

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⁾	\$2.05 / \$2.00
Market Cap. / NAV ⁽²⁾	\$745m / \$727m
Unit Pricing	Daily
Distributions	Monthly
Website	metricscredit.com.au

MARKET AND INVESTMENT ACTIVITY

The Australian syndicated loan market saw US\$7.2b of primary issuance complete during May (vs US\$2.9b pcp). As anticipated, a solid deal pipeline is now translating to transactional activity with 2018 primary issuance volume catching up on 2017 after what was a slow start to the year.

With the 2018 financial year-end nearing and with a market-wide expectation of higher pricing later in the calendar year, borrowers will remain focussed on securing their debt financing in coming months, with corporate refinancings the cornerstone of market activity through 2018. Key transactions to complete during the month included refinancings for ASX-listed corporates Computershare, Downer Group, Spotless and Reliance Worldwide Corporation, along with Viva Energy REIT (owner of Shell Service Station properties) and Quadrant Energy.

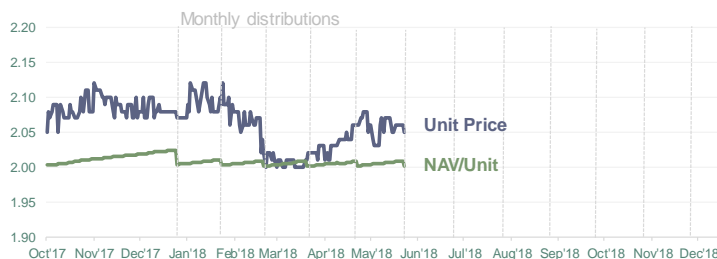
The market also saw a pick-up in the Commercial Real Estate and Project Finance & Infrastructure segments, both of which have been relatively quiet year-to-date. Property developer Evolve Development Group achieved financing for its "Botanic" residential development in Melbourne and the Ichthys LNG project (operated by Japan's Inpex Corporation) arranged a project-style loan to construct a power generation plant.

In coming months several major loan transactions are due to complete including for Origin Energy and TransGrid which will further accelerate 2018 issuance volume. Both of these borrowers have targeted offshore lenders which have the capacity to provide longer term financing than the typical 3-5 years offered by the domestic banks. The recent success of other Australian investment grade borrowers such as the Sydney and Melbourne desalination plants in gaining attractively priced 7-year loans, demonstrates a healthy demand for Australian borrowers, particularly across Asia.

Further abroad, several European banks which had previously exited their Australian operations including Barclays, ABN Amro and Societe Generale are now seeking to return to the market, potentially creating further capacity in an already competitive market.

During May, MXT gained exposure to 5 new loans including an acquisition loan facility, two residential property development projects and a commercial property in the hotel sector. At the end of May, MXT was invested in 79 loan facilities. MXT announced an 0.81c per unit May distribution paid in early June, representing an annualised distribution rate of 4.75% since listing.

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 (%)	0.38	-	-	-	3.11
RBA Cash Rate (%)	0.13	-	-	-	1.00
Distribution (%)	0.41	-	-	-	3.06
Distribution (c/Unit)	0.81	-	-	-	6.12

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

RESEARCH



PLATFORMS

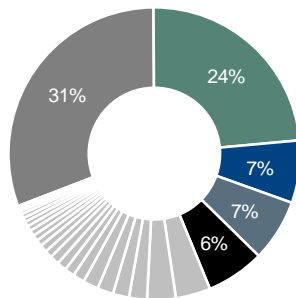
AMP North	AMP PortfolioCare	Asgard	BT Panorama
BT Wrap	CFS FirstWrap	HUB24	IOOF
Macquarie Wrap	MLC Navigator	MLC Wrap	Netwealth

MCP MASTER INCOME TRUST

PORTFOLIO CONSTRUCTION⁽⁵⁾

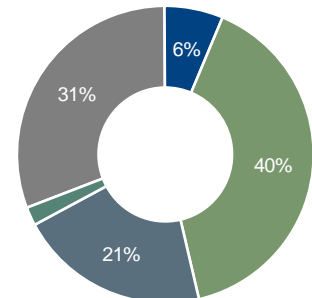
Industry Allocation⁽⁶⁾

- Cash
- Real Estate Mgt & Development
- Transportation Infrastructure
- Hotels, Restaurants & Leisure
- Real Estate Investment Trusts
- Other Industries



Credit Quality⁽⁷⁾

- AA (Cash)
- A rated
- BBB rated
- BB rated
- <BB rated



OTHER FUND SETTINGS

Number of Individual investments	78	Interest Duration (days) ⁽⁸⁾	22
Investment Grade (%) ⁽⁷⁾	77%	Credit Duration (years) ⁽⁹⁾	2.0

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	-	-	-	-	-	-	-	1.89
2017	-	-	-	-	-	-	-	-	-	0.46	0.35	0.41	1.23

NOTE: Past performance is not a reliable indicator of future performance.
Cash holdings temporarily elevated post capital raising and have since been allocated to underlying funds.

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	-	-	-	-	-	-	-	3.94
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.

ABOUT THE MANAGER

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's Investment Team has significant corporate and institutional lending experience and currently manages wholesale funds in excess of \$3.0 billion.

ENQUIRIES

General 1300 010 311 invest@metricscredit.com.au Unit registry 1300 133 451 registry@mainstreamgroup.com

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