

MA Priority Income Fund

Asset Management



31 October 2023

Investment strategy

The MA Priority Income Fund (the Fund).¹ seeks to achieve its Target Return by investing in Class A units of the MA Master Credit Trust (Master Trust).²

The investment strategy of the Master Trust is to create a credit investment portfolio diversified across credit market segments, borrowers, industries, credit qualities and origination channels.

The investment strategy is primarily focused on Australian private debt that is secured, asset-backed or otherwise has defensive characteristics.

Monthly commentary

The macroeconomic environment points to the Australian economy slowing, with interest rates in restrictive territory, inflation continuing to moderate but remaining persistent in the service and rent categories and unemployment remaining low.

The Manager continues to experience some very minor fluctuations in 30+ days arrears with levels continuing to moderate generally. Longer term arrears (90+ days) remain below long-term levels. With the RBA Cash Rate increasing in November lenders will likely pass on higher rates to borrowers.

The Manager remains satisfied with the resilience and performance of the investment portfolio, which remains consistent with long-term observable market indicators.

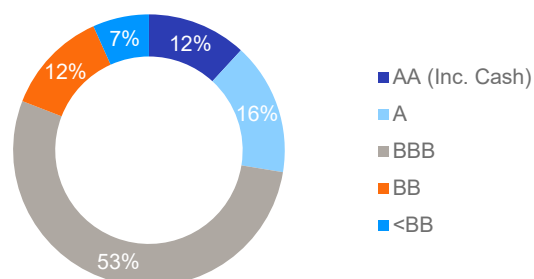
There were three new investments in October. The Manager provided a private market loan facility for a portfolio of commercial loans and receivables secured by first-ranking residential mortgages, a commercial cash-backed bridge loan facility and a primary market bond issue for an Asset-Backed Securities bond. The Manager had drawdowns across fleet and auto, RMBS, supply chain finance, legal disbursements, asset and business finance and specialty finance warehouses during the month. During October the Fund size exceeded \$1 billion for the first time. The Manager continues to have a healthy pipeline of investment opportunities across wholesale markets.

The RBA Cash Rate increased by 0.25% to 4.35% in November, resulting in the Target Return for the Fund increasing to 8.35% p.a.

Portfolio summary	
Number of investments	47
Number of underlying loans. ³	298,048
New investments in October 2023	3
Portfolio credit duration (months to maturity)	7.2
Average weekly cash holding during the month	7.59%

Fund overview	
Fund size	\$1,022.79m
Master Trust size	\$1,125.13m
Unit Price	\$2.00
Capital Buffer	10%
Target Return	RBA Cash Rate + 4.00% p.a. (net of fees and costs)
Available Platforms (APIR: MAA8010AU)	Australian Money Market, BT Panorama, CFS Edge, CFS, DASH, FirstWrap, HUB24, Macquarie Wrap, Masons Stevens, Netwealth, North, OneVue, Powerwrap, Praemium
Research ⁴	Lonsec – 'Recommended' BondAdviser – 'Recommended'

Credit quality⁵



1. The inception date of the Fund was 12 November 2018.

2. The Master Trust is an unregistered wholesale Australian unit trust which invests in a portfolio of credit investments.

3. Underlying loans as at prior month end.

4. SQM – please speak to your financial adviser for more information.

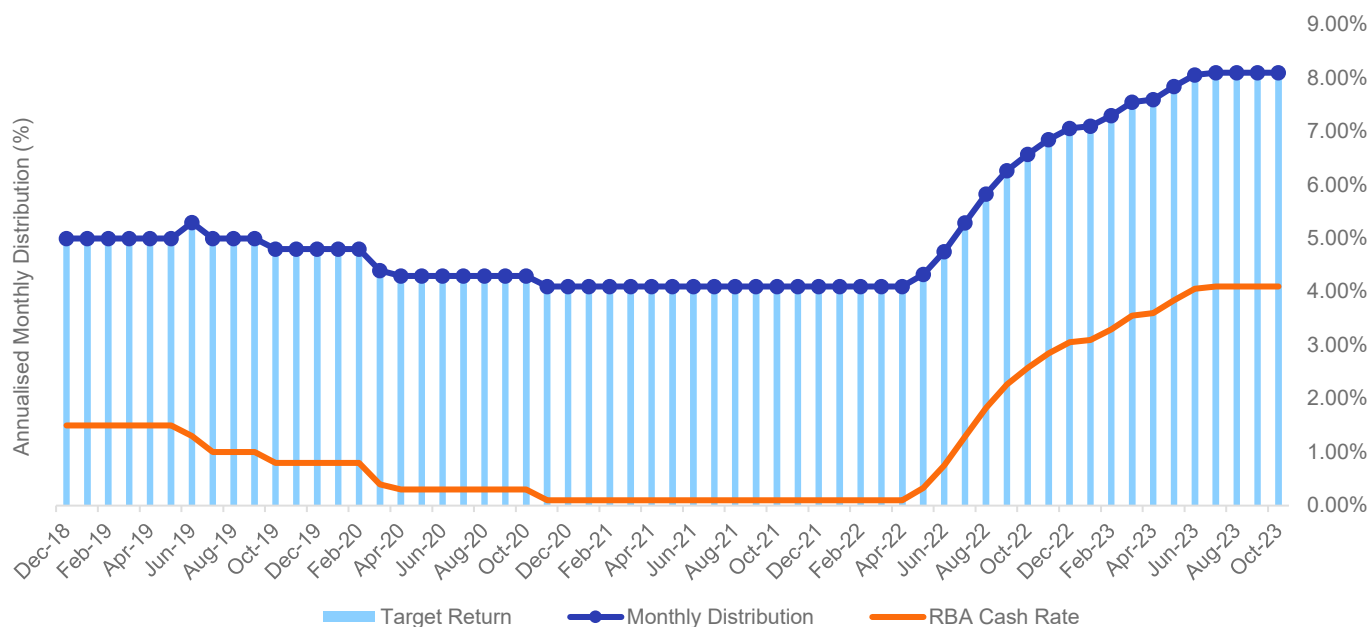
5. Rated by MA Asset Management including where not rated by public ratings agencies. Total may not sum to 100% due to rounding.

This update has been prepared by MA Investment Management Pty Ltd (ACN 621 552 896) (AFSRN 001 258 449) (Manager), the appointed Fund Manager of the MA Priority Income Fund ARSN 648 809 849 (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 (Responsible Entity) of the Fund. The Manager and Responsible Entity are wholly owned subsidiaries of MA Financial Group Limited (MA Financial Group).

Fund performance⁶

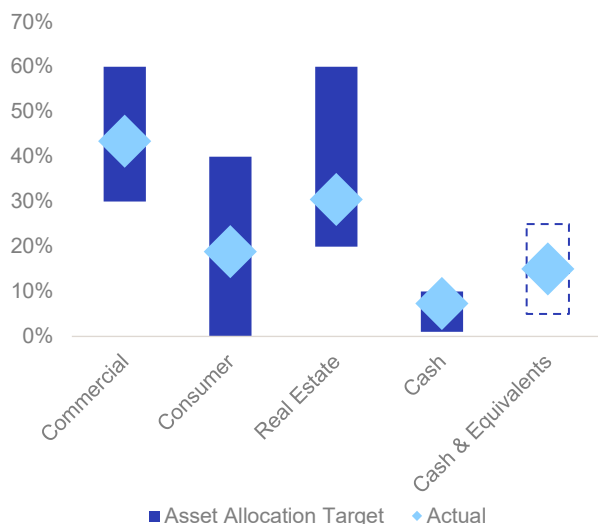
	1 month	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	Inception ⁷
Total return (%)	0.69%	2.05%	4.12%	7.92%	6.41%	5.66%	5.33%
Average Capital Buffer (%)	10%	10%	10%	10%	10%	10%	10%

Distribution history⁸

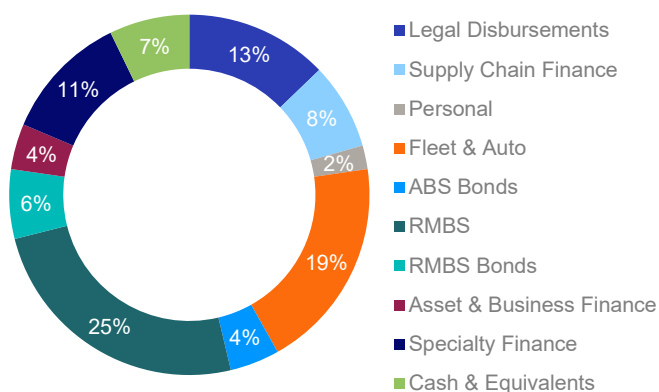


Portfolio construction

Portfolio Asset Allocation⁹



Sub sector breakdown¹⁰



6. Returns reflect the value of a continuing investor's investment assuming the reinvestment of all distributions and is calculated in accordance with investment performance reporting guidelines of the Financial Services Council (FSC) of which MA Financial Group is a member. Past performance is not a reliable indicator of future performance.

7. Annualised from inception date of 12 November 2018 (with first distribution paid in December 2018).

8. Actual distributions paid in that month assuming they were annualised for the respective financial year. Past performance is not a reliable indicator of future performance.

9. Asset target allocations per the PDS. Cash & Equivalents includes cash, RMBS bonds and ABS bonds.

10. Sub sector classification as defined by MA Asset Management. Total may not sum to 100% due to rounding.

All data as at 31 October 2023 except where referenced otherwise.

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About MA Financial

We are a global alternative asset manager specialising in private credit, real estate and hospitality. We lend to property, corporate and specialty finance sectors and provide corporate advice.

More information

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.

For more information, please speak to your financial adviser or the MA Client Services team at:

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