

7 June 2017

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**\*\*\* SEEKING EXPRESSIONS OF INTEREST \*\*\***  
**METRICS CREDIT PARTNERS – MASTER INCOME TRUST**

**Dear Prime client,**

It's been some time since you have heard from us, but we felt this was a wonderful opportunity to re-engage with you.

We are extremely pleased to be seeking expressions of interest from investors in relation to the likely issuance of the **Metrics Credit Master Income Trust**.

We have been in discussions with the **Metrics Credit Partners** for several months over the potential issuance of a listed investment trust (LIT) on the ASX in August or September of 2017.

For background, **Metrics Credit Partners** were founded in 2013 and now manage \$2.3bn in assets across two funds, the **Diversified Australian Senior Loan Fund (DASLF)** and the **Secured Private Debt Fund (SPDF)**. The funds are exclusively targeted to provide borrowing facilities, much like a bank would, to Australian corporate borrowers.

Investors in **Metrics Credit Partner's** initial funds have been multiple large industry superannuation funds and several global asset consultant firms.

National Australia Bank (NAB) retains a 35% ownership in **Metrics Credit Partners**.

**Metrics Credit Partners** for want of a better term are lenders and their skill-set is in credit assessment. The Master Trust will invest in the corporate loan market alongside the major banks and non-bank lenders.

Borrowers across Metrics' initial products range from household names such as Woolworths, QANTAS, Charter Hall, Crown Resorts, Tatts Group and toll-road company ConnectEast, through to smaller companies or projects such as National Storage, Northwest Rapid transit, the new Perth Stadium or property developments such as Toorak Park in Melbourne or York & George in Sydney.

Though precise terms of the deal are yet to be confirmed, it is our expectation that investors could expect to see:

- An issue price of \$100
- An investment objective of RBA Cash Rate + 3.25% **(equivalent to 4.75% currently)**
- Monthly distribution payments
- A portfolio targeting investment across 75-100 borrowers with limited government or banking exposure
- A low management fee of ~0.20-0.30% and a 15% outperformance fee for returns above the investment objective (4.75% currently) up to a limit of 0.75%
- lodgement of the Product Disclosure Statement (PDS) in late July, and expected close on the deal in August and listing on the ASX by early September 2017.

**We believe any issue of the Metrics Credit Master Income Trust on terms similar to those above will be extremely well sought by yield-focussed investors and hence we are keen to be proactive in our discussions on this front.**

We are particularly excited at this potential opportunity since the LIT will provide investors with a genuine exposure to Australia's corporate loan market, and fill a desperately lacking void in Australia's retail superannuation system.

The fixed income market is Australia's largest capital market, and within that, the corporate loan market is the largest component. Despite this, Australia's SMSF's allocated a mere 1% to Australian fixed income as at December 2016 according to Australian Tax Office statistics.

We have highlighted it many times before, but Australian retail superannuation accounts are heavily dependent on Australian bank hybrid securities and term deposits as their means of generating, stable, consistent income.

With term deposit rates low and bank hybrid securities arguably over-owned given their risk profile in a housing correction, we feel that the **Metrics Credit Master Income Trust** stands to offer potential investors a much-needed alternative in their defensive asset allocation.

Should you be interested in registering your interest in the **Metrics Credit Master Income Trust**, please contact either Cameron or myself on or **before Friday 23<sup>rd</sup> June 2017**.

**Primestock Securities Ltd stand to receive a placement fee of up to 1% for stock it was allocated by the issuer's manager. You as the investor pay no fees or brokerage on this transaction.**

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Yours sincerely,

We look forward to being of assistance.  
Primestock Securities Ltd  
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