

# MA Priority Income Fund

## Asset Management

A diversified private credit fund with a unique structure. The MA Priority Income Fund (the Fund) provides investors exposure to a diversified portfolio of defensive credit investments seeking to preserve capital and deliver stable monthly income of the RBA Cash Rate + 4.00% p.a.<sup>1</sup>



### Stable monthly income

The Fund seeks to provide consistent monthly income across all market conditions of the RBA Cash Rate + 4.00% p.a.<sup>1</sup>



### A focus on capital preservation

Focused on a diversified and defensive credit strategy, recognising the Fund sits in the defensive part of an investor's portfolio.



### Prioritising income and capital preservation

A 10% co-investment by MA Financial Group<sup>2</sup> acts as a buffer to the benefit of investors and provides income priority features.

1. Net of fees and costs. Refer to the Fund's Product Disclosure Statement and Reference Booklet for further information on target returns and Fund details.  
2. Means MA Financial Group, or a subsidiary of MA Financial Group, or a fund managed by MA Financial Group or subsidiary of MA Financial Group.

#### IMPORTANT INFORMATION

This flyer has been prepared by MA Investment Management Pty Ltd the appointed Manager of the MA Priority Income Fund (Fund) and is subject to the disclaimer at the end of this document. MAAM RE LTD (ACN 135 855 186) (AFSL 335783) is the responsible entity of the Fund (Responsible Entity).

**BondAdviser**  
'Highly recommended' rating



## Stable monthly income

The Fund seeks to bridge the gap between traditional fixed interest investments and higher yielding – therefore typically higher risk – opportunities.

Actively managed by a dedicated team of investment professionals, the Fund seeks to deliver investors stable and consistent monthly income of 4.00% p.a. over the RBA Cash Rate (net of fees and costs) (Target Return), across all market conditions, and in exchange for controlled and low levels of risk.

Along with monthly income, the Fund also offers investors the flexibility for monthly liquidity.<sup>3</sup>



**The Fund has an unbroken history of meeting its Target Return since inception<sup>4</sup> – including during COVID-19**

## A focus on capital preservation

The investment team recognise the Fund sits in the defensive part of an investor's portfolio, and that's why the uncompromising first priority is to preserve investor capital.

The Fund seeks to achieve this in two ways – via a defensive strategy and a unique structure.

### Defensive Fund strategy

The Fund strategy is focused on creating a diversified portfolio of investments spanning different credit market segments, borrowers and industries.

The investment team are actively focused on investing in very particular Australian credit assets that:

- **are asset-backed** – they are connected to or protected by an underlying pool of assets
- **have defensive characteristics** – they possess an ability to hold their value, particularly during periods of economic stress
- **benefit from diversification** – each asset has exposure to many underlying borrowers, meaning there is low individual borrower concentration.

The defensive and high-quality nature of these assets helps to mitigate risks.

The strategy additionally seeks to minimise risk by spreading or 'diversifying' investments across a range of credit market segments including commercial, consumer, and real estate, as well as investing in cash.

The investment team's rigorous and disciplined investment process, expertise in structuring credit investments and analysing loan portfolios, further helps to mitigate risks and preserve investor capital.

3. While the Fund is liquid, a 30-day notice period is required for withdrawals but requests may be processed and paid sooner at our discretion. Note that up to 18 months is allowed under the constitution. Refer to the Product Disclosure Statement for details on withdrawals from the Fund.

4. The Fund was established in November 2018.

5. Means MA Financial Group, or a subsidiary of MA Financial Group, or a fund managed by MA Financial Group or subsidiary of MA Financial Group.

## Fund structure

MA Financial Group<sup>5</sup> co-invests in the Fund alongside investors an amount equal to 10% of the Fund's total capital (Capital Buffer).

The primary reason for this unique structure is to provide investors with a barrier, up to the level of the Capital Buffer, against any potential capital loss.

The co-investment means should the Fund experience any losses, these losses will first be absorbed by MA Financial Group<sup>5</sup> up to the Capital Buffer – not by investors.



**The Capital Buffer has remained fully intact since inception<sup>4</sup>**

## Prioritising income and capital preservation

The Fund's co-investment and Capital Buffer structure prioritises investors.

Not only does it act as a barrier to prioritise the preservation of capital up to the Capital Buffer, but equally prioritises monthly income distributions.

If, in any period, the Fund does not meet its Target Return and the income distributions fall short, the shortfall will carry forward.

This means investors will receive the right to higher income distributions in the future to make-up the difference, with any shortfall amount paid in priority to MA Financial Group's<sup>5</sup> distributions. The Fund aims to provide investors with quarterly cash distributions and long-term capital growth.

## A portfolio diversified across market segments



### CONSUMER

Loans to individuals and households

- Personal loans
- Strata finance
- Auto loans.



### COMMERCIAL

Specialised loans to support small and medium sized companies

- Fleet
- Debtor finance
- Legal disbursement
- Insurance premium funding
- Commercial auto finance.



### REAL ESTATE

Loans for the purchase of residential or commercial real estate

- Residential mortgage-backed securities
- Commercial mortgage-backed securities.

Note: the Fund holds a small allocation to cash to capitalise on opportunities as they arise, and to assist with risk management and liquidity.

## Risks

All investments carry risk. Different investments carry different levels of risk, depending on the investment strategy and the underlying assets. Generally, the higher the potential return of an investment, the greater the risk. The risks of investing in this Fund include (this list is not exhaustive and you should refer to the Product Disclosure Statement (PDS) for further risks):

- **Construction and management of the Portfolio.** The investment strategy to be used by the Manager includes inherent risks. These include, but are not limited to, the ability of the Manager to build and maintain a Portfolio that achieves the Fund's investment objective, and which is consistent with the investment strategy and investment guidelines set out in the PDS and as permitted under the law.
- **Credit risk.** Credit risk is the risk that one or more assets in the Portfolio may decline in price or fail to pay interest or principal when due because the credit counterparty or borrower experiences a decline in its financial status.
- **Investment sourcing.** The success of the Fund depends on the ability of the Manager to identify suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside the control of the Manager.

More information on the risks of investing in the Fund is contained in the PDS, which should be considered before deciding to invest in the Fund. You should read the whole of this PDS in order to fully appreciate the risks of an investment in the Fund before any decision is made. You are also strongly advised to consider your personal investment objectives and financial circumstances.

### Key Fund facts

<b>Inception date</b>	12 November 2018
<b>Management fee</b>	0.50% p.a. of the net asset value of Class A and Class B units <sup>6</sup>
<b>Performance fee</b>	Nil
<b>Minimum investment</b>	\$10,000
<b>Minimum additional investment</b>	\$1,000
<b>Distribution frequency</b>	Monthly
<b>APIR</b>	MAA8010AU
<b>Liquidity</b>	Monthly <sup>7</sup>
<b>Platform availability</b>	Australian Money Market, BT Panorama, CFS Edge, CFS First Wrap, DASH, HUB24, Insignia Expand, Macquarie Wrap, Mason Stevens, MLC Wrap, Netwealth, North, OneVue, Powerwrap, Praemium

6. Refer to the PDS for details of all fees and costs associated with this product.

7. Where the Fund is liquid, a 30-day notice period is required for withdrawals but requests may be processed and paid sooner at the Responsible Entity's discretion. Withdrawal requests are subject to the Product Disclosure Statement and may be delayed or suspended in accordance with the procedures set out in the Product Disclosure Statement and the Fund Constitution. Note that up to 18 months is allowed under the constitution to satisfy withdrawal requests. Refer to the Product Disclosure Statement for details on withdrawals from the Fund.

# About MA Financial Group

## We invest. We lend. We advise.

We are a global alternative asset manager specialising in private credit, core and operating real estate, hospitality, private equity and venture capital as well as traditional asset classes. We lend to property, corporate and specialty finance sectors and provide corporate advice.

Our investment teams have diverse skill sets and experience across a range of strategies and market conditions and are focused on delivering long-term growth. Our conviction runs deep and as testament to this we co-invest in many of our strategies alongside our clients, aligning our interests with theirs.

We have deep expertise in private credit and non-bank lending, and seek to deliver investors defensive private credit solutions prioritising downside capital protection while generating resilient returns.

The Fund is actively managed by a dedicated team of investment professionals who abide by a clear and distinct three-pillar investment philosophy:

- **Low risk:** build high quality portfolios that deliver consistent returns with low impairment rates
- **Resilient returns:** employ rigorous analysis to ensure returns are resilient through different cycles and market conditions
- **Capital preservation:** above all, preserve and protect capital.

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The Target Market Determination for Units in the Fund is available free of charge on the Fund webpage [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund).

Before making an investment decision, always read and understand the PDS which is available on the Fund webpage [MAFinancial.com/invest/private-credit/ma-priority-income-fund](https://MAFinancial.com/invest/private-credit/ma-priority-income-fund) along with all other relevant or updated information regarding the Fund.

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## More information

For more information speak to your financial adviser.

## CONTACT DETAILS

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[MAFinancial.com/invest](https://MAFinancial.com/invest)

## DISCLAIMER

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Any references in this document to targeted or projected returns of the Fund are targets only and may not be achieved. Investment in the Fund is subject to risk including possible delays in payment or loss of income and principal invested. This information is intended for recipients in Australia only.

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