

# MA Priority Income Fund

Asset Management

31 October 2024

**MA**  
Financial  
Group

## Investment strategy

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

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, signified by weak GDP growth and interest rates considered to be in restrictive territory. The inflation rate of 2.8% (Q3 2024) is within the 2%–3% target range, however the trimmed mean CPI remains above the target range. The rate of unemployment was reported as 4.1% (Sep 2024).

In the context of the current macroeconomic environment, the Manager remains satisfied with the performance and resilience of the investment portfolio, with continued low levels of term arrears and losses.

The Manager funded four new investments in October, which included private market wholesale loans for first mortgage bridge loans, a private market revolving facility for asset finance and two AAA rated short dated RMBS bonds in the primary and secondary market to increase liquid investments.

The Manager had further loan drawdowns across residential mortgages, supply chain finance, legal disbursement funding, fleet and auto loans and specialty finance private market warehouses. The Manager also increased exposure to commercial loans and added to a RMBS bond position in the secondary market.

The Product Disclosure Statement and Reference Booklet were reissued on 1 November 2024.

The RBA Cash Rate remains at 4.35%, with the next RBA board meeting scheduled for 10 December 2024. The Target Return for the Fund remains at 8.35% p.a.

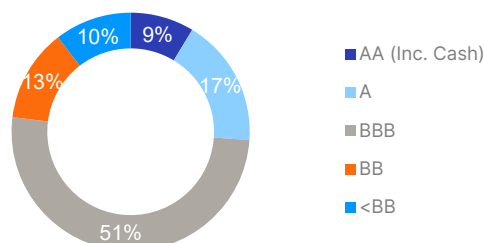
## Portfolio summary

Number of investments	65
Number of underlying loans <sup>3</sup>	372,352
New investments in month	4
Portfolio credit duration (months to maturity)	12.0
Average weekly cash holding during the month	5.50%

## Fund overview

Fund size	\$1,560m
Master Trust size	\$1,716m
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 FirstWrap, DASH, HUB24, Insignia Expand, Macquarie Wrap, Masons Stevens, Netwealth, AMP North, OneVue, Powerwrap, Praemium
Research <sup>4</sup>	Lonsec – 'Recommended' BondAdviser – 'Highly Recommended'

## Credit quality<sup>5</sup>



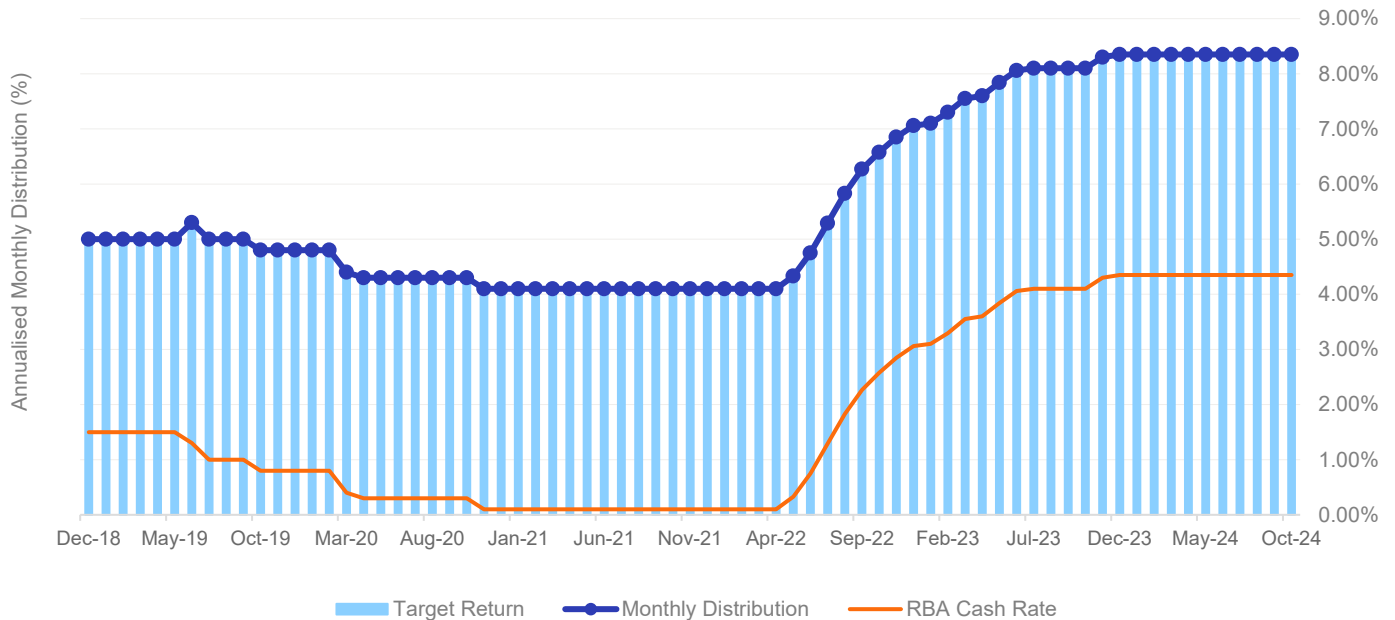
1. The inception date of the Fund was 12 November 2018.
2. The Master Trust is an unregistered wholesale Australian unit trust which invests in a portfolio of credit investments.
3. Underlying loans as at prior month end.
4. SQM – please speak to your financial adviser for more information.
5. Rated 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 performance<sup>6</sup>

	1 month	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	Inception <sup>7</sup>
Total return (%)	0.71%	2.12%	4.28%	8.68%	8.30%	7.16%	5.88%
Average Capital Buffer (%)	10%	10%	10%	10%	10%	10%	10%

## Distribution history<sup>8</sup>

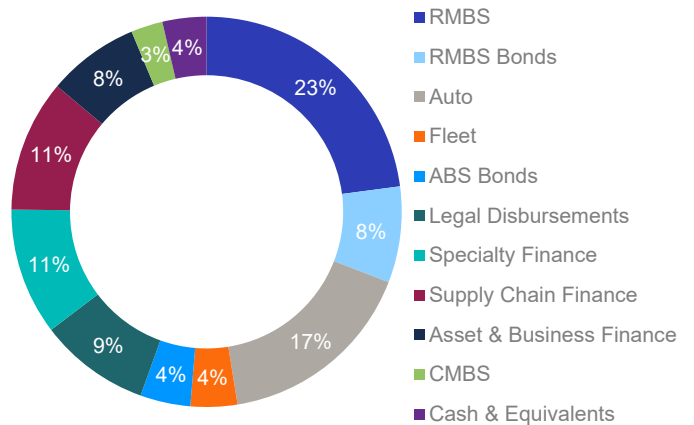


## Portfolio construction

### Portfolio Asset Allocation<sup>9</sup>



### Sub sector breakdown<sup>10</sup>



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 2024 except where referenced otherwise.

The Manager and Responsible Entity are wholly owned subsidiaries of MA Financial Group Limited (MA Financial Group).

## About MA Financial Group

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.

### More information

The Target Market Determination for Units in the Fund is available free of charge on the Fund webpage <https://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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[MAFinancial.com/invest](https://MAFinancial.com/invest)

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