

MA Priority Income Fund

Asset Management

31 March 2025

MA
Financial
Group

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, signified by moderate GDP growth of 1.3% (Y-o-Y Q4 2024) and interest rates considered to be in restrictive territory. It is too early to determine the impact of tariff changes announced by the US administration in early April. The Q4 2024 inflation rate of 2.4% is within the 2%–3% target range and the rate of unemployment remained 4.1% in February 2025.

In the context of the current macroeconomic, geopolitical and pre-election political 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 had seven new investments in March including a wholesale loan to fund a portfolio of consumer auto loans, a bilateral commercial loan, an investment in one ABS bond and four RMBS bonds issued in primary capital markets. The RMBS bonds are AAA rated and held for liquidity management purposes.

The Manager had loan drawdowns across residential mortgages, supply chain finance, legal disbursements, asset and business finance, fleet and auto finance and specialty finance private market warehouses.

The Manager has included a quarterly update in this investor report for a more comprehensive view of the Fund and the current market environment.

The RBA Cash Rate remains at 4.10%, with the next RBA board meeting scheduled for 20 May 2025. The Target Return for the Fund remains at 8.10% p.a. (net of fees and costs).

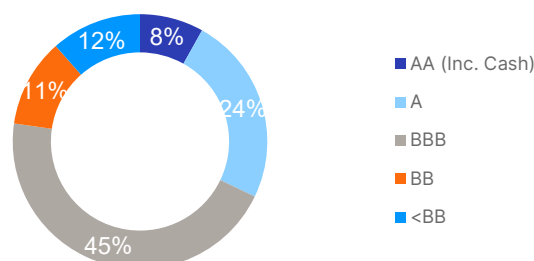
Portfolio summary

Number of investments	71
Number of underlying loans ³	449,461
New / Exited investments in month	7 / 0
Portfolio credit duration (months to maturity)	8.7
Average weekly cash holding during the month	13.6%

Fund overview

Fund size	\$1,872m
Master Trust size	\$2,315m
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 ⁴	Lonsec – 'Recommended' BondAdviser – 'Highly 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.

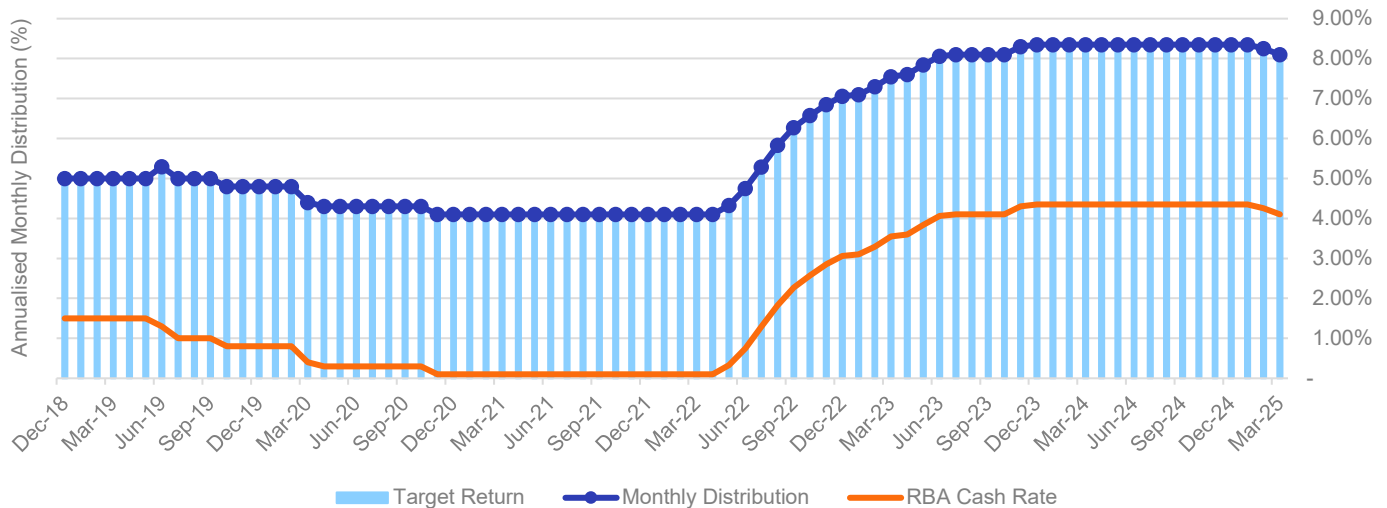
5. Rated by MA Asset Management including where not rated by public ratings agencies. Total may not sum to 100% due to rounding.

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

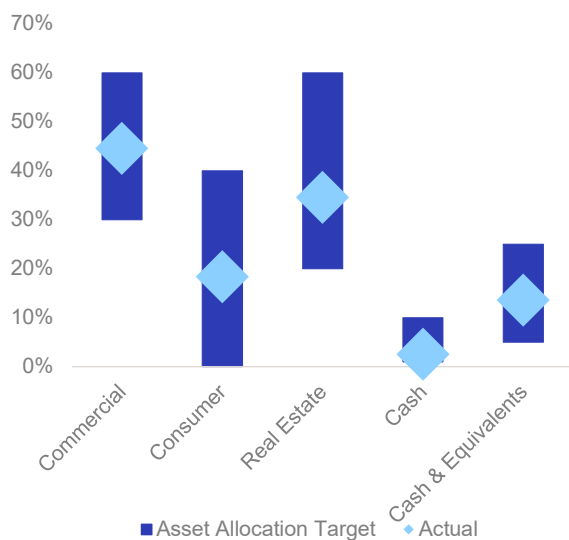
	1 month	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	Inception. ⁷
Total return (%)	0.69%	2.04%	4.21%	8.64%	8.54%	7.77%	6.06%
Average Capital Buffer (%)	10%	10%	10%	10%	10%	10%	10%

Distribution history⁸

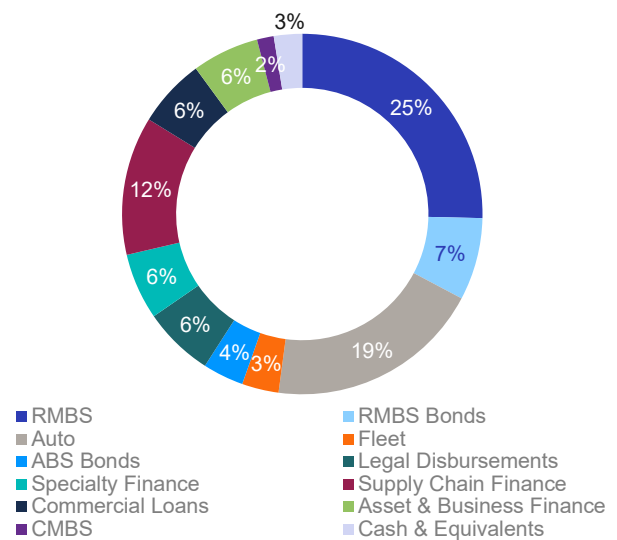


Portfolio construction

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 March 2025 except where referenced otherwise.

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

Quarterly performance update

The Fund delivered a net return of 2.04% for the March 2025 quarter (8.23% annualised), in line with the Fund's Target Return of the RBA Cash Rate + 4.00% p.a. (net of fees and costs).

Despite the Australian economy showing signs of diminished growth through the second half of 2024 and into 2025, the portfolio continued to deliver consistent returns supported by a diversified portfolio of defensively positioned private credit investments.

The Fund's net asset value (NAV) and unit price per unit was \$2.00 at 31 March 2025.

MA Credit Income Fund suite of funds

In 2023 the Manager launched the MA Credit Income Fund (Wholesale) (CIF-W) that invests in MA Financial Group's suite of credit investment strategies. This includes investing in the Master Trust to provide CIF-W investors access to the diversification and track record MA Priority Income Fund investors have benefited from since inception. The CIF-W investment in the Master Trust also benefits Fund investors by providing further capital for diversification and scale in the portfolio, with no impact to the return or capital buffer mechanics.

In Q1 2025, the Manager completed an initial public offering for the MA Credit Income Trust (ASX:MA1), an ASX listed investment trust that invests into CIF-W and in addition launched a retail (registered managed investment scheme) version of CIF-W, the MA Credit Income Fund (CIF) that also invests into CIF-W. This suite of funds effectively provides investors multiple access points (ASX listed and unlisted retail and wholesale) to the credit income fund investment strategy.

As of 31 March 2025, the Credit Income Fund suite of funds had FUM of \$427m, including IPO raise of \$330m for MA1.

The asset allocation range for CIF-W in the Master Trust is 40% - 60%, and as of 31 March 2025, the allocation was 60% or \$256m invested in the Master Trust.

Portfolio composition

The Manager employs a disciplined, credit-first investment approach designed to deliver attractive risk-adjusted returns through market cycles and focuses on credit investments with defensive characteristics, including security and structural protections. Through bottom-up credit underwriting and a focus on proprietary origination, the Manager aims to build a resilient portfolio that performs across both stable and dislocated markets.

As of 31 March 2025, the Master Trust size is \$2,315m, comprising Fund (Class A) capital \$1,872m, Capital buffer (Class B) capital of \$187m and CIF-W (Class C) capital of \$256m.

This compares to 31 March 2024, where the Master Trust size was \$1,337m, comprising Class A \$1,215m, Class B \$122m and Class C \$0m.

At 31 March 2025, the Master Trust had the following portfolio attributes:

- Number of investment positions total 71 across 30 channel partners/issuers, with 43 private market loans/financing warehouse positions and 28 RMBS/ABS bond positions. Cash was \$59m or 2.5% of the portfolio.
- The average investment size in the portfolio is \$32m, with a range of \$1.4m to \$147m (legal disbursement funding). The top five and 10 investment positions represented 27.6% and 41.6% of the portfolio respectively.
- Investments rated investment grade (BBB or better) represented 77% of the portfolio. The largest sub-investment grade investment (BB rated) is \$31.5m or 1.4% of the portfolio.

In the three months to 31 March 2025, the Master Trust had loan drawdowns and bond settlements of \$511m, of which \$350m related to new loan/bond investments and loan facility upsizes, and \$161m related to regular loan drawdowns on existing warehouse financing facilities. The Master Trust received loan paydowns of \$107m for existing facilities during the quarter and had one bond called and repaid by the issuer as anticipated, resulting in a repayment of \$45m.

There were eight new investments during the March 2025 quarter including a wholesale loan to fund a portfolio of consumer auto loans, a bilateral commercial loan, two core bond investments in RMBS and ABS loan types and four RMBS bonds, investing in AAA rated short-dated money market notes.

There were two investments exited during the March 2025 quarter including a RMBS bond called by the issuer as anticipated and repayment of a residual portfolio of personal loans.

The Manager entered a structured credit investment (SCI) in September 2024 to finance a portfolio of senior secured commercial loans. This investment was included in the specialty finance sub-sector lending category due to its immaterial size at the time. The Master Trust investment in commercial loans via the SCI and one commercial loan provided directly by the Master Trust, has collectively grown to 6% of the portfolio as of 31 March 2025. Commercial loans will now be reported separately as a sub-sector lending category so Fund investors have better granular visibility of the lending sub-sector diversification in the portfolio.

Liquidity and capital position

As of 31 March 2025, the Master Trust had \$59m in cash, held \$172m of RMBS bonds and \$86m of ABS bonds, which collectively, cash and bonds represent 14% of the investment portfolio, which is in-line with the Fund's target 5% - 25% cash and cash equivalents fund guideline.

The Manager is satisfied with the current Master Trust liquidity profile in the context of the tariff announcement related volatility presently affecting markets.

Portfolio credit performance

The portfolio continues to exhibit strong credit performance, with all loans/financing facilities and bonds performing in accordance with loan/bond terms and conditions. All loans and bonds are meeting contractual principal and interest payments as and when due.

Since inception, the Master Trust has not experienced a realised loss on any loan or bond investment and has therefore suffered no loss or impairment against the 10% first-loss capital buffer.

The Manager remains satisfied with the performance and resilience of the investment portfolio, with continued low levels of term arrears and low levels of losses at the underlying borrower level.

Third-party valuation reviews

During 2024, the Manager took the decision to appoint an independent valuation service provider to validate carrying values of the investments held by funds managed by MA Financial, including the Master Trust.

Following an extensive 'request for proposal' process conducted in Q4 2024, a globally recognised valuation and advisory firm has been appointed and commenced in the March 2025 quarter.

Key elements of the service provider's scope of work include i) an annual governance review of the Manager's processes to assess carrying values and ii) a review of the reasonableness of carrying value assumptions.

The provider will undertake the carrying value reviews quarterly and the carrying values of investments on watchlist may be reviewed monthly.

The Manager will provide investors updates on independent valuation progress in future quarterly performance updates.

ASIC scrutiny and review of Private Credit in Australia

In 2024, ASIC engaged with the FSC and private credit market participants in its review of the evolving public and private market dynamic in Australia.

As an industry participant and member of FSC, The Manager participated in this engagement to better understand the objectives of ASIC's review and scrutiny of the sector.

In December, the Responsible Entity of the Fund received regulatory notices from ASIC to produce books and records, and then in February the Responsible Entity was required to respond to a further subset of questions. All responses were made within the timeframe designated by the regulator.

The nature of this ASIC interaction was in-line with the regulator's review into the sector, and the Manager is aware numerous other responsible entities of registered management investment schemes received similar/identical regulatory notices.

The Manager has reviewed ASIC's discussion paper "*Australia's evolving capital markets: A discussion paper on the dynamics between public and private markets*" released on 26 February and will continue to engage with the regulator and stakeholders as appropriate. The Manager welcomes ASIC's review of the sector and the likely outcome of improved transparency and rigour from all industry participants.

Market conditions and outlook

Macroeconomic conditions in Australia have been stable over the last 12 months with continued low unemployment at ~4% and inflation within the RBA's targeted 2 – 3% range. While the impact of the tariff announcement in the US and RBA cash rate reduction in February remains uncertain, further rate reductions are expected by the market which should support economic activity and be favourable to credit performance.

Global risks remain, particularly uncertainty around US trade policies and potential tariff hikes on all countries including China, Australia, Canada, and Mexico, which could impact economic momentum and business confidence in Australia and globally. Despite ongoing economic uncertainty, the Manager remains confident in the portfolio's resilience.

Amid this backdrop, a focus on secured exposures, defensive sectors, and high-quality underwriting, positions the portfolio well to navigate the evolving credit landscape.

The Manager continues to see strong capital flows into private credit domestically over the first quarter and this has coincided with increased competition and narrowing credit margins across most types of lending. Renewed positive sentiment following a stabilising in economic conditions may be a contributing factor to the lower pricing being observed.

In 2025, public bond markets have continued the trend seen over 2024 of well bid primary market bond issues, resulting in continued tight credit spreads. Although in recent days, tariff announcement induced volatility has seen bond credit spreads widen off very low trading volumes.

Despite the increase in capital competing for transactions, we are still seeing attractive deployment opportunities while continuing to maintain a highly selective stance reflective of our rigorous approach to investment selection.

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.

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:

E: clientservices@MAFinancial.com

T: +61 2 8288 5594

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

Lonsec Disclaimer: The rating issued for MAA8010AU 11/2024 is issued by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec Research). Ratings are general advice only and have been prepared without taking account of investors' objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec Research assumes no obligation to update. Lonsec Research uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2025 Lonsec. All rights reserved.

Disclaimer: MAAM RE Ltd (ACN 135 855 186) (AFSL 335783) is the responsible entity (Responsible Entity) of the MA Priority Income Fund ARSN 648 809 849 (Fund) and the issuer of the units in the Fund. The information contained in this document is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Before making any investment decision you should consider obtaining professional investment advice that takes into account your personal circumstances and should read the current product disclosure statement (PDS) of the Fund. The PDS for the Fund is available at mafinancial.com/invest/private-credit/ma-priority-income-fund/product-disclosure-statement.pdf. Neither the Responsible Entity nor MA Financial Group or any member in its group guarantees repayment of capital or any particular rate of return from the Fund. All opinions and estimates included in this document constitute judgments of the Responsible Entity as at the date of this document and are subject to change without notice.

Past performance is not a reliable indicator of future performance. The value or return of an investment will fluctuate and an investor may lose some or all of their investment. Whilst the Responsible Entity believes the information contained in these materials are based on reliable information, no warranty is given to its accuracy and persons relying on this information do so at their own risk. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Statements contained in this document that are not historical facts are based on expectations, estimates,

projections, opinions and beliefs of the Responsible Entity as at the date of this document. Such statements involve known and unknown risks, uncertainties and other factors, and should not be relied upon in making an investment decision. These views may not necessarily reflect the views of any other entity in the MA Financial Group or any member in its group. 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.

The Responsible Entity's address is Level 27, Brookfield Place, 10 Carrington Street, Sydney NSW 2000. The Responsible Entity, its related bodies corporate, the Responsible Entity's directors and employees and associates of each may receive remuneration in respect of advice and other financial services provided by the Responsible Entity. The Responsible Entity has entered into various arrangements with MA Investment Management Pty Ltd in connection with the management of the Fund. In connection with these arrangements MA Investment Management Pty Ltd may receive remuneration or other benefits in respect of the financial services it provides. This document is issued by the Responsible Entity on a confidential basis and no part of this material may be reproduced or disclosed, in whole or in part without the prior written consent of the Responsible Entity.

MA Asset Management (Hong Kong) Limited (BRN: 72294841 | SFC CE No.: BQW293) (MAAM HK) is licensed by the Securities & Futures Commission of Hong Kong (SFC) for Type 1 (dealing in securities) regulated activity. MAAM HK is a wholly owned subsidiary of MA Financial Group Limited (MA Financial). MAAM HK's business operations involves the marketing of funds issued by MA Financial and/or other collective investment schemes to professional investors only (as defined under the Securities and Futures Ordinance of Hong Kong (Cap. 571) (SFO)) in Hong Kong. As a distributor only, MAAM HK does not have any intention to establish any client relationship with any person that intends to subscribe for units in the collective investment schemes it distributes.

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