MCP INCOME OPPORTUNITIES TRUST

ANNUAL REPORT

For the period 7 February 2019 to 30 June 2019

ARSN 631 320 628

METRICS

CONTENTS

MCP INCOME OPPORTUNITIES TRUST APPENDIX 4E

FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019

DETAILS OF REPORTING PERIOD

Current:	Period 7 February 2019 to 30 June 2019
Previous corresponding*:	N/A

* This is the first period of operations of the Fund and hence there are no prior period comparatives.

The Directors of The Trust Company (RE Services) Limited, the Responsible Entity of the MCP Income Opportunities Trust (the "Fund") announce the audited results of the Fund for the period 7 February 2019 to 30 June 2019 as follows:

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Extracted from Financial Statements for the period 7 February 2019 to 30 June 2019.

	$'000
Revenue from ordinary activities	**4,074**
Profit/(loss) from the period	**3,286**
Total comprehensive income/(loss) for the period	**3,286**

DETAILS OF DISTRIBUTIONS

The distributions for the period 7 February 2019 to 30 June 2019 is $3,048,648 (2.03 cents per ordinary unit) and was paid on 05 July 2019.

DETAILS OF DISTRIBUTION REINVESTMENT PLAN

The Responsible Entity has established a Distribution Reinvestment Plan ("DRP") on 13 May 2019 in relation to all future distributions.

The Responsible Entity expects to make distributions on a quarterly basis. For such distributions, it is expected the record date will be the first ASX trading day of each month and the last day for electing into the DRP will be 5.00pm (Sydney time) on the first business day after the record date.

Units under the DRP are currently issued at the net asset value of a unit as determined in accordance with the Fund's constitution on the record date.

NET TANGIBLE ASSETS

	AS AT 30 JUNE 2019
Total Net Tangible Assets attributable to unitholders ($'000)	**300,237**
Units on issue ('000)	**150,000**
Net Tangible Assets attributable to unit holders per unit ($)	**2.00**

CONTROL GAINED OR LOST OVER ENTITIES DURING THE PERIOD

NAME OF ENTITIES	DATE OF GAIN OF CONTROL	CONTRIBUTION TO PROFIT ($'000)
MCP Wholesale Income Opportunities Trust	23 April 2019	**1,791**
MCP Credit Trust	23 April 2019	**1,794**

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The Fund did not have any interest in associates and joint venture entities during the current period.

INDEPENDENT AUDIT REPORT

Additional disclosure requirements can be found in the notes to the MCP Income Opportunities Trust financial statements for the period 7 February 2019 to 30 June 2019.

This report is based on the financial report which has been audited by the Fund's auditor. All the documents comprise the information required by Listing Rule 4.3A.

INVESTMENT MANAGER'S REPORT

The financial period ended 30 June 2019 represents the first financial period report since the initial ASX listing of the Fund on 29 April 2019. During the period, the Fund successfully raised investor capital of $300 million (refer to Note 7) demonstrating the strong demand for a quality investment product that seeks to deliver quarterly cash income, preserve investor capital and manage investment risks while seeking to provide potential for upside gains through investments in private credit and other assets such as warrants, options, preference shares and equity.

Metrics seeks to deliver this outcome for investors by investing in wholesale funds managed by Metrics. The rationale for listing the Fund on the ASX was to provide investors with liquidity by being able to trade units on market while also accessing the attractive risk-adjusted returns from this otherwise less liquid asset class.

The Investment Manager continues to seek opportunities to diversify the portfolio, build scale, lower costs and manage the investment risks associated with the operations of the Fund. The Investment Manager believes that access to a diversified portfolio of private credit assets with exposure to equity upside gains provides enhanced risk adjusted returns for investors and is a highly unique investment option for investors.

It is pleasing that the Fund was able to make its first distribution for the period from listing to 30 June 2019 (paid 8 July 2019) which included the ramp up of the Fund as proceeds from the IPO were invested. The Fund has been deployed across more than 50 individual assets including Australian mid-market corporates, commercial real estate, and structured finance transactions at different levels of the capital structure. Risks have been appropriately managed and underlying asset quality is sound.

In a market environment where investors are looking for investments generating an attractive income and can deliver lower market volatility, the Fund has sought to provide this investment choice, particularly for investors seeking to lower their exposure to public market equity investments.

DIRECTORS' REPORT

The Trust Company (RE Services) Limited (ABN 45 003 278 831) is the responsible entity (the "Responsible Entity") of MCP Income Opportunities Trust (the "Fund"). The directors of the Responsible Entity (the "Directors") present their report together with the financial statements of the Fund for the period ended 30 June 2019.

PRINCIPAL ACTIVITIES

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund's investment strategy is to create a diversified exposure to private credit investments and other assets such as warrants, options, preference shares and equity. Through active portfolio risk management, the Investment Manager seeks to provide quarterly cash income and preserve investor capital. Amounts raised by the Fund are invested in the MCP Wholesale Income Opportunities Trust. The MCP Wholesale Income Opportunities Trust invests directly in wholesale funds or directly in investment assets.

Through active portfolio risk management, the Investment Manager (Metrics Credit Partners Pty Ltd) will seek to balance the delivery of unitholder returns and preserving investor capital.

The Fund was constituted on 25 February 2019, commenced operations on 23 April 2019 and its units commenced trading on the Australian Securities Exchange (ASX: MOT) on 29 April 2019.

The Fund did not have any employees during the period.

There were no significant changes in the nature of the Fund's activities during the period.

DIRECTORS

The Directors of The Trust Company (RE Services) Limited during the period and up to the date of this report are shown below. The Directors were in office for this entire period except where stated otherwise:

NAME	DATE OF APPOINTMENT/RESIGNATION
Glenn Foster	
Christopher Green	Resigned as Director on 17 October 2018
Michael Vainauskas	
Richard McCarthy	Appointed as a Director on 17 October 2018
Andrew McIver	Alternate Director for Michael Vainauskas
Vicki Riggio	
Gillian Larkins	Resigned as Alternate Director for Glenn Foster on 12 October 2018
Phillip Blackmore	Appointed as Alternate Director for Christopher Green and Vicki Riggio on 6 July 2018 Resigned as Alternate Director for Christopher Green on 17 October 2018

UNITS ON ISSUE

Units on issue in the Fund at the end of the period are set out below:

	AS AT 30 JUNE 2019 UNITS ('000)
Units on issue (Initial public offering)	150,000

REVIEW AND RESULTS OF OPERATIONS

During the period, the Fund invested in accordance with the investment objective and guidelines as set out in the governing documents of the Fund and in accordance with the provision of the Fund's Constitution.

Results

The performance of the Fund, as represented by the results of its operations, was as follows:

	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019
Profit/(loss) for the period ($'000)	**3,286**
Distributions paid and payable ($'000)	**3,049**
Distributions (cents per unit)	**2.03**

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund that occurred during the period.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect:

(i) the operations of the Fund in future financial years, or

(ii) the results of those operations in future financial years, or

(iii) the state of affairs of the Fund in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

No insurance premiums are paid for out of the assets of the Fund in regard to the insurance cover provided to either the officers of the Responsible Entity or the auditors of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

FEES PAID TO AND INTERESTS HELD IN THE FUND BY THE RESPONSIBLE ENTITY OR ITS ASSOCIATES

Fees paid to the Responsible Entity and its associates out of the Fund's property during the period are disclosed in Note 12 of the financial statements.

No fees were paid out of the Fund's property to the Directors of the Responsible Entity during the period.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial period are disclosed in Note 12 of the financial statements.

UNITS IN THE FUND

The movement in units on issue in the Fund during the period is disclosed in Note 7 of the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 of the financial statements.

ENVIRONMENTAL REGULATION

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

ROUNDING OF AMOUNTS TO THE NEAREST THOUSAND DOLLARS

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report and Financial Statements have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

COMPARATIVES

This is the first period of operations of the Fund and hence there are no prior period comparatives.

There were no transactions between the date of constitution and date of registration of the Fund.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

This report is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.

Director
The Trust Company (RE Services) Limited

Sydney
20 August 2019

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

BACKGROUND

The Trust Company (RE Services) Limited ("**Responsible Entity**") is the responsible entity for the MCP Income Opportunities Trust ("**Fund**"), a registered managed investment scheme that is listed on the Australian Securities Exchange ("**ASX**").

The Responsible Entity is a wholly-owned subsidiary of Perpetual Limited (ASX: PPT) ("**Perpetual**").

The Responsible Entity is reliant on Perpetual for access to adequate resources including directors, management, staff, functional support (such as company secretarial, responsible managers, legal, compliance and risk, finance) and financial resources. During the year and up to the date of this report, Perpetual has at all times made such resources available to the Responsible Entity.

In operating the Fund the Responsible Entity's overarching principle is to always act in good faith and in the best interests of the Fund's unitholders, in accordance with our fiduciary duty. The Responsible Entity's duties and obligations in relation to the Fund principally arise from: the Constitution of the Fund; the Compliance Plan for the Fund; the Corporations Act 2001 ("**Act**"); the ASX Listing Rules; the Responsible Entity's Australian Financial Services License; relevant regulatory guidance; relevant contractual arrangements; and other applicable laws and regulations.

CORPORATE GOVERNANCE

At Perpetual, good corporate governance includes a genuine commitment to the ASX Corporate Governance Council Principles and Recommendations (ASX Principles).

The Directors of the Responsible Entity are committed to implementing high standards of corporate governance in operating the Fund and, to the extent applicable to registered schemes, are guided by the values and principles set out in Perpetual's Corporate Responsibility Statement and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**Principles**"). The Responsible Entity is pleased to advise that, to the extent the Principles are applicable to registered schemes; its practices are largely consistent with the Principles.

As a leading independent responsible entity, the Responsible Entity operates a number of registered managed investment schemes ("**Schemes**"). The Schemes include the Fund as well as other schemes that are listed on the ASX. The Responsible Entity's approach in relation to corporate governance in operating the Fund is consistent with its approach in relation to the Schemes generally.

The Responsible Entity addresses each of the Principles that are applicable to externally managed listed entities in relation to the Schemes, including the Fund, for the year ended 30 June 2019. This corporate governance statement is current as at the date of the Fund's financial report and has been approved by the Responsible Entity board.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The role of the Responsible Entity's Board ("**RE Board**") is generally to set objectives and goals for the operation of the Responsible Entity and the Schemes, to oversee the Responsible Entity's management, to regularly review performance and to monitor the Responsible Entity's affairs acting in the best interests of the unitholders of each of the Schemes. The RE Board is accountable to the unitholders of each of the Schemes, and is responsible for approving the Responsible Entity's overall objectives and overseeing their implementation in discharging their duties and obligations and operating the Schemes.

The role of the Responsible Entity's management is to manage the business of the Responsible Entity in operating the Schemes. The RE Board delegates to management all matters not reserved to the RE Board, including the day-to-day management of the Responsible Entity and the operation of the Schemes. Directors, management and staff are guided by Perpetual's Code of Conduct which is designed to assist them in making ethical business decisions.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

At present the RE Board consists of 4 executive directors and 2 alternate directors. The names of the current Directors and year of appointment is provided below:

Glenn Foster	2015
Michael Vainauskas	2015
Andrew McIver (Alternate)	2017
Vicki Riggio	2018
Richard McCarthy	2018
Phillip Blackmore (Alternate)	2018

As the RE Board consists of only executive directors, a Compliance Committee is appointed in relation to each of the Schemes (refer to Principle 7). The Committee has a majority of independent members and is chaired by an independent member who is not the chair of the RE Board

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

The Responsible Entity has a Code of Conduct and espoused Core Values and a further values framework known as "The Way We Work" within which it carries on its business and deals with its stakeholders. These apply to all directors and employees of Perpetual, and the Responsible Entity. The Code of Conduct and Core Values, and supporting Risk framework supports all aspects of the way the Responsible Entity conducts its business and is embedded into Perpetual's performance management process. The Code of Conduct is available on Perpetual's website (www.perpetual.com.au).

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The RE Board does not have an audit committee. Under delegation by the RE Board, the Responsible Entity Services management and staff operate within a Compliance and Risk Management framework with specific policies and procedures designed to ensure that the Trust's

> financial reports are true and fair and meet high standards of disclosure and audit integrity; and

> other reports released on ASX are materially accurate and balanced.

This includes policies relating to the preparation, review and sign off process required for the Trust's financial reports including the operation of an Internal Review Accounts Committee and RE Board approval process, the engagement of the Trust independent auditors and the review and release of certain reports on the ASX.

The declarations under section 295A of the *Corporations Act 2001* (the Act) provide formal statements to the RE Board in relation to the Trust (refer to Principle 7). The declarations confirm the matters required by the Act in connection with financial reporting. The Responsible Entity receives confirmations from the service providers involved in financial reporting and management of the Trust, including the Investment Manager. These confirmations together with the overarching Responsible Entity's Risk and Compliance Framework which includes the service provider oversight framework assist its staff in making the declarations provided under section 295A of the Act.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

The Responsible Entity has a continuous disclosure policy to ensure compliance with the continuous disclosure requirements of the Act and the ASX Listing Rules in relation to the Fund. The policy requires timely disclosure of information to be reported to the Responsible Entity's management and/or Directors to ensure that, information that a reasonable person would expect to have a material effect on the unit price or would influence an investment decision in relation to any of the Fund, is disclosed to the market. The Responsible Entity's employees assist management and/or the Directors in making disclosures to the ASX after appropriate consultation. The Responsible Entity requires service providers, including the Investment Manager, to comply with its policy in relation to continuous disclosure for the Fund.

PRINCIPLE 6 – RESPECT THE RIGHTS OF UNITHOLDERS

The Responsible Entity is committed to ensuring timely and accurate information about the Fund is available to security holders via the Fund's website. All ASX announcements are promptly posted on the Fund's website: metrics.com.au. The annual and half year results financial statements and other communication materials are also published on the website.

In addition to the continuous disclosure obligations, the Responsible Entity receives and responds to formal and informal communications from unitholders and convenes formal and informal meetings of unitholders as requested or required. The Responsible Entity has an active program for effective communication with the unitholders and other stakeholders in relation to the Fund.

The Responsible Entity handles any complaints received from unitholders in accordance with Perpetual's Complaints Handling Policy. The Responsible Entity is a member of the Australian Financial Complaints Authority (**AFCA**), an independent dispute resolution body, which is available to unitholders in the event that any complaints cannot be satisfactorily resolved by the Responsible Entity.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

The RE values the importance of robust risk management systems and maintains a current risk register as part of its formal risk management program. The RE has established a Compliance Committee, comprised of Michellene Collopy (Chairperson), Virginia Malley and Michael Vainauskas.

The Compliance Committee meets at least quarterly. In the 2018/19 financial reporting period all five meetings held were attended by all Compliance Committee members. The Compliance Committee Charter sets out its role and responsibilities, which is available on request. The Compliance Committee is responsible for compliance matters regarding the RE's Compliance Plan and Constitution and the Corporations Act.

Perpetual's Audit, Risk and Compliance Committee is responsible for oversight of Perpetual's risk management and internal control systems. The Audit, Risk and Compliance Committee is comprised of Ian Hammond, Philip Bullock, Nancy Fox, P Craig Ueland. In the 2018/19 financial reporting period there were six meetings held, each of which were attended by all members. The Audit, Risk and Compliance Committee terms of reference sets out its role and responsibilities. This can be obtained on the Perpetual website. The majority of the Compliance Committee and the Audit, Risk and Compliance Committee members are independent and are each chaired by independent members.

The RE manages the engagement and monitoring of independent external auditors for the Fund. The RE board receives periodic reports in relation to financial reporting and the compliance plan audit outcomes for the Fund.

Perpetual has a risk management framework in place which is reviewed annually. The declarations under section 295A of the Act provide assurance regarding sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. The RE also receives appropriate declarations from the service providers involved in financial reporting.

Perpetual has an Internal Audit function which reports functionally to Perpetual Limited Audit Risk & Compliance Committee (ARCC), and for administrative purposes, through the General Manager – Risk & Internal Audit, and is independent from the external auditor. Perpetual Internal Audit establishes a risk based audit plan each year that is approved formally by the ARCC, and executes internal audits of Perpetual Business Units in accordance with the plan. The plan is re-assessed quarterly and reviewed to ensure that it is dynamic and continues to address the key risks faced by the Group. Progress against the plan, changes to the plan, and the results of audit activity are reported quarterly to the ARCC.

The Fund currently has no material exposure to economic, environmental and sustainability risk.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

The fees and expenses which the RE is permitted to pay out of the assets of the Fund are set out in the Fund constitution. The Fund financial statements provide details of all fees and expenses paid by the Fund during the financial period.

AUDITOR'S INDEPENDENCE DECLARATION

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of The Trust Company (RE Services) Limited (the Responsible Entity) of MCP Income Opportunities Trust

I declare that, to the best of my knowledge and belief, in relation to the audit of MCP Income Opportunities Trust for the financial period from 7 February 2019 to 30 June 2019 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

A.R.

Andrew Reeves
Partner

Sydney
20 August 2019

STATEMENT OF COMPREHENSIVE INCOME

	NOTES	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019 $'000
Investment income		
Interest income		**489**
Net gains/(losses) on financial instruments at fair value through profit or loss		**243**
Distribution income		**3,342**
Total investment income/(loss)		**4,074**
Expenses		
Responsible Entity's fees	12	**26**
Management fees	12	**576**
Investor equalisation expense		**144**
Administrative expenses		**42**
Total expenses		**788**
Profit/(loss) for the period		**3,286**
Other comprehensive income		**–**
Total comprehensive income/(loss) for the period		**3,286**
Earnings per unit for profit attributable to unitholders of the Fund		
Basic and diluted gain/(loss) per unit (cents)	9	**2.19**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

	NOTES	AS AT 30 JUNE 2019 $'000
Assets		
Cash and cash equivalents	10	**28,488**
Interest receivable		**90**
Distributions receivable		**3,342**
GST receivable		**53**
Financial assets	5	**271,715**
Total assets		**303,688**
Liabilities		
Distributions payable	8	**3,049**
Responsible Entity's fees payable	12	**26**
Management fees payable	12	**344**
Administrative fees payable		**32**
Total liabilities		**3,451**
Net assets attributable to unitholders – equity	7	**300,237**

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	NOTES	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019 $'000
Total equity at the beginning of the period		–
Comprehensive income for the period		
Profit/(loss) for the period		**3,286**
Total comprehensive income for the period		**3,286**
Transactions with unitholders		
Capital raising – Initial Public Offering (IPO)	7	**300,000**
Units issued upon reinvestment of distributions	7	**–**
Distributions paid and payable	7, 8	**(3,049)**
Total transactions with unitholders		**296,951**
Total equity at the end of the period		**300,237**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

	NOTES	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019 $'000
Cash flows from operating activities		
Interest received		**325**
Management fees paid		**(232)**
Administrative expenses paid		**(10)**
Other expenses paid		**(63)**
Net cash inflow/(outflow) from operating activities	10	**20**
Cash flows from investing activities		
Purchase of financial assets		**(270,435)**
Investment manager loan drawdown		**(1,097)**
Net cash inflow/(outflow) from investing activities		**(271,532)**
Cash flows from financing activities		
Proceeds from application by unitholders		**300,000**
Distributions paid to unitholders		**–**
Net cash inflow/(outflow) from financing activities		**300,000**
Net increase/(decrease) in cash and cash equivalents		**28,488**
Cash and cash equivalents at the beginning of the period		**–**
Cash and cash equivalents at the end of the period	10	**28,488**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

CONTENTS

1 GENERAL INFORMATION

These financial statements covers the MCP Income Opportunities Trust (the "Fund") as an individual entity. The Fund was constituted on 25 February 2019, registered with the Australian Securities and Investments Commission on 7 February 2019, commenced operations on 23 April 2019 and its units commenced trading on the Australian Securities Exchange (ASX: MOT) on 29 April 2019. The Fund will terminate in accordance with the provisions of the Fund's Constitution.

The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235 150) is the Responsible Entity of the Fund (the "Responsible Entity''). The Responsible Entity's registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

The Investment Manager of the Fund is Metrics Credit Partners Pty Ltd (AFSL 416 146). The Custodian of the Fund is Perpetual Corporate Trust Limited.

The Fund's investment strategy is to create a diversified exposure to private credit investments and other assets such as warrants, options, preference shares and equity. Through active portfolio risk management, the Investment Manager seeks to provide quarterly cash income and preserve investor capital. Amounts raised by the Fund are invested in the MCP Wholesale Income Opportunities Trust. The MCP Wholesale Income Opportunities Trust invests directly in wholesale funds or directly in investment assets.

The financial statements were authorised for issue by the directors of the Responsible Entity (the "Directors of the Responsible Entity") on 20 August 2019. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount to be recovered or settled in twelve months in relation to these balances remain subject to the performance of the Fund and its operations in accordance with the Constitution. Investors in the Fund have no rights to redeem and can only sell units on the ASX. The Fund is operated by the Investment Manager to ensure the investment in MCP Wholesale Income Opportunities Trust are held at fair value.

Investment Entity

The Fund has been deemed to meet the definition of an investment entity, as the following conditions exist:

> The Fund has obtained funds for providing investors with investment management services;

> The Fund's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income; and

> The performance of investments made through the Fund are measured and evaluated on a fair value basis. Refer to note 6 for further details.

The MCP Income Opportunities Trust and the MCP Wholesale Income Opportunities Trust were formed due to legal, regulatory, tax or similar requirements. When considered together they display the characteristics of an investment entity:

(a) the Fund indirectly holds more than one investment because the wholesale funds holds a portfolio of investments;

(b) the MCP Wholesale Income Opportunities Trust is largely wholly capitalised by the Fund, the Fund is funded by more than one investor who are related to the Fund; and

(c) ownership in the Fund and the MCP Wholesale Income Opportunities Trust are represented by the Fund interests to which a proportion of the net assets of the investment entity are attributed.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Fund

Except as described below, there are no other new standards, interpretations or amendments to existing standards that are effective for the first time for the financial reporting period beginning 1 July 2018 that have a material impact on the Fund.

> *AASB 9 Financial Instruments*

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It replaces the multiple classification and measurement models in AASB 139 with a new model that classifies financial instruments based on the business model within which the financial instruments are managed, and whether the contractual cashflows under the instrument solely represent the payment of principal and interest. It also introduces revised rules around hedge accounting and impairment.

Under AASB 9, financial instruments are classified as:

> Amortised cost if the objective of the business model is to hold the financial instruments to collect contractual cash flows only and the contractual cash flows under the instrument represent solely payments of principal and interest (SPPI);

> Fair value through other comprehensive income if the objective of the business model is to hold the financial instruments both to collect contractual cash flows from SPPI and for the purpose of sale; or

> All other financial instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial instrument as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument represent solely payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell.

All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

The Fund's investment portfolio continues to be measured at fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. The derecognition rules have not been changed from previous requirements and the Fund does not apply hedge accounting. As the Fund's investments are all at fair value through profit or loss, the change in impairment rules will not have a material impact on the Fund. The Fund's cash and cash equivalents and receivables are classified as amortised cost and measured at amortised cost under AASB 9. The impact of any expected credit losses (ECL) is not material.

> ***AASB 15 Revenue from Contracts with Customers***

AASB 15 establishes a single revenue recognition framework using a five-step model based on the transfer of goods and services and the consideration expected to be received in return for that transfer. The Fund's main source of income is investment income, in the form of gains on financial instruments at fair value as well as interest and dividend income. All these income types are outside the scope of the standard. Accordingly, the adoption of new revenue recognition rules did not have a material impact on the Fund's accounting policies or the amounts recognised in the financial statements.

(iii) New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual reporting periods beginning after 1 July 2019. Management has made an assessment and concluded that none of these are expected to have a material impact on the financial statements.

(b) Financial instruments

(i) Classification

> *Assets*

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

The Fund holds financial assets and financial liabilities comprising of unlisted unit trusts which are measured at fair value and are mandatorily classified as fair value through profit or loss.

The Fund holds financial assets including loans which are classified and measured at amortised cost, as the loans are held to maturity and to collect contractual cash flows.

> *Liabilities:*

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Any gains or losses arising on derecognition of the asset held at fair value through profit and loss (calculated as the difference between the disposal proceeds and the carrying amount of the asset) are included in the statement of comprehensive income in the period the asset is derecognised as realised gains or losses on financial instruments.

(iii) Measurement

> *Financial assets and liabilities held at fair value through profit or loss*

At initial recognition, the Fund measures financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is calculated as the present value of expected cash flows arising from the asset having regard to current market prices and returns for assets of comparable credit quality, terms and contracted remaining term to maturity. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

Further details on how the fair value of financial instruments are determined are disclosed in note 4.

> *Other financial assets and liabilities*

Management considers that the carrying amount of cash and cash equivalents, loans and receivables approximate fair value.

Other financial liabilities are initially measured at fair value and subsequently at amortised cost. Management considers the carrying amount of payables approximate fair value.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Net assets attributable to unitholders – equity

Units in the Fund are listed on the ASX and traded by unitholder's and are classified as equity. The units can be traded on the ASX at any time for cash based on listed price. While the Fund is a listed investment and liquidity is generally expected to exist in the secondary market (ASX), there are no guarantees that an active trading market with sufficient liquidity will be available. In addition to units being traded on the ASX, under the Constitution, request for redemption to the Responsible Entity may be made, however redemption is dependent on the Responsible Entity's discretion (see note 2(m)).

The units issued by the Fund meet the requirements of AASB 132 for classification as equity.

(d) Cash and cash equivalents

Cash comprises cash on hand, deposits held at call with financial institutions. Cash equivalents are short-term, highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(e) Investment income

(i) Interest income

The Fund generates interest income from its investments in financial assets, loans, and cash investments. Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest income is recognised daily as it accrues, taking into account the actual interest rate on the financial asset and is recognised in profit or loss.

(ii) Distribution income

Distribution income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within distribution income when the Fund's right to receive payments is established.

(f) Expenses

All expenses, including Responsible Entity fees, investor equalisation expense (refer to Note 5 for further detail) and administrative expenses, are recognised in the statement of comprehensive income on an accruals basis.

Interest expense is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

(g) Income tax

The Fund is not subject to income tax provided the taxable income of the Fund is attributed in full to its unitholders each financial year either by way of cash or reinvestment.

Unitholders are subject to income tax at their own marginal tax rates on amounts attributable to them.

(h) Distributions

In accordance with the Fund's Constitution, the Fund may attribute its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of changes in equity as equity.

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

(i) Increase/decrease in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. As the Fund's units are classified as equity, movements in net assets attributable to unitholders are recognised in the statement of changes in equity.

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

(k) Receivables

Loans and receivables are measured initially at fair value plus transaction costs and subsequently at amortised cost if they meet the SPPI and business model test; using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each reporting date to determine whether there is objective evidence of impairment.

At each reporting date, the Fund shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Receivables may include amounts for interest and trust distributions. Interest is accrued at each dealing date in accordance with policy set out in note 2(e) above. Trust distributions are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables. Receivables are measured at their nominal amounts.

Receivables also include such items as Reduced Input Tax Credits (RITC).

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short- term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss, if any, is recognised in the Statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(l) Payables

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

Payables may include amounts for redemptions of units in the Fund where settlement has not yet occurred. These amounts are unsecured and are usually paid within 30 days of recognition.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the statement of financial position when unitholders are determined by the Responsible Entity in accordance to the Fund's Constitution.

(m) Applications and redemptions

Applications received for units in the Fund are recorded net of any transaction costs payable prior to the issuance of units in the Fund.

In accordance with the Constitution, the Responsible Entity may determine to reject a redemption request in its absolute discretion. The Responsible Entity is not obliged under any circumstances to pay any part of the redemption price out of its own funds.

The redemption transaction costs are an estimate by the Responsible Entity of the total transaction cost the Fund would incur selling the Trust Property/Units. If appropriate, the Responsible Entity may apply estimate redemption transaction costs in regard to the actual cost incurred from the redemption. If the Responsible Entity makes no estimate, the redemption transaction costs are zero.

(n) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodian services and management fees have been passed onto the Fund. The Fund qualifies for RITC, hence Management fees, Administration and custody fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(o) Use of estimates and judgement

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, including unquoted securities are fair valued using valuation techniques determined by the Investment Manager, in accordance with the valuation procedures approved by the Responsible Entity. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other balances reported on statement of financial position, including amounts due from/to brokers, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(p) Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with the ASIC Corporations Instrument, unless otherwise indicated.

(q) Comparatives

This is the first period of operations of the Fund and hence there are no prior period comparatives.

There were no transactions between the date of constitution and date of registration of the Fund.

3 FINANCIAL RISK MANAGEMENT

(a) Overview

The Fund's activities expose it to a variety of financial risks. The management of these risks is undertaken by the Fund's Investment Manager who has been appointed by the Responsible Entity under an Investment Management

Agreement to manage the Fund's assets in accordance with the Investment Objective and Strategy.

The RE has in place a framework which includes:

> The Investment Manager providing the RE with regular reports on their compliance with the Investment Management Agreement;

> Completion of regular reviews on the Service Provider which may include a review of the investment managers risk management framework to manage the financial risks of the Fund; and

> Regular reporting on the liquidity of the Fund in accordance with the Fund's Liquidity Risk Management Statement.

The Fund's Investment Manager has in place a framework to identify and manage the financial risks in accordance with the investment objective and strategy. This includes an investment due diligence process and on-going monitoring of the investments in the Fund. Specific controls the Investment Manager applies to manage the financial risks are detailed under each risk specified below.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market variables such as interest rates, foreign exchange rates and equity prices.

(i) Price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Fund invests in corporate loans and debt securities indirectly through its investment in MCP Wholesale Income Opportunities Trust. As a result, the Investment Manager manages this risk through the daily review of the carrying value of each of the assets held by the Wholesale Funds having regard to the market prices of similar assets being transacted in both the primary and secondary market for assets of similar credit quality, tenor and loan purpose. Any adjustment to the fair value of the investment is reflected through profit or loss.

As at period end, the overall market exposures were as follows:

AS AT 30 JUNE 2019	FAIR VALUE $'000
Financial assets	
MCP Wholesale Income Opportunities Trust	**264,196**
Investment manager loan asset	**7,519**

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund invests (through the MCP Wholesale Income Opportunities Trust) primarily in floating rate loans meaning that as the underlying base rate rises and falls, the relative attractiveness to other instruments may change.

The investment manager believes there is a strong correlation between the RBA Cash Rate and the base rates upon which loans are priced. Absolute returns on loans therefore rise and fall largely in correlation with the RBA Cash Rate.

Interest rate duration risk is minimised as individual borrowers under loan contracts generally have the flexibility to select interest rate reset periods from 30 to 180 days. In addition to the ongoing short term re-setting of the market benchmark interest rate most loan facilities incorporate a contractual mechanism to re-price based on migration of credit quality over the term of the facility. This is known as a credit margin pricing grid and incorporates changes to the credit margin based on certain key credit metrics.

The Fund's interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The tables below summarise the Fund's exposure to interest rate risk.

AT 30 JUNE 2019	WEIGHTED EFFECTIVE INTEREST RATE %	FLOATING INTEREST RATE $'000	FIXED INTEREST RATE $'000	NON-INTEREST BEARING $'000	TOTAL $'000
Financial assets					
Cash and cash equivalents	**1.25%**	**28,488**	**–**	**–**	**28,488**
Interest receivable		**–**	**–**	**90**	**90**
Distributions receivable		**–**	**–**	**3,342**	**3,342**
GST receivable		**–**	**–**	**53**	**53**
Financial assets	**6%***	**–**	**7,519**	**264,196**	**271,715**
Total financial assets		**28,488**	**7,519**	**267,681**	**303,688**
Financial liabilities					
Distributions payable		**–**	**–**	**3,049**	**3,049**
Responsible Entity's fees payable		**–**	**–**	**26**	**26**
Management fees payable		**–**	**–**	**344**	**344**
Administrative fees payable		**–**	**–**	**32**	**32**
Total financial liabilities		**–**	**–**	**3,451**	**3,451**
Net exposure		**28,488**	**7,519**	**264,230**	**300,237**

* Weighted effective interest rate only applies to loan assets.

At 30 June 2019, should interest rates have increased/decreased by 75 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to unitholders for the period would amount to approximately $211,000.

(iii) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

As at 30 June 2019, the Fund did not hold as assets or liabilities denominated in currencies other than the Australian Dollar and therefore was not exposed to any foreign exchange risk.

(c) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Investment Manager manages credit risk by undertaking a detailed due diligence process prior to entering into transactions with counterparties and ongoing daily monitoring of the credit exposures.

The initial due diligence process is detailed in the Operational and Investment Policies of the Investment Manager and addresses aspects relevant to an assessment of the credit risk and includes risk assessments of both a qualitative and quantitative nature. Pre- lending due diligence may include independent experts reports provided to the Investment Manager covering matters such as commercial/industry risks, accounting and tax reports, legal due diligence, property valuation, technical risk reports and environmental reports. As part of the initial due diligence risk assessment process key risks are identified and the key determinants of future cash flows and servicing capacity of the counterparty are identified. Scenario planning and sensitivity testing is undertaken to model the impact on counterparty credit risk under a range of adverse events. Financial analysis and peer group benchmarking is undertaken to determine the appropriate credit metrics and a credit rating identified and allocated. The Investment Manager uses a range of proprietary credit rating data and analysis in addition to credit research materials from third party providers including credit rating agencies to analyse and monitor counterparty credit risk.

The Investment Manager further seeks to mitigate credit risk by adhering to the investment parameters of the Fund which have been designed in a manner that seeks to mitigate credit risk by ensuring the portfolio is diversified by industry, counterparty, credit quality, maturity and loan market.

The Investment Manager maintains active engagement with other market participants and meets regularly and receives regular reporting from banks, borrowers and ratings agencies and uses this reporting to manage and monitor performance of financial assets held by the Fund. Such reporting includes macro-economic risk and analysis reporting.

The Investment Manager is provided with ongoing compliance reporting from borrowers which typically includes the provision of covenant compliance certificates, financial accounts, operational management reporting and forward financial projections and ongoing reporting of performance against budget projections.

The Investment Committee of the Investment Manager aims to meet daily to monitor reporting and financial obligations of counterparties, reconciles payment of interest and fees and reviews credit, market and liquidity risks of each financial asset held in the portfolio.

The Fund's exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A-1+ (as determined by public ratings agencies such as Standard & Poor's, Moody's or Fitch) or higher. The Fund is also exposed to credit risk on corporate loans and debt securities through its investments in MCP Wholesale Income Opportunities Trust.

Corporate loans and debt securities are rated by the Investment Manager in accordance with its ratings methodology, and may also be rated by public ratings agencies such as Standard & Poor's, Moody's or Fitch. Where a corporate loan or debt security is publicly rated, it is the Investment Manager's policy to apply the lower of a public credit rating or the Investment Manager's own credit rating. The Fund's exposure to credit risk is monitored and managed on a daily basis, and credit ratings are reviewed and confirmed as part of the Investment Manger's investment processes. Credit risk is managed through daily investment analysis (reporting, covenant compliance, management and market engagement) as well as through portfolio construction. The Fund has defined targets and limits based on both individual counterparty credit quality as well as total aggregated credit exposure levels. By limiting credit risk exposure to individual investments based on credit quality and also limiting the total aggregated exposure to investments of a defined credit quality, the Fund's acceptable level of credit risk is defined and controlled. Credit risk management is ongoing and the Investment Manager adopts an active approach to monitoring and managing these risks.

The Investment Manager adheres to the portfolio investment parameters set out in the offer document of the Fund. Credit risk is managed with regard to individual counterparty credit quality and single counterparty exposure limits. The Investment Manager seeks to manage portfolio risks by diversifying risks with portfolio construction adhering to diversification by credit quality, individual counterparty, industry and contracted maturity profile of assets held within the portfolio. The Investment Manager seeks to manage risk by investing in shorter dated credit assets with the expectation that the weighted tenor to contracted maturity is within the target portfolio parameters. The portfolio construction and investment management processes adopted by the Investment Manager are implemented with the expectation of seeking to reduce Fund exposure to both credit and market risks.

The Fund provided a working capital loan to the Investment Manager. The Responsible Entity has a right of recourse against the Investment Manager for the amounts owned under the Manager Loan. The Investment Manager may assign its obligations under the Investment Manager Loan to an entity that is controlled by the Investment Manager or a person that is under the common control of the Investment Manager.

(d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due and can only do so on terms that are materially disadvantageous.

The Investment Manager monitors the Fund's cash flow requirements and undertakes cash flow forecasts including capital budgeting on a daily basis. Cash flow reconciliations are undertaken daily to ensure all income and expenses are managed in accordance with contracted obligations.

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period to contractual maturity, as of the reporting period end. The amounts in the table are the contractual undiscounted cash flows. Balances that are due within 12 months equal their carrying balances as the impact of discounting is not significant.

AT 30 JUNE 2019	LESS THAN 1 MONTH $'000	1-6 MONTHS $'000	6-12 MONTHS $'000	OVER 12 MONTHS $'000	NO STATED MATURITY $'000
Distributions payable	**3,049**	–	–	–	–
Responsible Entity's fees payable	**26**	–	–	–	–
Management fees payable	**344**	–	–	–	–
Administrative fees payable	**32**	–	–	–	–
Total financial liabilities	**3,451**	–	–	–	–

4 FAIR VALUE MEASUREMENTS

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis.

> Financial assets/liabilities at fair value through profit or loss (FVTPL) (see note 5)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments and derivatives in accordance with the accounting policies set out in note 2 to the financial statements. For the majority of investments, information provided by independent pricing services is relied upon for valuation of investments.

The quoted market price used to fair value financial assets and financial liabilities held by the Fund is the last-traded prices.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This may be the case for certain corporate debt securities and unlisted unit trusts with suspended applications and withdrawals.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The determination of what constitutes 'observable' requires significant judgment by management. Management consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

Recognised fair value measurements

The following table presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2019.

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Financials assets				
MCP Wholesale Income Opportunities Trust	–	264,196	–	264,196
Investment manager loan asset	–	–	7,519	7,519
Total	–	264,196	7,519	271,715

(i) Transfers between levels

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between the levels in the fair value hierarchy for the period ended 30 June 2019.

(ii) Fair value measurements using significant unobservable inputs (level 3)

The following table present the movement in level 3 instruments, by class of financial instruments, for the period ended 30 June 2019.

FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019	INVESTMENT MANAGER LOAN ASSETS $'000	TOTAL $'000
Opening balance	–	–
Loan provided to Investment Manger	**6,482**	**6,482**
Drawdown	**1,097**	**1,097**
IEE	**(134)**	**(134)**
Interest accrued	**74**	**74**
Closing balance	**7,519**	**7,519**

(iii) Valuation processes

Investment Manager Loan Assets are classified and measured at amortised cost.

(iv) Fair values of other financial instruments

The Fund did not hold any financial instruments which were not measured at fair value in the statement of financial position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value. Net assets attributable to unitholders' carrying value may differ from its par value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current period.

5 FINANCIAL ASSETS

	30 JUNE 2019 $'000
MCP Wholesale Income Opportunities Trust	**264,196**
Investment manager loan asset	**7,519**
	271,715

> *Investment manager loan asset*

The Fund provided a working capital loan to the Investment Manager. Over a period of ten years the Investment Manager will repay the Investment Manager Loan, including payment of interest on the loan which will be interest income to the Fund.

> *Investor equalisation expense (IEE)*

In consideration for the Investment Manager providing advisory and management services to the Fund under the Investment Management Agreement, the Investment Manager is paid an IEE. The IEE is a monthly expense to the Fund calculated based on NAV and payable to the Investment Manager for a period of 10 years from 25 February 2019.

An overview of the risk exposure relating to financial assets at fair value through profit or loss is included in note 3.

6 STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, and the relevant activities are directed by means of contractual arrangements.
An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Fund. The Fund considers investments in managed investment schemes (the "Schemes") to be structured entities. The Fund invests in Schemes for the purpose of capital appreciation and/or earning investment income.

The exposure to investments in related Schemes at fair value, and any related amounts recognised in the statement of comprehensive income is disclosed at Note 12 to the financial statements.

The exposure to investments in related Schemes at fair value that the Fund does not consolidate but in which it holds an interest is disclosed in the following table:

	FAIR VALUE OF INVESTMENTS AS AT 30 JUNE 2019 $'000	INTEREST HELD AS AT 30 JUNE 2019 %
MCP Wholesale Income Opportunities Trust	**264,196**	**100**

The Fund has exposures to structured entities through its trading activities. The Fund typically has no other involvement with the structured entity other than the securities it holds as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset. The Fund does not have current commitments to intentions and contractual obligations to provide financial or other support to the structured entities. Exposure to trading assets are managed in accordance with financial risk management practices as set out in note 3(b).

During the period ended 30 June 2019, total gains/(losses) incurred on investments in the Schemes were $243,078. The Fund also earned distribution income of $3,341,729 as a result of its interests in the Schemes.

7 NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Under AASB 132 *Financial instruments: Presentation, puttable financial instruments* meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund does not have a contractual obligation to pay distributions to unitholders. Therefore, the net assets attributable to unitholders of the Fund meet the criteria set out under AASB 132 and are classified as equity.

Movements in number of units and net assets attributable to unitholders during the period were as follows:

	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019 NO. '000	$'000
Opening balance	–	–
Capital raising – Initial Public Offering (IPO)	**150,000**	**300,000**
Units issued upon reinvestment of distributions	–	–
Distributions paid and payable	–	**(3,049)**
Profit/(loss) for the period	–	**3,286**
Closing balance	**150,000**	**300,237**

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Capital risk management

The Fund classifies its net assets attributable to unitholders as equity. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders.

8 DISTRIBUTIONS TO UNITHOLDERS

Distributions are payable at the end of each financial period. Such distributions are determined by reference to the net taxable income of the Fund.

The distributions for the period were as follows:

	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019 $'000	CPU*
Distributions		
30 June (payable)	3,049	2.03
	3,049	2.03

* Distribution is expressed as cents per unit amount in Australian Dollar.

9 EARNINGS PER UNIT

Earnings per unit amounts are calculated by dividing net profit/(loss) attributable to unitholders before distributions by the weighted average number of units outstanding during the period.

	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019
Operating profit/(loss) attributable to unitholders ($'000)	3,286
Weighted average number of units on issue ('000)	150,000
Basic and diluted earnings per unit (cents)	2.19

10 RECONCILIATION OF PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019 $'000
Profit/(loss) for the period	3,286
Net change in financial assets	(183)
Net change in receivables	(3,485)
Net change in payables	402
Net cash inflow/(outflow) from operating activities	20

(b) Components of cash and cash equivalents

Cash as at the end of the financial period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019 $'000
Cash and cash equivalents	28,488
	28,488

(c) Non-cash financing activities

	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019 $'000
During the period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	–
	–

As described in note 2(i), income not distributed is included in net assets attributable to unitholders. The change in this amount each period (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

11 AUDITOR'S REMUNERATION

During the period the following fees were paid or payable for services provided by the auditor of the Fund:

	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019 $
KPMG	
Audit and other assurance services	
Audit and review of financial statements	28,000
Total remuneration for audit and other assurance services	28,000
Total remuneration of KPMG	28,000

12 RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control or exercise significant influence over the Fund in making financial and operating disclosures. Related parties may be individuals or other entities.

Responsible Entity

The Responsible Entity of the MCP Income Opportunities Trust is The Trust Company (RE Services) Limited. The Responsible Entity is a wholly owned subsidiary in the Perpetual Limited Group (ASX: PPT).

The Investment Manager of the Fund is Metrics Credit Partners Pty Ltd.

(a) Directors

Key management personnel includes persons who were Directors of the Responsible Entity at any time during the financial period as follows:

NAME	DATE OF APPOINTMENT/RESIGNATION
Glenn Foster	
Christopher Green	Resigned as Director on 17 October 2018
Michael Vainauskas	
Richard McCarthy	Appointed as a Director on 17 October 2018
Andrew McIver	Alternate Director for Michael Vainauskas
Vicki Riggio	
Gillian Larkins	Resigned as Alternate Director for Glenn Foster on 12 October 2018
Phillip Blackmore	Appointed as Alternate Director for Christopher Green and Vicki Riggio on 6 July 2018 Resigned as Alternate Director for Christopher Green on 17 October 2018

(b) Other key management personnel

There were no other persons responsible for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial period.

Key management personnel unit holdings

During or since the end of the period, none of the Directors or Director related entities held units in the Fund, either directly, indirectly or beneficially.

Neither the Responsible Entity nor its affiliates held units in the Fund at the end of the period.

Key management personnel compensation

Key management personnel do not receive any remuneration directly from the Fund. They receive remuneration from the Responsible Entity in their capacity as Directors or employees of the Responsible Entity or its related parties. Consequently, the Fund does not pay any compensation to its key management personnel. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial period and there were no material contracts involving Director's interests existing at period end.

(i) Responsible Entity fee

This fee is charged by the Responsible Entity for managing the Fund and making it available to investors. Fees payable to the Responsible Entity are calculated on the adjusted net asset value of the Fund and accrued daily and paid monthly in arrears from the assets of the Fund and reflected in the daily unit price.

(ii) Management fee

This fee is charged by the Responsible Entity for services provided under the Investment Management Agreement. 1.03% per annum of the Fund's net asset value is calculated and accrued daily and paid monthly in arrears from the Fund's assets.

The performance fee for any period is equal to 15.38% of the amount (if any) by which the Fund's Total Return exceeds the Fund's Hurdle. The performance fee is calculated and accrued daily and paid monthly in arrears from the Fund's assets. Different fees may be negotiated with wholesale clients. No performance fees will be paid during the first year of operations of the Fund.

(iii) Indirect costs

Indirect costs are any amounts that the Responsible Entity knows or where required, reasonably estimates, will reduce the Fund's returns that are paid from the Fund's assets (other than the Responsible Entity fee, recoverable expenses and transactional and operational costs) or that are paid from the assets of any interposed vehicle (such as the MCP Wholesale Income Opportunities Trust or wholesale funds) in which the Fund may invest.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the period and amounts payable at period end between the Fund and the Responsible Entity were as follows:

	FOR THE PERIOD 7 FEBRUARY 2019 TO 30 JUNE 2019 $
Responsible Entity's fees for the period paid and payable by the Fund to the Responsible Entity	**26,082**
Management fees for the period paid and payable by the Fund to the Investment Manager	**575,905**
Aggregate amounts payable to the Responsible Entity at reporting date	**26,082**
Aggregate amounts payable to the Investment Manager at reporting date	**344,503**

Investments

The Fund held investments in the following scheme which is managed by The Trust Company (RE Services) Limited or its related parties:

AT 30 JUNE 2019	FAIR VALUE OF INVESTMENT $	INTEREST HELD (%)	DISTRIBUTIONS RECEIVED/ RECEIVABLE $	UNITS ACQUIRED DURING YEAR	UNITS DISPOSED DURING THE YEAR
MCP Wholesale Income Opportunities Trust	**264,195,661**	**100**	**3,341,729**	**261,761,281**	**–**

13 SEGMENT INFORMATION

The Fund is organised into one main operating segment with only one key function, being the investment of funds predominantly in Australia.

14 EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Directors are not aware of any event or circumstance since the end of the financial period not otherwise addressed within this report that has affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent years. The Fund continues to operate as a going concern.

15 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2019.

DIRECTORS' DECLARATION

In the opinion of the Directors of The Trust Company (RE Services) Limited, the Responsible Entity of MCP Income Opportunities Trust:

(a) the financial statements and notes set out on pages 11to 31 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Fund's financial position as at 30 June 2019 and of its performance, for the financial period ended on that date,

(b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

(c) note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.

Director
The Trust Company (RE Services) Limited

Sydney
20 August 2019

AUDIT REPORT

KPMG

Independent Auditor's Report

To the unitholders of MCP Income Opportunities Trust

Opinion

We have audited the ***Financial Report*** of MCP Income Opportunities Trust (the Fund).

In our opinion, the accompanying Financial Report of the Fund is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Fund's financial position as at 30 June 2019 and of its financial performance for the period from 7 February 2019 to 30 June 2019; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2019
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the period from 7 February 2019 to 30 June 2019
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Fund in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of the financial assets held at fair value through profit or loss; and
- Accounting treatment for the recognition of the Investment Manager loan asset.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the financial assets held at fair through profit or loss ($264m)	
Refer to Note 5 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Financial assets held at fair value through profit or loss comprise of units held in the MCP Wholesale Income Opportunities Trust (100% owned by the Fund). Valuation of the units in the MCP Wholesale Income Opportunities Trust is a key audit matter owing to: • The assets representing 86.8% of the Fund's total assets; • The degree of audit effort and resources involved in assessing the underlying transaction records; and • The importance of the performance of this asset in driving the Fund's investment income and capital performance, as reported in the Financial Report.	Our procedures included: • Reading the Fund's Investment Administrator, Mainstream's GS007 (Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services) assurance report to assess the Investment Administrator's processes to record and value the Fund's unit holdings; • Checking the ownership of the unit holdings to the unit registry to test the existence of unit holdings being valued; • Checking the valuation of unit holdings, as recorded in the general ledger, to the latest available audited financial statements of MCP Wholesale Income Opportunities Trust; and • Evaluating the procedures by us in relation to the audit of MCP Wholesale Income Opportunities Trust as evidence of the underlying existence and valuation of the assets held by the Fund.

Accounting treatment for the recognition of the Investment Manage loan asset ($7.5m)	
Refer to Note 5 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The accounting treatment for the recognition of the Investment Manager loan asset ('loan') as a financial asset was a key audit matter owing to the: • judgement we applied to assess the recognition criteria of the loan against the requirements of the *Australian Accounting Standards* given the application to the Fund's unique circumstances; • complexity of the Fund's assessment to determine the recognition of the loan as a financial asset. The complexity is driven from diverse views of interpretations of	Our procedures included: • reading the Fund's Product Disclosure Statement, Constitution, Investment Management Agreement and loan documentation to understand the key terms and conditions of the loan; • obtaining the Independent Investigating Accountant's Report issued by the service provider appointed by the Responsible Entity to evaluate the appropriateness of the accounting treatment against the requirements of the *Australian Accounting Standards*; • assessing the scope, competence and objectivity of the service provider appointed by the Responsible

the *Australian Accounting Standards* in practice for the particular terms of this loan, and necessitated the involvement of our specialists; and • high proportion of audit effort we applied to challenge alternative views of the recognition criteria in the *Australian Accounting Standards* and the evidence needed to fulfil this.	Entity; • enquiries of the Responsible Entity, Investment Manager, and the Fund's external legal team on their understanding of the key terms of the loan agreement; • consulting with our specialists to assess the accounting treatment for the recognition of the loan against the requirements of the *Australian Accounting Standards*; and • assessing the disclosures in the financial report, using our understanding of the issue obtained from our testing, against the requirements of the *Australian Accounting Standards*.

Other Information

Other Information is financial and non-financial information in MCP Income Opportunities Trust's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of The Trust Company (RE Services) Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of The Trust Company (RE Services) Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

KPMG

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

A.R

Andrew Reeves
Partner

Sydney
20 August 2019

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is as follows. The information is current as at 31 July 2019 unless otherwise indicated.

A. DISTRIBUTION OF UNITS

Analysis of numbers of unitholders by size of holding:

SIZE OF HOLDING RANGES:	NO OF HOLDERS	TOTAL UNITS	PERCENTAGE
1 – 1,000	118	75,381	0.05%
1,001 – 5,000	1,355	4,335,667	2.89%
5,001 – 10,000	1,080	8,809,019	5.87%
10,001 – 100,000	2,214	63,752,037	42.47%
100,001 and over	108	73,129,336	48.72%
	4,875	**150,101,440**	**100.00%**

The number of unitholders holding less than a marketable parcel of $500 worth of units is 6 and they hold a total of 242 units.

B. LARGEST UNITHOLDER

The names of the twenty largest holders of quoted units are listed below:

UNITHOLDER		NO. OF UNITS	PERCENTAGE
1	HSBC Custody Nominees (Australia) Limited	27,957,630	18.63%
2	Netwealth Investments Limited <Wrap Services A/C>	7,189,333	4.79%
3	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd Drp	6,319,288	4.21%
4	National Nominees Limited	3,245,000	2.16%
5	MCH Investment Management Services Pty Ltd <Mcp Credit 1 A/C>	2,546,750	1.70%
6	Iral Pty Ltd <Iral A/C>	2,425,000	1.62%
7	Netwealth Investments Limited <Super Services A/C>	2,024,564	1.35%
8	A J Messer Pty Ltd <A J Messer Family A/C>	1,200,000	0.80%
9	Balmoral Financial Investments Pty Ltd	1,000,000	0.67%
10	Australian Executor Trustees Limited <No 1 Account>	623,500	0.42%
11	John Shearer (Holdings) Pty Limited	500,000	0.33%
12	Bond Street Custodians Limited <Willim – V01303 A/C>	500,000	0.33%
13	JT & M (Vic) Pty Ltd <The Macfarlane Fam Tr A/C>	500,000	0.33%
14	Obrien Pf Pty Ltd <Obrien Pension A/C>	500,000	0.33%
15	Kittelty Group Pty Ltd	500,000	0.33%
16	Kuzen Pty Ltd <Gunluk A/C>	500,000	0.33%
17	S A Guardrailers Pty Ltd	478,817	0.32%
18	Parri Estate Pty Ltd	462,696	0.31%
19	Mr Scott James Bartlett <Scott Bartlett Family A/C>	450,000	0.30%
20	Mrs Yvette Sharron Taylor	400,000	0.27%

C. SUBSTANTIAL UNITHOLDERS

There are no substantial unitholders.

D. VOTING RIGHTS

Voting rights which may attach to or be imposed on any unit or class of units is as follows:

(a) on a show of hands each unitholder has one vote; and

(b) on a poll, each unitholder has one vote for each dollar of the value of the total interests they have in the Fund.

E. INVESTMENT TRANSACTIONS

The total number of purchase of units that were issued for transactions in securities during the financial period was 261,761,281. Each investment transaction may involve multiple contract notes. The total brokerage paid on these contract notes was $Nil.

F. STOCK EXCHANGE LISTING

The Fund's units are listed on the Australian Securities Exchange and are traded under the code "MOT".

G. UNQUOTED UNITS

There are no unquoted units on issue.

H. VOLUNTARY ESCROW

There are no restricted units in the Fund or units subject to voluntary escrow.

I. ON-MARKET BUY-BACK

There is no current on-market buy-back.

J. REGISTERED OFFICE OF THE RESPONSIBLE ENTITY

The Trust Company (RE Services) Limited
Level 18, 123 Pitt Street
Sydney NSW 2000
Telephone: 02 8295 8100

K. UNIT REGISTRY

Mainstream Fund Services Pty Ltd
Level 1, 51 – 57 Pitt Street
SYDNEY NSW 2000
Telephone: 1300 133 451

L. RESPONSIBLE ENTITY COMPANY SECRETARIES

Gananatha Nayanajith Minithantri
Eleanor Padman

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