

Two Metrics Credit Partners loan funds secure ‘A’ band S&P ratings

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After a volatile year for financial markets that has raised concerns about credit quality, two of Metrics’ loan funds have secured ratings in the coveted A band.

S&P Global Ratings announced it has assigned an A- rating to the MCP Real Estate Debt Fund (REDF), with stable outlook.

The ratings agency also assigned an A-2 short term credit rating to REDF, noting the fund has low leverage, significant permanent capital, and fund terms that support liquidity.

“We view REDF’s low leverage as a key credit strength,” S&P said, adding that Metrics’ sound underwriting practices support the fund’s performance.

S&P noted that the fund has not experienced any impairments in its portfolio since its inception in 2017: “Metrics’ consistent investment performance and governance structure demonstrate sound risk management practises, in our view.”

S&P also affirmed its A- long term and A-2 short term credit ratings on Metrics Credit Partners Diversified Australian Senior Loan Fund (DASLF), with stable outlook, citing the fund’s “very strong risk-adjusted leverage and low underlying credit risk profile relative to peers.”

DASLF invests in a diversified portfolio of corporate loans, including loans to public and private companies, commercial real estate; project and infrastructure; and leveraged and acquisition finance. As of Dec. 31, 2020, the fund had about \$3.3 billion in assets under management (AUM), with exposures diversified by industry, tenor and credit quality.

“In our view, DASLF holds a unique position as the only fund offering investors exposure to Australian corporate debt across the credit spectrum and providing a distinctive investment option for those seeking higher yields,” S&P said.

Andrew Lockhart, Managing Partner of Metrics Credit Partners, welcomed the new and affirmed ratings: “The ratings underscore the quality of the funds’ portfolios and are also testament to the stringent origination and risk management processes that Metrics carries out across all of its funds.”

Mr Lockhart said that through the COVID-19 pandemic, Metrics funds have continued to deliver stable income for investors – even as fluctuating prices of listed equities saw many companies cancel or pause dividends and embark on equity diluting capital raisings to repair balance sheets.

“Metrics has demonstrated a proven track record of delivering both capital stability and attractive returns, even when markets are at their most volatile,” he said. “These ratings highlight the benefits of investing in the market through well-managed and diversified funds.”

MEDIA RELEASE



Metrics has been providing institutional and wholesale investors access to the corporate loan market since 2013. In recent years, Metrics has also focused on providing retail investors with greater access to the market.

Mr Lockhart noted that 80% of capital invested in the ASX-listed MCP Master Income Trust (ASX:MXT) is invested into DASLF and REDF. “The strong rating of DASLF and REDF by S&P indicates the quality of the underlying loans within MXT,” Mr Lockhart concluded.

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About Metrics Credit Partners

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