MA Credit Income Trust
(ASX:MA1)

31 March 2025

Quarterly commentary

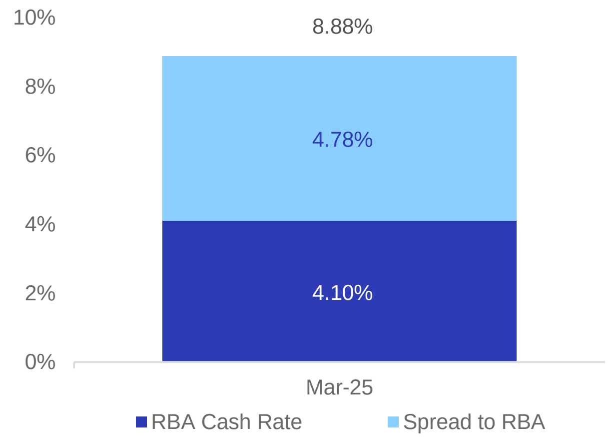
The MA Credit Income Trust (ASX:MA1) (the Fund) delivered a net return of 0.75% for March 2025 (8.88% annualised), exceeding the Fund's Target Return of the RBA Cash Rate + 4.25% p.a. (net of fees and costs).

The Fund paid distributions totalling $0.0151 per unit for the month, equating to approximately 0.75% of net asset value (NAV). Based on the NAV of A$2.00 per unit as at 31 March 2025, this represents an annualised yield of 8.88%.

Despite the Australian economy showing signs of diminished growth through the second half of 2024 (relative to prior years), the underlying portfolio continued to deliver consistent returns supported by a diversified mix of defensively positioned private credit investments.

The Fund's NAV per unit was $2.00 at 31 March 2025.

Trailing 12 month net return*



Trust overview	
ASX Ticker	MA1
Price / NAV[2]	$1.99 / $2.00
Market cap. / NAV[2]	$330m / $331m
Distribution yield[3]	8.88%
Distribution frequency	Monthly
Target Return	RBA Cash Rate + 4.25% p.a.
Available platforms	Macquarie Wrap, BT Panorama, Colonial First State Edge, Netwealth, HUB24, Mason Stevens

Portfolio summary	
Underlying Fund asset exposure[4]	$4.7bn (inc. cash) $4.5bn (ex. cash)
Number of positions	166
Portfolio credit duration[5]	10 months
Mean / median position size	0.6% / 0.3%
Largest position size	3.2%
% floating rate / fixed rate	99% / 1%
Manager alignment[6]	>$180m

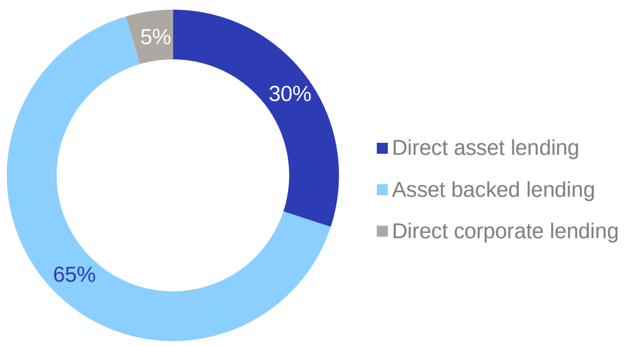
Fund performance[1,7]

	1 month	3 months	1 year	3 years p.a.	5 years p.a.	Inception
Net return (%)	0.75	-	-	-	-	0.75
Target Return (%)	0.71	-	-	-	-	0.71
Distribution (%)	0.75	-	-	-	-	0.75
RBA Cash Rate (%)	0.35	-	-	-	-	0.35
Spread to RBA (%)	0.40	-	-	-	-	0.40

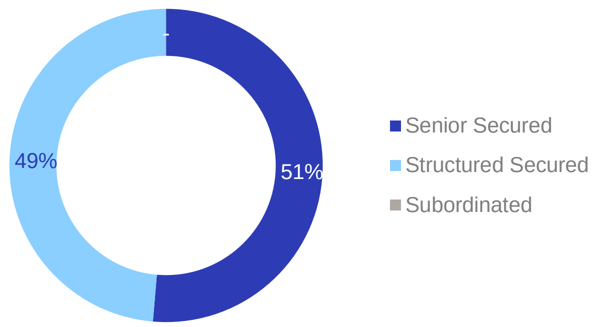
* Note: Past performance is not a reliable indicator of future performance.

Portfolio composition

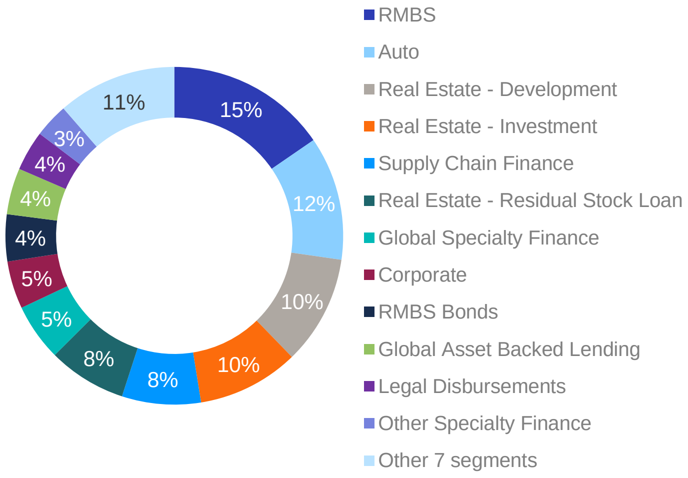
Investment strategy[8]



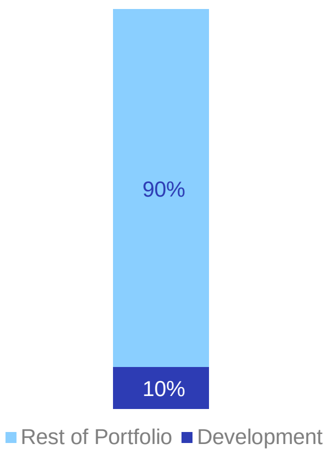
Debt ranking[8,10]



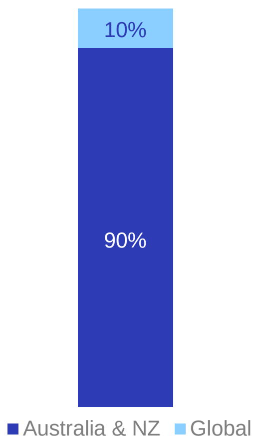
Sub-sector[8,11]



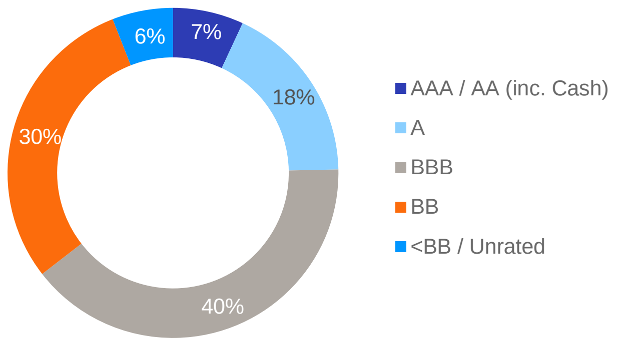
Development[8]



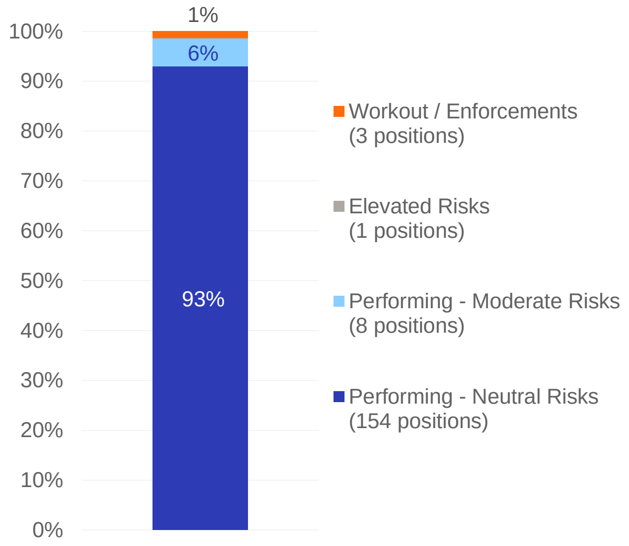
Geography[8]



Credit rating[8,9]



Performance indicator (% by asset value)[8,12]



Quarterly Portfolio Commentary

Portfolio allocations

The Manager employs a disciplined, credit-first investment approach designed to deliver attractive risk-adjusted returns through market cycles. The focus is 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.

Consistent with these objectives, MA1 provides access to a diversified portfolio of private credit assets (the Underlying Fund's portfolio) allocated across three core lending segments:

- Asset backed lending
- Direct asset lending
- Direct corporate lending.

At 31 March 2025, the Underlying Fund allocations are weighted toward asset backed lending (65%), with direct asset lending (30%) and direct corporate (5%) representing lower proportions.

The current allocation is considered favourable for several reasons:

1. Attractive deployment opportunities – the skew to asset backed lending allows the portfolio to capitalise on the continued growth in the market within this segment. The current origination pipeline is strong and supported by the Manager continuing to grow relationships with specialty and non-bank lenders.
2. Diversification – the asset-backed segment contributes to a high level of portfolio granularity supported by more than 570,000 individual underlying assets as collateral. This broad exposure improves diversification and reduces the impact of any single underlying asset on overall portfolio performance.

The current allocation is designed to optimise risk-adjusted returns in the current market environment. The Manager expects the portfolio's allocations to evolve over time in response to prevailing market conditions and relative value opportunities across credit segments.

Portfolio composition

The Underlying Fund's asset exposure continues to grow having reached $4.7 billion at 31 March 2025.

As at 31 March 2025:

- Number of positions total 166 across 118 issuers with a median loan size of ~$16 million and the largest position comprising 3.2% of total assets.
- Top five positions represent ~15% and top 10 positions represent ~27%
- The portfolio is diversified across 19 credit sub-segments
- 100% senior secured or structured secured, demonstrating our focus on security protections
- Largest exposure is to BBB-equivalent rated credit (40%) followed by BB-equivalent (30%)[9]

In the three months to 31 March 2025 ~$820 million of loans were funded. Consistent with current portfolio positioning, a substantial portion of new commitments made during the quarter were weighted to asset backed loans including secured positions in private funding warehouses (~$510 million).

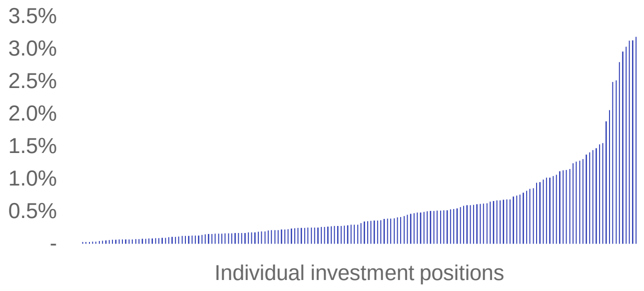


Figure 1: Distribution of position sizes as a percentage of AUM

Positions were added across a range of sub-segments including auto, commercial, and floor plan finance assets.

Substantial deployment continued via incremental drawdowns on existing commitments across a diverse range of asset segments including residential mortgages, supply chain finance, fleet and auto finance, and specialty finance.

11 new investments were made in direct asset lending comprising $313 million in funded loans. Positions largely represented real estate investment and residual stock loans.

Origination in direct corporate loans grew in the quarter, reflective of M&A and refinancing activity presenting attractive opportunities. Three new corporate loans were added in sectors including childcare, healthcare and financial services. There may be scope for increased M&A activity in the medium term driven by lower base rates however, recent volatility in markets may subdue any uplift in the near term.

Liquidity

As at 31 March 2025 the Underlying Funds had exposure to ~$260 million in cash comprising ~5.5% of total portfolio AUM. The Manager continues to deploy selectively into short-dated, high-credit-quality liquid bonds and tradable fixed income for liquidity management representing ~5.5% of the Underlying Fund's portfolio.

Credit performance

The Underlying Fund continues to exhibit strong credit performance across its credit segments with ~99% of assets by value classified as "Performing". This includes ~93% grouped as "Performing – Neutral Risks" (performing as expected with risk factors neutral or favourable since origination).

- The asset backed loan segment continues to perform strongly from a credit perspective. Arrears remain low and in-line with normal historical levels despite a slight uptick over the last 12 months. At March quarter end, weighted average 90+ day arrears were 0.8% (as a proportion of underlying receivables).
- The direct corporate lending portfolio is performing strongly with underlying corporate borrowers continuing to de-lever via earnings growth since origination. The current weighted average loan-to-value ratio (LVR) is ~26%.

Approximately 6% of the Underlying Fund's portfolio has been flagged as 'Performing – Moderate Risks' which indicates, while the borrower or collateral is performing, there are moderate risks which have emerged since origination. These positions are under enhanced monitoring.

One of the Underlying Fund positions is classified as 'Elevated Risks' which indicates performance is substantially below expectations and risk has increased materially since origination. These positions are under enhanced monitoring with proactive strategies in place to mitigate risk and limit potential downside.

Around 1% of positions are in active workout or enforcement, where the Manager is taking action to stabilise, protect and recover value. The Manager does not expect an impairment of those positions.

The 'Performing – Moderate Risks', 'Elevated Risks' and 'Workout' positions largely sit within the direct asset portfolio and relate to senior secured, first mortgage real estate loans. These loans are well-secured with an average LVR of ~79% indicating adequate asset protection in place. The Manager does not expect these positions to materially impact the Fund's NAV or returns.

Pleasingly, historical capital losses across our flagship credit strategies remain at zero.

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 RBA cash rate reduction in February remains uncertain, further rate reductions are expected by the market which if implemented, should support economic activity and therefore loan performance.

In the US, weak consumer spending and a widening trade deficit are weighing on growth. While the labour market shows resilience, inflation concerns may keep the US Federal Reserve cautious on further rate cuts.

Global risks remain, particularly uncertainty around US trade policies and potential tariff hikes which could impact economic momentum and business confidence in Australia and globally.

Recent US tariff announcements have driven substantial volatility in equity and credit markets, with a wide range of market segments impacted. The Manager has engaged with most of its US borrowers pre-announcement and does not see material credit impacts at this stage. Key themes include limited direct tariff exposure, mixed ability to pass on costs, and minimal consumer credit risk. The Manager continues to monitor developments closely but remains comfortable with its exposure to the US, which represents approximately 10% of the Underlying Fund.

Despite ongoing economic uncertainty, the Manager remains confident in the overall resilience of the Underlying Fund's portfolio. The Manager's focus on secured exposures, defensive sectors, and high-quality underwriting positions the Underlying Fund well to navigate the evolving credit landscape.

In terms of credit markets domestically, the Manager has seen strong capital flows into private credit over the first quarter and this has coincided with increased competition and narrowing credit margins across most types of lending.

Despite the increase in capital competing for transactions, the Manger is still seeing attractive deployment opportunities while continuing to maintain a highly selective stance reflective of our rigorous approach to investment selection. Financing volumes in private credit markets in both Australia and the US continue to increase against a backdrop of increasing regulation and banks reducing their exposure to certain types of lending.

MA1 continues to invest into what the Manager believes is an attractive market opportunity for private credit.

Please also refer to the Manager's quarterly investor letter, available on the ASX platform, including for general updates on our Global Credit Solutions fund suite and thematic insights into what matters most in private credit today.

Additional portfolio metrics by market segment[13]

	Mar Qtr 2025	Dec Qtr 2024
Asset Backed Lending		
Underlying investments (#)	78	75
Underlying assets (#)	>570,000	>430,000
Median position size ($'m)	17.6	17.3
Weighted average credit enhancement-to-loss-rates (x)[14]	15x	15x
Weighted average 90+ day arrears in underlying assets (%)[14]	0.8%	0.9%
Manager capital loss experience (%)[15]	0.0%	0.0%
Direct Asset Lending		
Underlying investments (#)	75	72
Median position size ($'m)	16.3	13.5
Weighted average portfolio loan-to-value ratio (LTV) (%)	70%	68%
Total historical investments	325	313
Total historical percentage of loans enforced (by #)	3.7%	2.9%
Manager capital loss experience (%)[15]	0.0%	0.0%
Direct Corporate Lending		
Underlying investments (#)	13	10
Median position size ($'m)	14.8	9.9
Weighted average net leverage (EBITDA) (x)	2.8x	2.6x
Weighted average loan-to-value ratio (%)	25.9%	24.9%
Manager capital loss experience (%)[15]	0.0%	0.0%

Fund performance by month[1,7]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund returns (net) (%)												
2025	n.a.	n.a.	0.75	-	-	-	-	-	-	-	-	-
Distribution yield (%)												
2025	n.a.	n.a.	0.75	-	-	-	-	-	-	-	-	-
Total returns (%)												
2025	n.a.	n.a.	0.75	-	-	-	-	-	-	-	-	-

Note: Past performance is not a reliable indicator of future performance.

Changes since prior reporting

There have been no material changes to key service providers, the related party status of key service providers, fund strategy, risk profile or key individuals of MA1 since the prior reporting period.

Investment strategy

MA1 offers curated access to MA Financial's flagship private credit strategies. The ASX-listed Fund aims to provide investors with consistent monthly distributions, targeting a return of the RBA Cash Rate + 4.25% p.a.

MA1 offers exposure to a diversified portfolio of Australian, New Zealand and global credit investments which span three core private credit market segments in which the Manager has a proven track record and specialist capabilities: direct asset lending, asset backed lending and direct corporate lending.

Fund information	
Inception date	28 February 2025
Management fee	Nil where investing in the MA Credit Income Fund (Wholesale). Fees charged at underlying fund level only. For any directly held investments, 0.90% management fee.
Fund currency	AUD
Distributions	Monthly
Fund term	Closed ended unit trust
Trust name	MA Credit Income Trust (MA1) ARSN 681 002 531
Responsible Entity	Equity Trustees Limited ACN 004 031 298; AFSL 240975
Manager	MA Investment Management Pty Ltd ACN 621 552 896, AFSRN 001 258 449
Custodian	EQT Australia Pty Ltd
Unit registry	Boardroom

For more detailed information regarding the Fund, please refer to the Product Disclosure Statement

About MA Financial

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

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

This report is dated as at 14 April 2025.

END NOTE

1. Returns are based on NAV unit price, after taking into account all fees and costs, and assume the reinvestment of distributions. No allowance has been made for entry fees or taxation.
2. Price and NAV as at month end, ex-distribution.
3. Current month distribution as percentage of NAV, annualised.
4. Underlying Fund represents total assets under management on a 100% basis, including cash.
5. Underlying Fund credit duration represents a weighted average based on the Underlying Fund's proportionate interest in asset values on a look-through basis.
6. MA Financial and its staff have co-invested over $220 million in all MA Financial credit funds, including more than $180 million in the Underlying MA Financial Credit Funds at 31 December 2024.
7. Periods over 1 year have been annualised. Net return after fees, costs and taxes. 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.
8. Portfolio composition percentages are based on the Underlying Fund's proportionate interest in asset values on a look-through basis. Numbers may not add to 100% due to rounding. Unless otherwise stated, percentages exclude cash holdings.
9. Rated by MA Asset Management including where not rated by public ratings agencies.
10. "Senior Secured" relates to all senior secured investments held in Asset Backed Lending, Direct Asset Lending and Direct Corporate Lending investment strategies. "Structured Secured" relates to mezzanine investments held across the Asset Backed Lending investment strategy. "Subordinated" relates to all other subordinated investments.
11. Auto, Legal Disbursements, RMBS, Specialty Finance, Supply Chain Finance all relate to private loan warehouses and structured facilities funded by the Underlying MA Financial Credit Funds.
12. Performance indicator classifications formulated by MA Asset Management.
13. Quarterly metrics based on most recent data available as at the date of this report.
14. 90+ Arrears in Underlying Receivables is based on the latest trailing 3 month average of loans in arrears 90+ days for the underlying receivables or collateral in asset backed lending facilities. Credit-Enhancement-to-Loss-Rates is a ratio that represents the total credit enhancements (such as junior subordination, equity and excess income coverage) in an asset backed lending facility to the loss rate incurred on the collateral. For the Underlying Funds, it is a measure of the structural protections that the Underlying Funds' investments benefit from. The loss rate used in the calculation is the higher of (a) the last 12 month average collateral loss rates, and (b) the underwritten collateral loss rate for each investment. Where metrics are not meaningful due to the nature of underlying collateral, the closest meaningful reporting metric is adopted or adjustments made accordingly.
15. MA capital loss experience calculated as cumulative historical principal capital losses on investments compared to total loan volume originated by vintage in MA Financial's flagship credit strategies. Past performance is not an indicator of future performance.

IMPORTANT INFORMATION

MA Investment Management Pty Ltd ABN 93 142 008 535 is a Corporate Authorised Representative (001258449) of MA Asset Management Limited Ltd ABN 93 142 008 535 AFSL 427515. Both MA Investment Management Pty Ltd and MA Asset Management Ltd are wholly owned subsidiaries MA Financial Group Limited (ACN 142 008 428) (MA Financial Group).

This update has been prepared by MA Investment Management Pty Ltd (ACN 621 552 896), the appointed Manager of the MA Credit Income Trust (Fund) and is subject to the disclaimer below. Equity Trustees Limited (Equity Trustees) (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the MA Credit Income Trust ARSN 681 002 531 (the Fund). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

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The address and telephone details for MA and MAAM RE are Level 27, Brookfield Place, 10 Carrington Street, Sydney NSW 2000 and +61 2 8288 5594. The Responsible Entity's address and telephone details are Level 1, 575 Bourke Street, Melbourne VIC 3000 and +61 3 8623 5000. MA's directors and employees and associates of each may receive remuneration in respect of advice and other financial services provided by the Responsible Entity in relation to the Fund. The Responsible Entity has entered into various arrangements with MA in connection with the management of the Fund. In connection with these arrangements MA may receive remuneration or other benefits in respect of the financial services it provides, including a management fee of 0.90% per annum of the portfolio value of the Fund attributable to direct credit investments. MA Financial group entities also receive management and performance fees from managing the underlying investment vehicles indirectly invested into by the Fund.

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