)	0.32	-	-	-	1.92
RBA Cash Rate (%)	0.12	-	-	-	0.62
Distribution (%)	0.36	-	-	-	1.85
Distribution (c/Unit)	0.73	-	-	-	3.73

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	IIOF
Macquarie Wrap	MLC Navigator	MLC Wrap	Netwealth

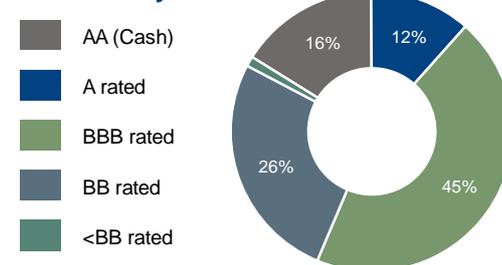
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PORTFOLIO CONSTRUCTION⁽⁵⁾

Industry Allocation⁽⁶⁾



Credit Quality⁽⁷⁾



OTHER FUND SETTINGS

Number of Individual investments	68	Interest Duration (days) ⁽⁸⁾	27
Investment Grade (%) ⁽⁷⁾	72%	Credit Duration (years) ⁽⁹⁾	2.4

NET RETURNS

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	0.38	0.32	-	-	-	-	-	-	-	-	-	-	0.70
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	-	-	-	-	-	-	-	-	-	-	1.54
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.

ABOUT THE MANAGER

MCP is an Australian debt-specialist fund manager with significant direct lending expertise in the Australian corporate loan market. MCP manages funds on behalf of investors seeking opportunities in credit and fixed income markets.

MCP's Investment Team has significant corporate and institutional lending experience and currently manages wholesale funds in excess of \$2.5 billion.

ENQUIRIES

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