

## 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, with interest rates in restrictive territory, inflation continuing to moderate and the rate of unemployment remaining low. The Manager remains satisfied with the resilience of the investment portfolio, with low levels of term arrears and losses persisting.

Two investments were repaid in January, including full amortisation of a RMBS bond position and repayment of a cash-backed commercial bridge loan facility.

The Manager had drawdowns across RMBS and asset and business finance private market warehouses during the month. The Manager acquired additional positions in three RMBS bonds and two ABS bonds in the secondary market to deploy available cash during the generally quieter market period.

The Manager is building out its 2024 investment pipeline, which at this stage includes new RMBS and auto loan private market warehouses, RMBS and ABS bonds and an expansion of legal disbursement financing.

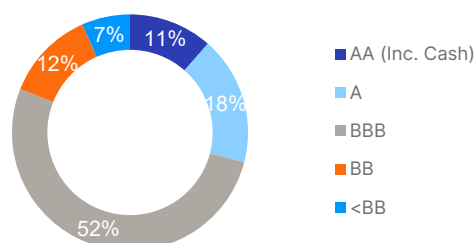
In 2024 the Reserve Bank of Australia (RBA) will reduce the number of meetings from eleven to eight times a year, approximately every six weeks, which allows more time for economic data to influence financial markets and the economy. This meeting frequency is consistent with the US Federal Reserve, the Bank of England and the European Central Bank.

The RBA Cash Rate held at 4.35% in February, resulting in the Target Return for the Fund remaining at 8.35% p.a.

Portfolio summary	
Number of investments	49
Number of underlying loans <sup>3</sup>	308,430
New investments in January 2024	0
Investments repaid in January 2024	2
Portfolio credit duration (months to maturity)	6.1
Average weekly cash holding during the month	6.24%

Fund overview	
Fund size	\$1,107m
Master Trust size	\$1,218m
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, Macquarie Wrap, Masons Stevens, Netwealth, North, OneVue, Powerwrap, Praemium
Research <sup>4</sup>	Lonsec – 'Recommended' BondAdviser – '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.

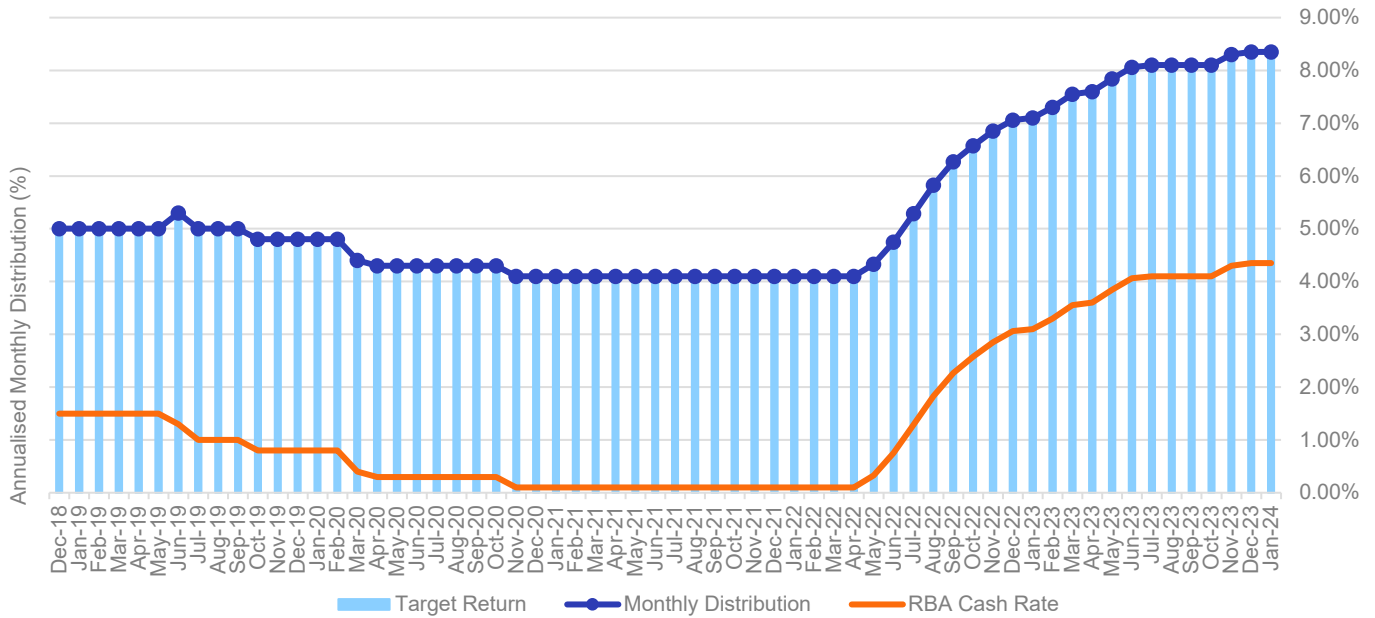
5. Rated by MA Asset Management including where not rated by public ratings agencies. Total may not sum to 100% due to rounding.

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>

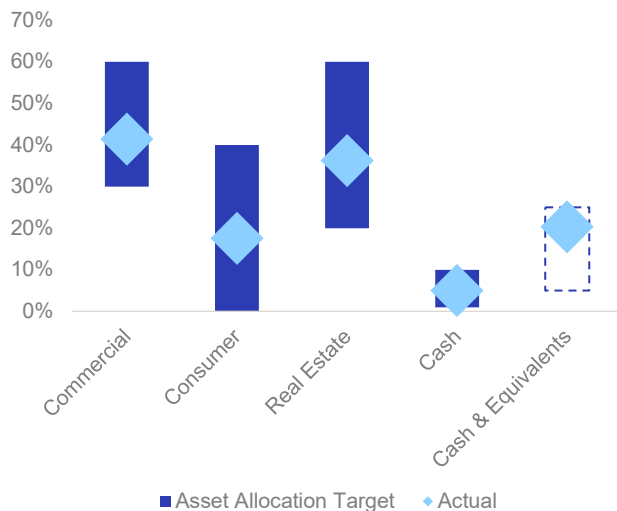
	1 month	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	Inception <sup>7</sup>
Total return (%)	0.71%	2.11%	4.20%	8.27%	6.97%	6.03%	5.48%
Average Capital Buffer (%)	10%	10%	10%	10%	10%	10%	10%

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

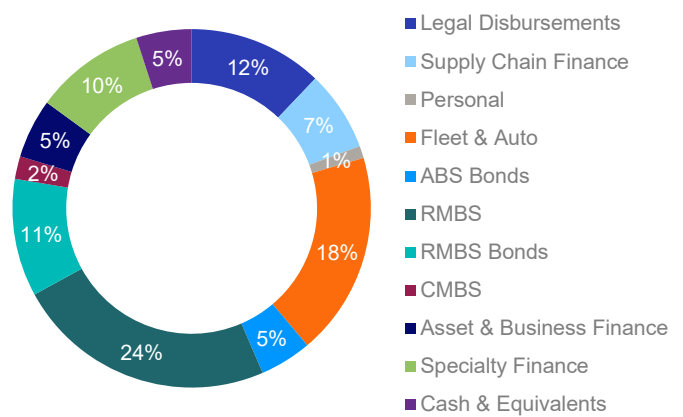


## Portfolio construction

### 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 January 2024 except where referenced otherwise.

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## 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 [mafinancial.com/invest/private-credit/ma-priority-income-fund](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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