Investor Update

Metrics Income Opportunities Trust

(ARSN 631 320 628)
(ASX: MOT)

Issuer and Responsible Entity
The Trust Company (RE Services) Limited
(ACN 003 278 831; AFSL 235150)

Manager
Metrics Credit Partners Pty Ltd
(ACN 150 646 996; AFSL 416146)

Important Notice

The Trust Company (RE Services) Limited ABN 45 003 278 831 AFSL 235 150 (Responsible Entity) is the responsible entity of Metrics Income Opportunities Trust (MOT or Trust).

This document has been issued by and authorised for release by the Responsible Entity and prepared by the Responsible Entity and Metrics Credit Partners Pty Ltd (ABN 27 150 646 996 AFSL 416146) (Metrics or Manager), the manager of the Trust. Capitalised terms have the meaning given in the Glossary in section 9 of this document unless otherwise defined.

Before making an investment decision about MOT, individuals should read and consider the product disclosure statement for MOT dated 10 February 2022 (the PDS), carefully and in its entirety (together with any documents and materials in respect of MOT available from, and announced to, the ASX), consider the appropriateness of the information and whether an investment in MOT is appropriate having regard to their objectives, financial situation and needs, and obtain advice from an appropriate financial adviser. The PDS is available from https://metrics.com.au/listed-funds/metrics-income-opportunities-trust/. A Target Market Determination with respect to the Trust prepared by the Responsible Entity is also available from https://metrics.com.au/listed-funds/metrics-income-opportunities-trust/. The Responsible Entity and the Manager do not guarantee investment performance or distributions, and the value of your investment may rise or fall.

To the maximum extent permitted by law, neither Metrics, the Responsible Entity nor any other person shall have any liability to any person in relation to the distribution or possession of this document or copies thereof in or from any jurisdiction where the distribution of such a document is prohibited or requires special authorisation or any regulatory consent or approval.

This document does not constitute investment or financial product advice (nor taxation or legal advice) and is not intended to be used as the basis for making an investment decision or as a recommendation to acquire units or any other financial products.

Purpose of this Document

This document has been issued for information purposes only, in order to provide:

- updated information on the Metrics Group, the Manager and the Investment Committee;
- details on the updated governance structure for the Trust;
- updated information in respect of the types of conflicts of interest and related or connected party transactions that may arise in relation to the Trust;
- updated details on the types of revenue generated in relation to Private Credit investments in the underlying portfolios of the Wholesale Funds and further information on Transaction Benefits;
- details on the type of information presented in the Trust Quarterly Portfolio Reports and how Investors can access the Trust Quarterly Portfolio Reports;
- updated information relating to the investment processes including how Metrics assesses and monitors Private Credit, Equity and Equity-like investments; and
- updated information on the valuation process for the Trust.

The Responsible Entity may provide further updates in respect of these and other matters from time to time.

Forward Looking Statements

This document contains or may contain certain "forward-looking statements" and comments about future events, that are based on Metrics' beliefs, assumptions and expectations and on information currently available to management as at the date of this document.

The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, future operating performance and estimates, earnings, financial position and performance and estimates concerning the timing and success of strategies, plans or intentions are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. These forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Metrics and the Responsible Entity. Neither the Responsible Entity nor Metrics guarantees the repayment of capital or any particular rate of return from the Trust.

Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Metrics, the Responsible Entity or any of their respective advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Any forward-looking statements contained in this document are based on an assessment of present economic and operating conditions and on a number of assumptions regarding future events and actions that, at the date of this document, are anticipated to take place. The Trust may not achieve /perform as forecast as a result of factors, both known and unknown, including (but not limited to) one or a combination of the risks outlined in this document.

Actual operations, results, performance, targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. You should note that any past performance is given for illustrative purposes only and should not be relied on as (and is not) an indication of Metrics' or the Responsible Entity's views on the Trust's future financial performance or condition. Past performance of the Trust cannot be relied on as an indicator of (and provides no guidance as to) future performance including future unit price performance. Except as required by law or regulation, Metrics and the Responsible Entity undertake no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Risks

Any investment is subject to investment risk. It is not a deposit with, nor does it represent a liability of the Responsible Entity, Metrics or any other person. None of the Responsible Entity, Metrics, their respective related bodies corporate or any other person guarantees the capital value or performance of the investment of any strategy or guarantees any particular return from MOT, increase in the value of any amount invested in MOT or repayment of any amount invested in MOT.

Investment in MOT is subject to a number of risks and investors should refer to the risk disclosures in the PDS for further details in relation to the risks involved in an investment in Units. Risks of an investment in MOT include loss of capital and the inability to trade Units at an attractive price. Past performance is not a reliable indicator of future performance and may not be repeated.

Reliance

This document has been prepared without taking into account any particular person's objectives, financial situation or needs. For this reason, prior to acting on any information or statement in this document a recipient should consider the appropriateness of such information having regard to their objectives, financial situation and needs and read the PDS and any relevant ASX announcements and consider obtaining professional advice prior to making a decision about whether to acquire (or dispose of or retain) units in the Trust. This document does not purport to identify the nature of specific market or other risks associated with any investments described within it and does not constitute any legal, taxation, investment or accounting advice. All information in this document is indicative, is based on certain assumptions and current market conditions and is subject to change without notice. No information contained in this document constitutes a prediction or forecast as to the performance of any investments. Any historical information contained in this document is provided by way of illustration only, past performance is not a guide to future performance and actual performance may differ materially. Assumptions upon which financial illustrations are based may differ from actual circumstances. No reliance should be placed on the information in this document and any investment decision should be based only on a person's own due diligence, inquiry, assessment and advice in respect of the products and investments described herein. To the maximum extent permitted by law, nothing contained in this document is, or shall be relied upon, as a promise or representation, whether as to the past or future.

None of Metrics, the Responsible Entity and each of their respective related entities, associates, officers, employees or agent or any other person represent or warrant that this document is complete or that it contains all material information about the Trust which a prospective investor or purchaser may require in evaluating a possible investment in the Trust or acquisition of Units.

Contents

1. Purpose

The purpose of this document is to provide Investors with:

- updated information on the Metrics Group and the Manager including an update on the composition of the Investment Committee;
- details on the updated governance structure for the Trust;
- updated information in respect of the types of conflicts of interest and related or connected party transactions that may arise in relation to the Trust;
- updated information on the types of revenue generated in relation to Private Credit investments that the Trust has exposure to and further information on Transaction Benefits;
- updated information on the type of information presented in the Trust Quarterly Portfolio Reports and how Investors can access the Trust Quarterly Portfolio Reports;
- updated information on Metrics' investment processes including how Metrics assesses and monitors Private Credit, Equity and Equity-like investments of the Wholesale Funds; and
- additional information on the valuation process for the Trust.

2. Update on the Metrics Group and the Manager

Metrics (the investment manager of the Trust) is part of the Metrics Group, an Australian based alternative asset management firm. The Metrics Group actively participates in Australia's fixed income, Private Credit, real estate, asset-backed, and capital markets, as well as in the consumer and commercial finance sectors. The Metrics Group has established a number of investment products that are designed to provide investors with access to portfolios of fixed income, Private Credit, real estate and asset backed investments. The Metrics Group has three businesses, as shown in the diagram below. As at the date of this document, the Metrics Group has over A$35 billion in assets under management.

METRICS		METRICS		NAVALO	
Metrics Credit Partners		Metrics Real Estate Partners		Navalo Financial Services Group	
Private Debt & Credit		**Commercial Real Estate Equity**		**Consumer & Business Finance**	
Leading Australian private debt and credit manager		*Leading Australian commercial real estate manager*		*Leading non-bank consumer and business financier*	
Leveraged & Acquisition Finance	Corporate Lending	Residential Units, House & Land	Industrial, Logistics & Warehouses	Residential Mortgages	Automotive Loans
Commercial Real Estate Finance	Project & Infrastructure Finance	Commercial Office	Accommodation Hotels	Commercial Real Estate Finance	Construction Lending
Fund Finance	Structured Finance	Retail Property	Specialised Property	Equipment Finance	Consumer POS Finance

The Manager is a wholly owned subsidiary of Metrics Credit Holdings Pty Ltd (MCH). MCH is controlled by the Investment Team and is currently owned as follows:

- 39.51% by the Investment Team;
- 13.17% by HRM Holdings Pty Ltd as trustee of the McNamara Family Trust (an associated entity of Graham McNamara, a founding partner);
- 28.37% by Pinnacle, a subsidiary of ASX listed Pinnacle Investment Management Group Limited (ASX: PNI);
- 3.52% by a strategic partnership established between the National Pension Service of Korea and Townsend Holdings LLC (trading as Townsend Group) (Partnership); and
- 15.42% (directly and indirectly) by Perpetual Trust Services Limited as trustee for the MCP Credit Trust, a fund that is managed by the Manager.

On 4 May 2026, HRM Holdings Pty Ltd as trustee of the McNamara Family Trust entered into a share sale agreement with Pinnacle and the Partnership to sell his equity interest in MCH as follows:

- 6.80% to Pinnacle, increasing its shareholding to approximately 35%; and
- 6.37% to the Partnership, increasing its shareholding to 9.9%, (MCH Transaction).

Completion of the share sales are interdependent. Subject to completion conditions being met, the MCH Transaction is expected to complete in Q2-Q3 of the calendar year 2026.

Manager's Investment Professionals

Investment Committee

The members of the Investment Committee have significant experience in funds management, corporate finance, commercial and investment banking including Debt and Equity investment origination, structuring and portfolio risk management including corporate restructuring/workout and turn around investments.

The members of the Investment Committee are as follows:

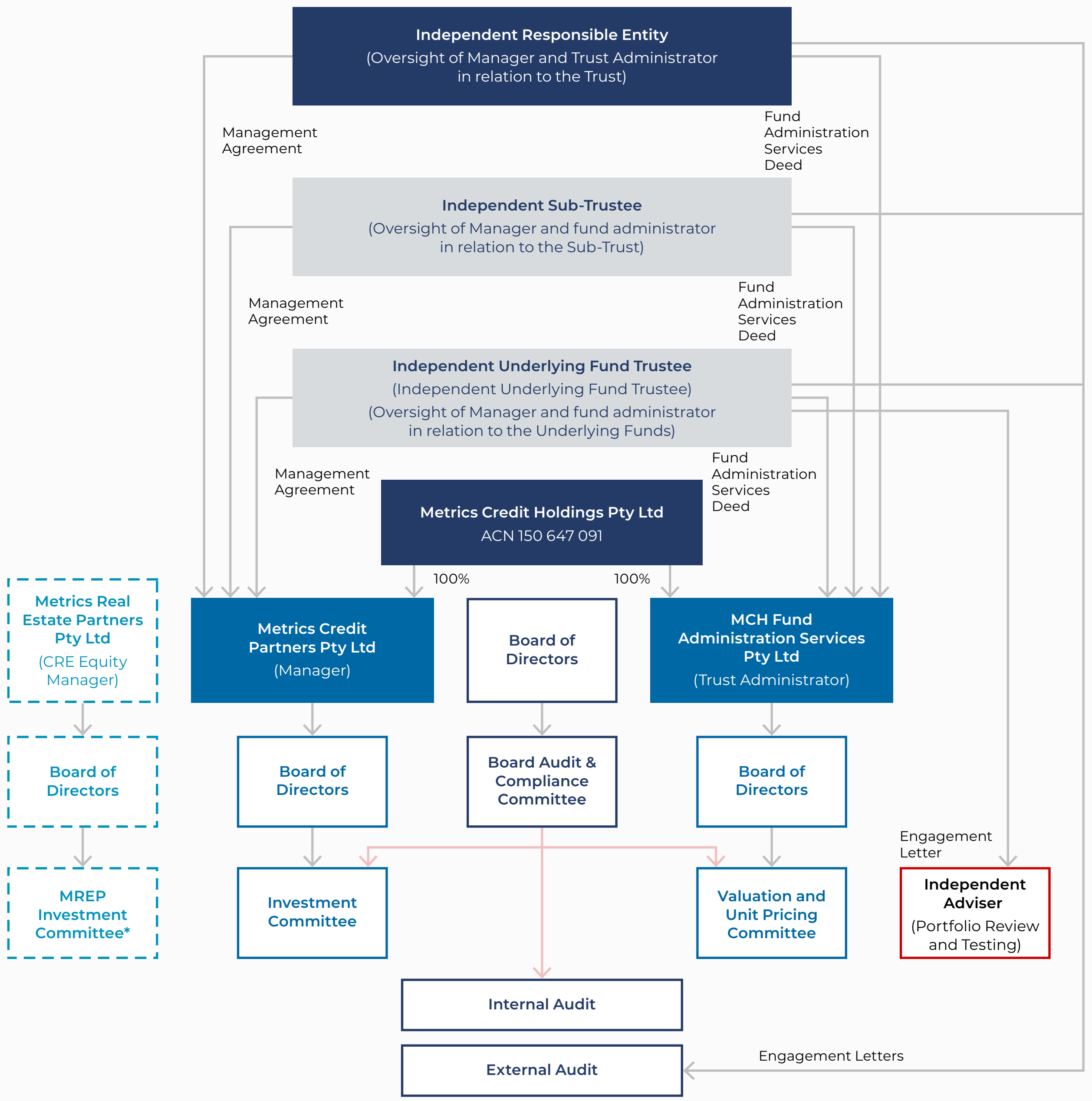
Justin Hynes *Managing Partner*	▸ Considerable origination, structuring and portfolio management experience, including workout and restructuring. ▸ Extensive acquisition and corporate finance experience in both an advisory and principal capacity in Australia and Southeast Asia. ▸ In excess of 25 years' financial markets experience, and previously specialised in leveraged and acquisition finance as well as corporate finance. ▸ Justin holds a Bachelor of Commerce and Bachelor of Japanese Studies from the Australian National University.
Andrew Lockhart *Group CEO & Managing Partner*	▸ Extensive origination, structuring and portfolio risk management experience and has been responsible for the origination and management of large, diversified and complex portfolios including corporate restructuring. ▸ In excess of 35 years' banking, funds management and financial markets experience and previously specialised in leverage and acquisition finance as well as corporate and institutional lending. ▸ Andrew holds a Bachelor of Business and Master of Business Administration from Queensland University of Technology.
Graham McNamara *Managing Partner*	▸ Significant commercial banking experience covering portfolio risk management, debt origination and distribution, agency management and corporate banking. ▸ In excess of 40 years' experience in banking, funds management and financial markets and has established the loan syndications and agency businesses at major Australian banks. ▸ Graham served as a director of the Asia Pacific Loan Market Association and was the founding chairman of the Association's Australian Branch. Graham is a Member of the Australian Institute of Company Directors.
Andrew Tremain *Managing Partner*	▸ Extensive Australian, European and Asian banking experience covering corporate, structured, leverage and acquisition finance, portfolio management and relationship management. ▸ In excess of 35 years' experience and previously specialised in leveraged and acquisition finance as well as loan syndications. ▸ Andrew holds a Bachelor of Commerce from Macquarie University.
Leah Covell[1] *Managing Director, Commercial Real Estate Finance*	▸ Extensive debt structuring expertise with a focus on relationship management, loan origination, structuring, execution and portfolio management. ▸ Leah has 14 years' experience within real estate focused banking and financial services industry. ▸ Leah holds a Bachelor of Veterinary Science and Master of Commerce (Accounting/Finance) from the University of Sydney.
Marc Hurwitz[2] *Managing Director, Corporate Finance*	▸ Extensive experience in originating, structuring and executing financing across leverage buyouts, fund finance and corporate lending markets, including restructuring and workouts. ▸ More than 25 years' diversified experience in banking and funds management. ▸ Marc is a qualified Chartered Accountant (Australia and South Africa) and Chartered Financial Analyst.

1 Observer non-voting member for the Wholesale Fund matters.
2 Observer non-voting member for the Wholesale Fund matters.

3. Trust Governance

The information below sets out updated information in respect of the governance of the Trust.

The governance of the Trust is set out in the following structure diagram. A summary of the high-level roles and responsibilities of each governance function is set out in this section below.



* Members of the MREP Investment Committee are independent of the members of the Investment Committee (except the Chair) and are responsible for decisions regarding CRE Equity investments.

MCH Board of Directors

The following individuals are directors on the Board of MCH:

- Allan Griffiths – Independent Chairman, Non-Executive Director;
- Andrew Lockhart – Group CEO & Managing Partner;
- Justin Hynes – Managing Partner;
- Andrew Tremain – Managing Partner;
- Graham McNamara – Managing Partner*;
- Ian Macoun – Non-Executive Director;
- Andrew Chambers – Non-Executive Director;
- Min Lim – Non-Executive Director;
- Lisa Davis – Independent, Non-Executive Director; and
- Peter McCluskey – Independent, Non-Executive Director.

* It is expected that Graham McNamara will retire as a director from the Board of MCH upon completion of the MCH Transaction.

The Board of MCH is responsible for the overall management of MCH and its subsidiaries including the Manager and the Trust Administrator. This includes the strategic direction, oversight and stewardship of the company and ensuring compliance with all relevant laws and regulations.

Investment Committee

The Investment Committee has been established by the Board of Metrics. The members of the Investment Committee are outlined above under 'Manager's Investment Professionals' in section 2 'Update on the Metrics Group and the Manager'. The Investment Committee is responsible for the following (without limitation):

- investment decisions and portfolio management for the Metrics Funds (including Trust, the Sub-Trust and the Underlying Funds);
- allocation of investment opportunities across the Metrics Funds in accordance with the Allocation Policy (including for the Sub-Trust and the Underlying Funds);
- reviewing the investment parameters of the Metrics Funds (including the Trust, the Sub-Trust and the Wholesale Funds) to ensure portfolio compliance;
- ensuring appropriate credit analysis and due diligence has been undertaken by the Origination teams in accordance with the Manager's investment processes and credit risk management policies;
- ongoing monitoring of the portfolio including the credit ratings applied to Private Credit instruments;
- monitoring of macro and micro factors that may impact specific investment risk and regular asset and portfolio scenario planning and stress testing to alert itself to performance risk for the Metrics Funds; and
- managing any distressed or underperforming assets.

MCH Board Audit and Compliance Committee

The Board Audit and Compliance Committee (**BACC**) has been established as a committee with delegated authority from the Board of MCH and the Manager and is comprised of the following members:

- an independent non-executive director of MCH as the Chair;
- two other independent non-executive directors of MCH;
- the Group CEO & Managing Partner; and
- the Chief Compliance Officer.

The BACC is responsible for, among other things, overseeing risk, compliance, financial reporting, internal controls and audit functions. It also oversees the valuation process, asset allocations of investment opportunities across the Metrics Funds, investment mandate compliance and the management of conflicts of interest for the Metrics Funds. This includes managing and directly overseeing any material related party transactions and other conflicts of interest including introducing such protocols as the BACC deems necessary to appropriately manage such conflicts.

Valuation and Unit Pricing Committee

The Valuation and Unit Pricing Committee has been established by the Board of the Trust Administrator to oversee and ensure the integrity, consistency and independence of the valuation process for the Metrics Funds (including the Trust, the Sub-Trust and each of the Underlying Funds). It is comprised of the following members, with no common membership with the Investment Committee:

- an external independent expert as the Chair;
- Chief Financial Officer;
- Finance Director – Fund Administration;

- Head of Debt Capital Markets and Distribution;
- Group Treasurer; and
- Director – Portfolio Risk Management.

The Valuation and Unit Pricing Committee is responsible for, among other things:

- overseeing the valuation of the assets and liabilities of the Trust, the Sub-Trust and the Underlying Funds' and unit pricing;
- identifying credit events or known potential credit events that may impact on the valuation of the Fund, the Sub-Trust and the Underlying Funds' assets and ensuring those that require notification are escalated to the Responsible Entity, the Sub-Trustee and each Underlying Fund Trustee (as applicable) including all credit events or known potential credit events that would likely impact the valuation of assets;
- identifying, managing and where necessary escalating to the BACC actual or potential conflicts which may arise in valuation decisions;
- determining when external parties are to be engaged and overseeing the scope of their appointment;
- oversight and final determination of the valuation process;
- overseeing that the frequency of valuations is appropriate and that valuation methodologies and policies are regularly reviewed and applied consistently; and
- notifying the BACC of certain matters including material changes to valuations.

Independent Adviser – Portfolio Review and Testing

An independent adviser has been appointed by each Wholesale Fund Trustee to conduct a monthly portfolio review and testing of a sample of the Manager's Debt portfolio. The independent adviser has a strong familiarity with the Australian market.

The independent adviser has also been appointed under a calculation engagement in accordance with APES 225 Valuation Services (APES 225) to conduct an independent valuation review of CRE Equity assets that the Trust is exposed to and also to conduct a limited scope (indicative) valuation in respect of Corporate Equity and Equity-like investments under APES 225. For further details on the scope of this review please see 'Independent review and testing' in Section 8 'Valuations'.

Auditors

The Responsible Entity has also appointed KPMG as the Trust Auditor and PWC as the auditor of the Trust's compliance plan.

Operational Reviews

A global investment consulting and research group is engaged to perform an Operational Risk Assessment (ORA) of the Manager's operations, controls, and governance framework. To assess the potential risks associated with the operations and controls of the Manager and to distinguish a well controlled and managed investment operation from those that could expose investors to increased risks and costs.

In addition, Pitcher Partners carries out a GS007 review on the Trust Administrator on an annual basis that is an independent report on the design, implementation and operating effectiveness of the Trust Administrator's internal controls to perform its services to the Trust.

4. Conflicts of Interest, related and connected party transactions and their management

The information below sets out updated information relating to conflicts of interest and related or connected party transactions that may arise in relation to the Metrics Funds (including the Trust, the Sub-Trust or the Underlying Funds) and how these are managed.

Situations may arise where Metrics, the Responsible Entity and the Responsible Entity's and Metrics' related entities have interests that conflict with those of Investors.

Under the terms of the Constitution, the Responsible Entity may deal in any capacity with the Responsible Entity, the Manager or any Investor or with any of their associates or with any trust. The Responsible Entity on behalf of the Trust may enter into transactions with a related party or a fund, the trustee and manager of which is a related party of the Responsible Entity and the Manager respectively. For these types of transactions, the Responsible Entity and the Manager will ensure that they are entered into on arm's length and on commercial terms.

The Perpetual Group

Companies in the Perpetual Group are the responsible entity or trustee of a number of the Metrics Funds. As a result, the Responsible Entity on behalf of the Trust, the Sub-Trustee as trustee of the Sub-Trust and each Underlying Fund Trustee as trustee of an Underlying Fund, may transact with itself (as trustee of an Other Metrics Fund), another Perpetual Group company (in its personal capacity or as trustee or responsible entity of an Other Metrics Fund) or invest in an Other Metrics Fund, the trustee or responsible entity of which is another Perpetual Group company. This is permitted under the terms of the Constitution (in the case of the Trust) or the governing document (in the case of the Sub-Trust or an Underlying Fund), that allows the Responsible Entity, Sub-Trustee or Wholesale Trustee to transact with itself as trustee of an Other Metrics Fund) or transact in another capacity (such as its personal capacity or trustee of Other Metrics Fund) or transact with any Investor directly (not as an Investor in the Trust).

The Perpetual Group, including the Responsible Entity, has in place governance frameworks, group policies and divisional procedures to ensure conflicts are identified and managed appropriately. These conflict policies are aimed at ensuring that conflicts involving individuals or related entities in the Perpetual Group are identified, reported, assessed and managed in a timely and appropriate manner in order to uphold the best interests of clients, members and shareholders. This ensures that the Perpetual Group and its related entities are adopting and promoting a culture of awareness and effective management of conflicts of interests when carrying out its operations. As part of the management of conflicts, the Perpetual Group maintains a register of generic corporate conflicts, including related party conflicts, acting in multiple capacities on the same transaction and being a service provider to multiple entities, and how these conflicts are to be managed. When such a conflict is identified, the register provides for certain controls to be utilised in order to manage this conflict. Examples of controls include engaging on 'arm's length' or third-party terms, use of information barriers and policies and procedures.

Additionally, the Responsible Entity has fiduciary obligations at law to act in the best interests of the Investors as a whole and to have proper procedures to manage conflicts of interests such that any conflicts do not cause harm to Investors. The Responsible Entity must follow these duties when making decisions about and managing any potential conflicts of the Trust.

Perpetual group of companies, including the Responsible Entity, may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts and may face conflicts between its duties as responsible entity, its duties to other funds it manages and its own interests. Perpetual group of companies have policies and procedures in place to manage conflicts of interest, which ensure that any actual, apparent or potential conflicts of interest are identified, recorded, assessed and managed in the best interests of the members of the Trust. All service provider agreements with related parties have been entered into on arm's length terms or with Investor approval and the Responsible Entity must ensure these arrangements are in the best interests of the Investors. As part of the Trust's investment strategy, the Trust invests in the Sub-Trust and the Sub-Trust invests in the Underlying Funds, all of which are managed by the Manager. The Responsible Entity will manage any conflicts in accordance with the Constitution, applicable laws and regulations and its internal policies and procedures.

The Metrics Group

As a diversified alternative asset management business, there may be occasions when the interests of the Manager or other Metrics Group companies or their respective clients, including Other Metrics Funds, conflict with the interests of the Investors, including but not limited to the circumstances set out in this section.

While the Metrics Group has implemented policies and procedures to identify and manage conflicts of interest, it is possible that the Metrics Group may, in the course of its business, have potential conflicts of interest which may not be managed effectively and may be detrimental to the Trust, the Sub-Trust or the Underlying Funds and Investors.

The Metrics Group has developed what it considers to be best practice procedures for managing any actual or potential conflicts that the Manager is required to follow in connection with the performance of its services to the Responsible Entity in respect of the Trust, or in its capacity as manager of the Sub-Trust or Underlying Funds.

In addition, the Metrics Group has in place a governance framework (see section 3 'Trust Governance') and policies and protocols to ensure that conflicts are identified and managed appropriately. In particular:

- the BACC, that is responsible for overseeing the management of conflicts of interest, is comprised of a majority of independent directors of MCH; and
- none of the Investment Team are members of the Valuation and Unit Pricing Committee, which has responsibility for overseeing and ensuring the integrity, consistency and independence of the valuation process for the Trust, the Sub-Trust and the Underlying Funds.

Any actual or potential conflicts of interest will be managed in accordance with Metrics' Conflicts of Interest and Connected Party Transactions Policy (**Conflicts Policy**) and any appropriate conflicts protocol specifically adopted on a transaction by transaction basis. All actual or potential conflicts of interest and the mechanisms to be implemented for managing the conflict are logged into a register maintained by the Metrics Compliance team.

The Metrics Compliance team assesses whether the mechanisms to be implemented for managing a conflict are adequate having regard to the nature of the conflict. In addition, conflicts are referred to the BACC for oversight. As part of its oversight role, the BACC may determine to amend or implement additional protocols or mechanisms for managing the conflict. The Metrics Compliance team is also responsible for notifying conflicts of interest in relation to the Metrics Funds to the relevant responsible entity or trustee.

The following are examples of the types of transactions and circumstances that may give rise to actual or potential conflicts of interest as part of the management and operation of the Trust, the Sub-Trust or the Underlying Funds and the types of mechanisms that are typically implemented to manage these conflicts.

Multiple Mandates – allocation of investment opportunities

The Manager and other Metrics Group companies have investment management agreements with other funds or managed accounts (separate to the Trust) each with its own investment mandate. Allocation of investment opportunities across one or more of the Metrics Funds is part of the normal course of the Manager's business of managing the Metrics Funds and can occur on a frequent basis.

The Manager will make investment decisions in respect of each mandate (including in respect of the Trust, the Sub-Trust and each Underlying Fund) having regard to its contractual and legal obligations. This may result in actual or potential conflicts of interest. Whilst the Investment Strategy of the Trust is to invest primarily all of the Trust's assets in the Sub-Trust in order to gain exposure to the underlying portfolios of the Underlying Funds, the Trust may be indirectly exposed to the potential conflicts at the Sub-Trust and Underlying Fund level. In particular, these conflicts could include Metrics as manager of the Underlying Funds having to decide whether to allocate an investment opportunity to one or more of the Underlying Funds or one or more of the other Metrics Funds where that investment opportunity is within the investment parameters of any of those funds. In order to manage this conflict, the investment opportunity will be allocated according to the Allocation Policy that is administered by the Portfolio Risk Management team responsible for making asset allocation recommendations to the Investment Committee, with oversight by the BACC.

If an investment opportunity meets the investment parameters of more than one Metrics Fund, the investment opportunity will generally be allocated pro rata based on each Metrics Fund capital which is available to invest in the opportunity with any such adjustments that may be necessary or desirable taking into account the investment objective, portfolio construction guidelines and the following parameters of each relevant Metrics Fund: (1) risk; (2) liquidity; (3) leverage and derivatives; (4) compliance and regulatory; (5) rebalance and monitoring.

Any actual or potential conflicts are managed in accordance with the Conflicts Policy and the Allocation Policy and as described above. The Manager will report to Investors in the Trust Quarterly Portfolio Report on this category of transactions if they are not managed in this way.

Multiple Exposures – Managing Recovery Scenarios

The Trust may be exposed to Subordinated Debt in respect of borrowers or projects held in an Underlying Fund where another Metrics Fund may hold more Senior Debt or vice versa (and may have exposure to both via its exposure to the Underlying Funds). In addition, another Metrics Fund may hold Equity in the same borrower or project. This can create a conflict of interest that the Trust may be exposed to, including when determining the commercial and legal terms of each investment (including the rights between Senior and Subordinated lenders). These transactions are managed in accordance with the Conflicts Policy and any relevant conflicts protocols.

A conflict of interest may also arise in situations where there is a default by the borrower and there is insufficient money to repay all of the Debt. In the case where there is only a partial recovery of monies owing from the borrower or project on all the Debt, the lower ranking Debt and Equity may incur a complete loss. A mechanical approach is taken in situations where there is insufficient money to recover the amount owing on the Private Credit instruments held by the Metrics Funds. Conflicts of interest that may arise in this scenario are managed as follows:

- if a Private Credit instrument is Secured, engaging a third-party valuer to value the assets that Security has been taken for the instrument;
- seeking to recover (wherever possible) at least the amount of the third-party valuation in any enforcement scenario;
- ensuring any recovered monies are distributed in accordance with the documented payment priorities. Transaction documentation is typically very mechanical and controls the rights and obligations of the different layers of Debt in a borrower's capital structure, with Senior Debt required to be repaid first in full, then Subordinated Debt (if any and with an inter-creditor agreement) and with Equity ranking last in a repayment scenario.

In a recovery or enforcement scenario where there is insufficient money to recover the amount owing on the Private Credit instruments held by one Underlying Fund and any Other Metrics Fund, separate deal teams may be required to be appointed to represent the Underlying Fund and the Other Metrics Fund that are seeking to recover unpaid Debt, accrued interest and fees, with each deal team acting solely in the interests of the relevant Metrics Fund that it represents. These types of transactions are managed in accordance with the Conflicts Policy and conflicts protocols (as described above), are logged in the conflicts of interest register maintained by the Compliance Team and reported to the BACC for oversight.

The Manager will report in the Trust Quarterly Portfolio Report if these transactions are not managed as outlined above.

Enforcement, Restructure and Workout/ Conflicts and Connected Party Fund Transactions

Where a Metrics Fund has advanced a Loan to a borrower and that borrower experiences financial distress or is otherwise in default under the terms of the Loan, Metrics as manager may determine that it is appropriate to pursue an enforcement, restructuring or workout strategy in order to seek to preserve or recover amounts unpaid under the Loan for the Metrics Fund (including the principal amount of the Debt outstanding, accrued interest and fees). This may include enforcing Security and appointing receivers or controllers or, where the underlying Secured property is real estate, taking possession of the secured property as a mortgagee in possession (through its appointed controller). In exercising these powers, the Metrics Fund and the receiver or controller is subject to statutory and general law duties, including duties to act in good faith, to take reasonable care to obtain market value (or the best price reasonably obtainable) on any sale of the Secured property, and to account for proceeds of enforcement.

In certain circumstances, following enforcement or as part of a restructuring or workout process, the underlying asset or borrower group may present an opportunity for consideration by another Metrics Fund. Where another Metrics Fund has an investment mandate that permits investments in Equity or Equity-like interests (including ordinary shares, preference shares, units or other ownership interests), that Metrics Fund may, subject to applicable law, participate in the process or work with the receiver or controller to acquire an interest in the Equity position in the relevant asset or borrower.

Any such investment by the acquiring Metrics Fund will only be undertaken in certain circumstances, including but not limited to:

- in the case of the acquiring Metrics Fund, the investment is permitted by the relevant fund's investment mandate, it otherwise contributes to the overall portfolio construction and investment objective of the fund, and in the opinion of Metrics as investment manager of that fund, it is in the best interests of investors in that fund; and
- the Metrics Fund that holds the investment, it receives fair value and no less than the capital it outlaid in respect of that investment.

In this scenario, separate deal teams, will be established including:

- a deal team responsible for acting in relation to the Metrics Fund that holds the Loan exposure (including to act on any enforcement, restructuring or workout process); and
- a separate deal team responsible for assessing and managing any potential investment held or proposed to be held by another Metrics Fund.

Deal teams (where appropriate) engage separate external legal counsel to negotiate legal documentation to ensure terms are negotiated at commercial arm's length market terms.

These types of transactions are managed in accordance with the Conflicts Policy and conflicts protocols (as described above), are logged in the conflicts of interest register maintained by the Compliance Team and reported to the BACC for oversight.

Metrics will report on these transactions in the Trust Quarterly Portfolio Report if they are not managed as outlined above.

Fund finance facilities provided by one Metrics Fund to another Metrics Fund

In accordance with its investment parameters, a Metrics Fund may provide a fund financing facility to a borrower with the view of seeking to achieve the investment objective including the relevant target return of the Metrics Fund. This may include a Metrics Fund providing a fund facility to another Metrics Fund (or warehouse managed by the Metrics Group) provided that in doing so, the investment parameters of the Metrics Fund are met and the fund facility is provided in the same manner as if the borrower had been a third party.

In these circumstances, separate deal teams will be established to act for the Metrics Fund providing the Loan and the other Metrics Fund (or warehouse) that is the borrower with information barriers put in place between the separate deal teams. Separate deal teams may include separate origination, portfolio management and internal legal professionals. Deal teams (where appropriate) engage separate external legal counsel to negotiate legal documentation to ensure terms are negotiated at commercial arm's length market terms and each position is structured to be marketable to third-party lenders consistent with such facilities provided by the Metrics Fund to third party borrowers.

These types of transactions are managed in accordance with the Conflicts Policy and conflicts protocols (as described above), are logged in the conflicts of interest register maintained by the Compliance Team and reported to the BACC for oversight.

Metrics will report on these transactions in the Trust Quarterly Portfolio Report if they are not managed as outlined above.

Loans to a borrower or project in which another Metrics Fund may hold an Equity interest

A Metrics Fund may provide a Loan to a borrower or project in which another Metrics Fund holds an Equity interest. In these scenarios, the arrangements for managing the conflict set out in *'Fund finance facilities provided by one Metrics Fund to another Metrics Fund'* will be implemented.

In addition, in the case where the Equity or Equity-like interest is in a CRE borrower or project, the MREP Investment Committee, whose members are independent from the Investment Committee (other than the Chair), is responsible for the decision in relation to the Equity or Equity-like position so that decisions in relation to the Debt and Equity investments in the same CRE borrower or asset are made by separate investment committees.

The types of transactions are managed in accordance with the Conflicts Policy and conflicts protocols (as described above), are logged in the conflicts of interest register maintained by the

Compliance Team and reported to the BACC for oversight.

Metrics will report on these transactions in the Trust Quarterly Portfolio Report if they are not managed as outlined above.

Loans to Metrics Group companies

A Metrics Fund may provide a Corporate Debt, or extend or vary a Corporate Debt, to a Metrics Group company. In these scenarios, the arrangements for managing the conflict set out in 'Fund finance facilities provided by one Metrics Fund to another Metrics Fund will be implemented.

Metrics will report on these transactions in the Trust Quarterly Portfolio Report.

Implementation of the Allocation Policy and capital management transactions

In order to implement the Allocation Policy and to rebalance portfolios for capital management purposes, the Manager may allocate Loan assets or transfer Loan assets between one or more of the Metrics Funds (including by way of assignment, equitable assignment, transfer, sub-participation or any other means of transferring the economic value of the Loan assets). These Loan asset allocations are done at the carrying value of the Loan and are documented based on industry-standard agreements or standard secondary trade agreements. If a Loan asset is impaired, or there is a Covenant breach under the terms of the Loan, this Loan asset will typically not be subject to a transfer to another Metrics Fund.

Metrics will report on transactions in the Trust Quarterly Portfolio Report if the transaction is not on arms' length commercial terms, or is not done at carrying value or the Conflicts Policy and any conflicts protocols have not been adhered to.

Related party service providers to the Trust and Loans

Related parties of the Manager provide services in relation to the Trust or its assets (including Loans). In particular, the Trust Administrator is a related party of the Manager. As a result, there is a potential conflict of interest in the Manager generating fees and other compensation and the interests of the Trust. However, it is the Trustee, and not the Manager, that appoints and monitors the performance of the Trust Administrator. The appointment of the Trust Administrator is on arm's length commercial terms.

In addition, MCH Agency Services Pty Ltd (**MCHAS**), a related party of the Manager, may be appointed as Facility Agent and Security Trustee in respect of Loans in the Fund's portfolio. MCHAS has a full service agency team segregated from the Metrics investment and lending functions, providing facility agent and security trustee services in the Australian and New Zealand loan market. MCHAS acts as administrative intermediary between the lender(s) and the borrower, managing day to day mechanics under Loans (for example, drawdowns, repayments, interest calculations, notices and ongoing information flow). As the Security Trustee for a Loan, it holds legal title to the security package on trust for the lender(s). The appointment by the borrower of MCHAS is on arm's length commercial terms, with documentation and the fees payable to MCHAS by the borrower reflective of the Australian Facility Agent and Security Trustee market and may occur on a frequent basis.

Valuations

The Trust Administrator is a member of the Metrics Group, and is a subsidiary of MCH, in which members of the Investment Team hold an equity interest.

As the Trust Administrator is responsible for valuation services in respect of the Trust, the Sub-Trust and each Underlying Fund there may be a conflict of interest in the Trust Administrator providing such valuations by virtue of the investment management fee payable to the Manager from the assets of the Trust, the Sub-Trust and each Underlying Fund respectively.

To assist in controlling and managing any actual or apparent conflict, the Trust Administrator has established the Valuation and Unit Pricing Committee (See 'Valuation and Unit Pricing Committee' in section 3 'Trust Governance') whose members do not include any member of the Investment Team and whose role is to oversee and ensure the integrity, consistency and independence of the valuation process for the Trust, the Sub-Trust and each Underlying Fund.

The Valuation and Unit Pricing Committee is responsible for oversight of the provision of the valuations of the Trust, the Sub-Trust and each Underlying Fund's assets to the Trust Administrator which is responsible for unit pricing for each of the Underlying Funds, the Sub-Trust and the Trust. Members of the Valuation and Unit Pricing Committee and the Trust Administrator team operate with clear segregation of duties from the Investment Committee and the Manager's Origination teams.

Both the Trust Administrator and the Valuation and Unit Pricing Committee are subject to the Metrics' Conflicts Policy and any other associated protocols which are designed to identify, manage and mitigate any such conflicts.

The Responsible Entity has appointed an independent adviser to carry out a sample monthly review of the carrying value of the assets (see 'Independent review and testing' in section 8 'Valuations'). The Valuation and Unit Pricing Committee liaises directly with the independent adviser in relation to the sample monthly testing and review. The independent adviser does not liaise or report to members of the Investment Committee.

Manager Fees

Members of the Investment Team hold equity interests in MCH, the parent company of the Manager. On this basis, members of the Investment Team, which forms part of the Investment Committee that makes investment decisions in respect of the Metrics Funds (including Trust, the Sub-Trust and the Underlying Funds) and its related parties may benefit from increased management and performance fees in another Metrics Funds. Accordingly, in making investment management decisions, the Investment Team may be subject to conflicts of interest on the same basis as the Manager. These conflicts could include the Manager having to decide whether to allocate investment opportunities to a Wholesale Fund or another Metrics Funds as well as determining whether to lend money to borrowers in respect of whom another Metrics Funds may own Equity or hold Senior Debt.

In order to manage this conflict, the Loan investment opportunity will be allocated according to the Allocation Policy that is administered by the Portfolio Risk Management team responsible for making asset allocation recommendations to the Investment Committee with oversight by the BACC.

Transaction Benefits that may be shared between a Wholesale Fund and Metrics

In addition to paying interest and Ongoing Fees, a borrower may pay Transaction Benefits (which represent a cost to the borrower) and which under the terms of the trust deed for the Wholesale Funds are shared between the Manager and the relevant Wholesale Fund on a 50:50 basis (see 'Transaction Benefits' in section 5 'Interest, Ongoing Fees and Transaction Benefits' for further information on the sharing in Transactions Benefits). These may include fees or other financial benefits paid in relation to the establishment, variation or extension of a Private Credit asset. The sharing of these Transaction Benefits between a Wholesale Fund and Metrics supports Metrics' investment in its origination capability which it believes is fundamental to maximising returns. In order to manage this conflict, the Trust Quarterly Portfolio Report will report on Transaction Benefits received by the Manager effective from the June 2026 Trust Quarterly Portfolio Report.

5. Interest, Ongoing Fees and Transaction Benefits

The following provides updated information on the types of revenue generated on Private Credit investments, the nature of Transaction Benefits and how they are accounted for.

Interest and Ongoing Fees

The Trust does not hold Private Credit investments directly but will gain exposure (indirectly) to Private Credit investments in the underlying portfolios of the Wholesale Funds.

All interest received from Private Credit assets (including any default interest) in a Wholesale Fund's portfolio will be paid to the Wholesale Fund. Metrics as manager of each Wholesale Fund does not retain any net interest margin in relation to Private Credit investments made by the Wholesale Funds.

In addition, recurring fees may be payable by a borrower to compensate a Wholesale Fund as lender for making committed capital available before the borrower draws down under a Loan (**Ongoing Fees**). Ongoing Fees are typically calculated based on a percentage on the total facility amount under a Loan for real estate project instruments and as a percentage on the drawn credit margin for corporate Loans. Any Ongoing Fees payable by the borrower under a Private Credit investment are also paid to the Wholesale Funds. Metrics as manager of each Wholesale Fund does not receive any such fees.

Transaction Benefits

In addition to generating revenue on Private Credit assets in the form of interest and Ongoing Fees, Transaction Benefits are also another form of revenue. These Transaction Benefits are a cost to the borrower. Examples of Transaction Benefits include upfront fees such as establishment fees or similar fees paid upfront by a borrower when the Private Credit investment is first made, an extension fee or any variation fee payable in respect of an existing Private Credit asset.

Transaction Benefits generated in relation to the Wholesale Funds and are shared between a Wholesale Fund and Metrics as manager of the Wholesale Fund, respectively, on a 50:50 basis.

Metrics believes that the Wholesale Funds invest in markets in which achieving economies of scale is beneficial, for a number of reasons, including access to a broader pipeline of investment opportunities, enhanced borrower engagement and a greater ability to negotiate Private Credit terms and structural features. In order to achieve this, Metrics focuses on direct origination rather than participation in Private Credit investments originated by other market participants (such as banks). In addition to the benefits from achieving economies of scale, Metrics believes that this origination approach typically generates higher Transaction Benefits for the Wholesale Funds (even after sharing in the Transaction Benefits with the Manager) than if the Wholesale Funds invested in externally originated Private Credit investments just as a participant.

In order to support this direct origination approach, Metrics invests heavily in investment professionals with skill and experience in originating, structuring and negotiating investments as well as managing borrowers directly. Based on Metrics' experience, direct origination is resource-intensive, particularly in the period leading up to a Private Credit asset's financial close, and a number of opportunities reviewed and negotiated by the Origination team may not ultimately proceed.

Metrics categorises the direct origination activities into three phases as follows in comparison to participating in the syndication phase of an investment opportunity.

Marketing Phase	Structuring Phase	Execution Phase	Syndication Phase
▸ Direct marketing to borrowers and potential borrowers. ▸ Pitch capability and ideas. ▸ Develop direct relationships with borrowers and potential borrowers. ▸ Understand a borrower or a potential borrower's business and strategy. ▸ Position for engagement.	▸ Initiated by borrower. ▸ Pitch various financing proposals. ▸ Negotiate terms directly with the borrower including interest, Ongoing Fees and Transaction Benefits together with structural package for Loan. ▸ Typically, highly competitive with other potential lenders also negotiating with the borrower to win the deal. ▸ If successful, proceed to execute term sheet.	▸ Engage and liaise with external advisers in relation to due diligence including: – financial; – legal; – commercial; – environmental. ▸ Engage and liaise with lawyers to document transaction. ▸ Negotiate transaction documents. ▸ Financial close of facility.	▸ Underwriting lenders sell down. ▸ Take and hold banks – secondary participants to. ▸ Secondary participants enter facility. ▸ Secondary participants typically unable to amend terms of facility including structural features. ▸ Secondary participants typically price takers and unable to negotiate commercial terms of facility including interest, Ongoing Fees and Transaction Benefits.

Metrics has designed its management fee model for the Wholesale Funds on the basis that it believes that a management fee model that has a lower base management fee while allowing the Manager to participate in Transaction Benefits reduces the ongoing fixed management costs for investors in the Wholesale Funds and is intended to reflect an alignment of interests between the Manager and Investors across different market cycles. In addition, management fees for the Wholesale Funds are calculated based on the fund's gross asset value excluding amounts undrawn on Loans meaning that fees are not charged on undrawn amounts under the Wholesale Funds' Loan assets.

Metrics believes that this approach, which combines a lower ongoing base management fee with participation in Transaction Benefits, may reduce fixed management costs for investors and better align the Manager's remuneration with origination activity. By contrast, a model that relies on a higher fixed base management fee and no participation in Transaction Benefits may result in fees that do not vary with market and origination activity and may remain elevated during periods where market and origination activity is limited.

The fee structure combines a lower base management fee with participation in Transaction Benefits, so that costs better reflect the level of investment activity over time. During periods when investment activity is lower, investors in the Wholesale Funds benefit from a lower base management fee. When market conditions support higher levels of investment activity, Metrics may increase its origination and deployment efforts and may share in Transaction Benefits associated with sourcing and executing new investment opportunities, which helps support its investment in those additional origination efforts. Together with the performance-based fee applicable to the Wholesale Funds, this approach is intended to support long-term alignment between the Manager and investors.

6. Where Investors can obtain information on the Trust's Portfolio Construction and Guidelines

The information below sets out updated information relating to how Investors can obtain information reported in respect of the Trust.

The Trust Monthly Performance Report provides details of the investment performance of the Trust, monthly net returns, a market update and a fund update.

The Trust Quarterly Portfolio Report also provides details on the following for the Trust:

- the largest exposures to a single Loan (both committed and drawn) as well as the average single counterparty exposure;
- the top 10 Loan exposures,
- the number of investments;
- the portfolio composition including:
  - the percentage of portfolio that is Senior Debt, Subordinated Debt and Equity and Equity-like assets for the Trust;
  - the weighted average credit rating of the Debt portfolio;
  - the weighted average remaining tenor of the Debt portfolio; and
  - the number of Payment in Kind Loans3[3];
- diversification by industry and credit quality;
- Loan valuations;
- credit metrics including:
  - average loan to value ratio for CRE Debt in the portfolio;
  - average leverage ratio for Corporate Debt in the portfolio; and
- details on non-performing Loans (such as arrears information, number of Loans on the Manager's Watchlist, Loans under enforcement action, those that have been restructured and have suffered credit losses).

The Trust Quarterly Portfolio Report will include details on the levels of Transaction Benefits received by the Manager in relation to the Wholesale Funds.

The Monthly Performance Report and the Trust Quarterly Portfolio Report will be issued as a continuous disclosure document lodged with the ASX, which are available at www.asx.com.au with code (ASX: MOT). The Monthly Performance Report and the Trust Quarterly Portfolio Reports are also available on the Trust Website at https://metrics.com.au/listed-funds/metrics-income-opportunities-trust/.

The Trust Quarterly Portfolio Reports have been issued since the quarter period ending 31 December 2024 and include a time series of data covering the previous six years.

3 A payment-in-kind (PIK) loan allows the borrower to accrue (or roll up) interest expense into the balance of the loan for a period rather than paying cash to the lender. A PIK loan does not include project finance loans (including both infrastructure and commercial real estate loans) with interest capitalisation sub-limits budgeted within facility limit (see the last paragraph in 'Structure, negotiate and execute investments' in section 7 'Additional Information on Metrics' Investment Processes).'

7. Additional Information on Metrics' Investment Processes

The information below sets out updated details of Metrics' investment processes.

The Manager seeks to achieve the Investment Objective through a series of investment processes, including by originating investments directly to which the Trust is exposed, undertaking detailed investment and credit risk assessments of transactions, structuring and negotiating investments, and the active management of portfolio assets (including ongoing active management of private assets with the aim of preserving capital, generating returns but also these processes are intended to enable the Trust to outperform the Target Return by leveraging the Manager's origination capabilities and active investment management expertise.

Origination

Selective screening process for prospective investments

- Sourcing of opportunities through:
  - Proactive direct engagement with borrowers and investees in various industries and sectors;
  - Established networks and relationships;
  - Introductions from advisors; and
  - Invitations from banks.
- Active market participant with a deep understanding of the private markets in which the Fund invests including Private Credit and unlisted Corporate and CRE Equity and Equity-like.
- Detailed due diligence leveraging deep understanding of sectors and investment options.
- Experienced team with strong track record displaying discipline and sound judgement to origination.

Investment and credit analysis

Rigorous due diligence prior to investment

- In-depth fundamental investment analysis.
- Internal credit risk analysis and assessment capability for Private Credit opportunities using the Metrics Internal Credit Rating Guidelines.
- Valuation skills to assess enterprise and asset value when assessing Private Credit and unlisted Corporate and CRE Equity transactions.
- Independent third-party property valuations, quantity surveyor reports by panel providers when assessing credit risk for CRE Private Credit and Equity transactions.

Structuring, Negotiation, Investment Committee approval and execution

Mitigating investment risks to best protect Fund capital

- Private Credit transactions structured with security packages and covenants to mitigate credit risk.
- For Private Credit transactions, credit support mechanisms, performance triggers, and asset quality covenants negotiated upfront to ensure multiple layers of investor protection.
- Deep understanding of key structural protections required.
- All investment decisions are made by the Investment Committee for Corporate and CRE Loans and Private Credit investments. CRE Equity investment decisions are made by the MREP Investment Committee.
- External third-party legal counsel assists with transaction execution for all investments.

Portfolio and Asset Management

Active portfolio and asset risk management

- Investment risk monitoring systems and procedures including tracking and monitoring asset level performance over time.
- Ongoing monitoring of Private Credit investments including credit risk, covenant compliance and ongoing reporting information provided by borrowers.
- Regular direct engagement with borrowers and consultants including direct borrower liaisons.
- Monitoring and stress testing of the portfolio as part of ongoing risk assessment.
- Regular attendance at CRE asset sites and review of project progress for CRE Private Credit and Equity transactions.
- Ongoing risk management reporting to Investment Committee and MREP Investment Committee.
- Sample testing of carrying values reviewed, impairment testing and review of alignment of pricing (where applicable) by independent adviser (see 'Independent review and testing in section 8 'Valuations').
- Experience and capabilities in Private Credit investment restructuring.

Origination

The Manager draws on the experience and expertise of its Investment Team and Origination teams across a range of private markets and asset classes, including Corporate Debt, Private Credit, and unlisted Corporate and CRE Equity and Equity-like investments, to source and assess investment opportunities to which the Trust is exposed. The Manager expects to source it investments through numerous channels.

For Private Credit opportunities, the Manager has broad relationships across the Australian and New Zealand Private Credit markets and actively engages in the market by interacting directly with borrowers, as well as banks (for origination and distribution), and other market participants to proactively source direct credit and Equity and Equity-like opportunities. The Manager seeks to originate investment opportunities directly.

The Manager's approach, supported by its significant investment in its direct origination capability coupled with the Sub-Trust and each Wholesale Fund's ability to invest in scale, minimises intermediation by banks and other Private Credit and Debt arrangers and generally provides:

- enhanced access to due diligence and control over the negotiation of terms and structural features of the Private Credit instruments; and
- in the Manager's view delivers benefits associated with scale including the full scope of upfront fees, pipeline opportunities, enhanced borrower engagement and improved portfolio construction, which the Manager considers are not typically realised by smaller less resourced participants.

Although the Manager seeks to directly originate Private Credit assets, the Fund may also participate in Private Credit assets that have been originated by other market participants.

The Manager believes that extensive networks of relationships are required to find suitable unlisted CRE and Corporate Equity and Equity-like opportunities. As an established Private Credit manager, the Manager has substantial industry networks established by virtue of providing Debt to various industries and sectors. This includes relationships with experienced CRE developers and investors which provide access to a diverse range of asset types and risk profiles. The Manager seeks to partner only with large, reputable, established, professional private developers and investors.

Initial investment and risk analysis of investment opportunities

The Manager conducts due diligence and risk evaluation on all potential investment opportunity prior to making an investment on behalf of a Metrics Fund (including the Wholesale Funds). The type of due diligence and risk evaluation will depend on the type of investment opportunity that is being considered. The Trust has exposure to Private Credit, Equity and Equity-like investments through its investment in the Sub-Trust. The process for each of these is set out below.

Corporate Debt and Private Credit investment opportunities analysis

Under Metrics' credit risk management policies, Private Credit investment opportunities are assessed using Metrics' credit rating methodologies including the corporate credit risk methodology. This methodology includes a set of underwriting criteria developed by the Manager tailored to Private Credit assets.

This methodology applies a bottom-up, due diligence and risk analysis, focused on the borrower's business fundamentals, cash flow sustainability and balance sheet strength. Key measures of credit risk include leverage, interest coverage, cash flow resilience, liquidity and covenant headroom, assessed in the context of the borrower's industry, operating environment and capital structure.

The Manager conducts a comprehensive credit and risk evaluation of each borrower prior to making an investment. This assessment is informed by extensive due diligence and analysis, which may include management presentations, meetings and conference calls with the borrower and its advisers, site visits where appropriate, and a detailed review of financial, legal, commercial and operational information. In particular:

- **Financial Analysis:** the Manager reviews audited and unaudited historical financial statements, management accounts and forecasts to assess earnings quality, cash flow generation, leverage, liquidity and funding capacity. Where available, quality of earnings reports and sponsor or management prepared financial models are critically assessed to test underlying assumptions and downside resilience.
- **Business and Industry Assessment**: the Manager undertakes an assessment of the

borrower's business model, competitive position, strategy and operating risks, having regard to industry and economic conditions. This includes review of sell-side and buy-side research, industry reports, comparable company data and comparable transaction analysis to contextualise performance and valuation.

- **Transaction Risk Assessment**: the Manager evaluates the specific risks of the proposed transaction, including capital structure, security package, covenant framework, pricing and tenor. Funding terms, covenants and undertakings are negotiated on a risk-adjusted basis to reflect the assessed credit risk and to provide appropriate downside protection.
- **Management and Sponsor Assessment**: the Manager assesses the experience, track record and reputation of the borrower's senior management team and, where applicable, the financial sponsor. This may include review of due diligence materials relating to directors and key decision-makers, as well as consideration of ownership structure and alignment of interests.
- **Legal and Structural Review**: where available, the Manager reviews key contracts, material customer or supplier arrangements, lease documentation and legal due diligence reports to identify structural, contractual or regulatory risks that may affect credit quality or recoveries.

Real estate finance Loan investment opportunities analysis

Under the Metrics credit underwriting criteria, real estate finance Loans are assessed using the real estate specific credit risk methodology. This methodology includes a set of underwriting criteria developed by the Manager tailored to real estate lending.

The Manager conducts a credit and risk evaluation on the project or development, the project sponsors and key service providers for the development (for example, the developer, development manager, builder or contractor and the quantity surveyor) prior to making the real estate Loan. In particular:

- **Independent Valuation:** the Manager engages independent valuers from its approved panel to value each property that Security is taken over based on the Manager's property brief. Each valuation is reviewed by the Manager as part of the overall credit assessment to ensure that all relevant factors have been considered, and that appropriate methodology has been correctly applied;
- **Project Feasibility Review:** the Manager evaluates the feasibility of each CRE project to determine whether the forecasted construction and development costs (including finance costs) are reasonable. This review ensures that appropriate contingencies are incorporated to address any potential program delays and cost overruns, including additional finance costs;
- **Transaction Risk Assessment:** the Manager conducts a risk assessment for each transaction. In addition to reviewing the project feasibility (see above), this includes verification of pre-sales, review of independent reports from third-party quantity surveyors and property valuers, and negotiating funding terms such as covenants, undertakings and pricing on a risk-based approach to reflect the assessed transaction risk; and
- **Project Sponsor Assessment:** the Manager conducts an assessment on the project sponsor including its size, experience in delivery of projects of a similar nature, reputation and financial position.

The initial investment and credit analysis is submitted by the Origination team to the Investment Committee for consideration.

CRE Equity investment opportunities analysis

The Manager's investment analysis involves a holistic assessment of factors relevant to the expected risk and return of an investment across a range of scenarios, including consideration of key aspects of the transaction.

Metrics believes it has a strong capability in assessing CRE Equity projects due to its extensive experience assessing CRE Debt transactions. Metrics has historically preferred to participate in CRE Equity opportunities only with partners with whom Metrics has direct transaction experience in relation to previous CRE Debt transactions.

Metrics' core skillset involves a detailed analysis of the feasibility of a project to determine its risk and economic viability:

- **Market Assessment** – Metrics engages independent valuers from its panel to value each CRE asset based on Metrics' property brief, and critically assesses each valuation to ensure that all factors relevant to the value of the property have been considered, and that appropriate methodology has been applied correctly;

- **Feasibility Assessment** – Metrics reviews the feasibility of a project to assess if the quantum and timing of the forecasted construction and development including finance costs are reasonable, and appropriate contingencies are included for program delays and cost overruns (including finance costs);
- **Counterparty Assessment** – Metrics seeks to work with well-regarded developers and builders with relevant experience in similar projects or otherwise after in-depth financial and operational analysis of the property developer or investor and the head contractor; and
- **Risk Assessment** – Metrics' transaction risk assessment involves analysis of the project feasibility, pre-sales, independent reports from a third party quantity surveyor and property valuer, and negotiating funding terms such as returns and pricing on a risk-based approach to reflect its assessed transaction risk.

In selecting and structuring investments, Metrics undertakes detailed transaction risk assessment. Equity and Equity-like investment opportunities are typically considered only where there is demonstrated prior experience with the developer, including through Debt investment in completed or performing projects.

The Manager's initial risk analysis is supported by reports from panels of independent external third-party providers in several key property-related fields of expertise including for example:

- **Quantity Surveyor** – project feasibility analysis must be supported by an independent report from a third party expert quantity surveyor on the Manager's panel to verify project costs and timeline against recent completed projects. Quantity Surveyor reports demonstrating satisfactory progress are required prior to each capital drawdown being advanced;
- **Property Valuation** – on an "as-is" and "on completion" basis is required from a third party expert on the Manager's panel, considering sales to date, demand, supply and quality (including size, finishes, design and amenity) of competing projects in the locality. The Manager's property valuations are based on a proprietary valuation brief;
- **Legal Counsel** – engaged to ensure transactions are documented with required controls and protections such as properly enforceable mortgages Security over real property, sales contracts and construction contracts. The Manager only engages top-tier law firms with expertise in property on its panel.

Corporate Equity and Equity-like investment opportunities analysis

The Manager investment analysis of Corporate Equity and Equity-like investment opportunities follows a similar process as it undertakes for Corporate Debt and Private Credit investment opportunities (see above).

The Manager will undertake due diligence and analysis on the Corporate investee entity, which may include management presentations, meetings and conference calls with the investee entity and its advisers, site visits where appropriate, and a detailed review of financial, legal, commercial and operational information.

- **Financial Analysis:** the Manager reviews audited and unaudited historical financial statements, management accounts and forecasts to assess earnings quality, leverage, liquidity and cash flow generation including the key factors influencing its future revenue and cash flow generation profile. The Manager may also consider current financial position of the investee company and projections for significant items of operating and capital expenditure;
- **Business and Industry Assessment:** the Manager undertakes an assessment of the borrower's business model, competitive position, strategy and operating risks, having regard to industry and economic conditions. This includes review of sell-side and buy-side research, industry reports, comparable company data and comparable transaction analysis to contextualise performance and valuation.
- **Management and Sponsor Assessment:** the Manager assesses the experience, track record and reputation of the investee company's senior management team. This may include review of due diligence materials relating to capabilities and experience of directors and key decision-makers, as well as consideration of ownership structure and alignment of interests (such as incentives to perform).
- **Structure:** the Manager reviews the current capital structure and any potential optimisation opportunities.
- **Potential exit strategies:** the Manager also considers, in respect of each unlisted Corporate Equity and Equity-like investment opportunities, a range of potential exit strategies, which may be driven by growth or opportunistic objectives. Such strategies may include, without limitation, private market negotiated sales, initial public offering, financings or recapitalisations.

The Manager will draw on the expertise of its Corporate Origination team with input from various in-house corporate services teams. The Manager may also engage subject matter experts (if appropriate) to review key due diligence areas, including legal, tax, accounting, insurance, environmental and technical matters relevant to the investment opportunity.

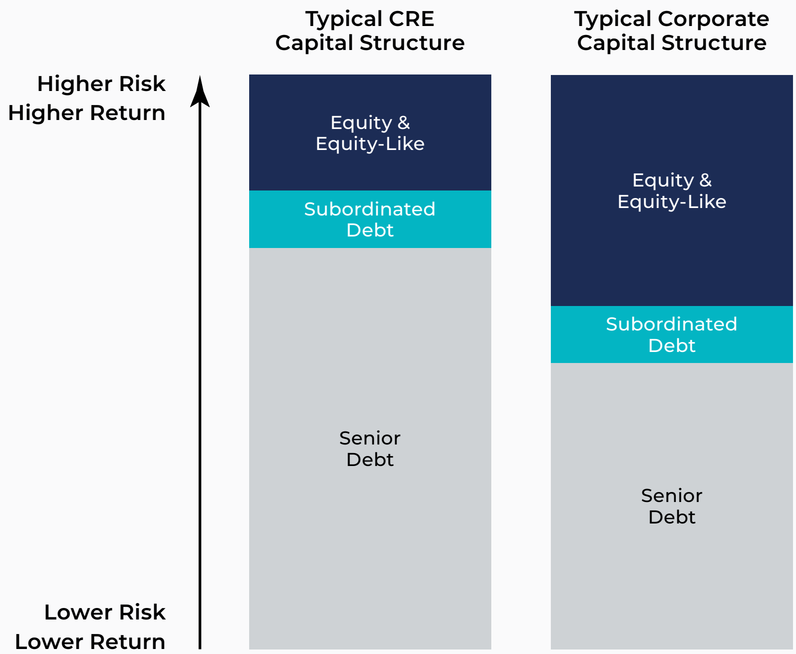
Structure, negotiate and execute investments of investments opportunities

Capital structure

When structuring investments, the Manager considers a Metrics Fund's position within the transaction's capital structure, including Senior Debt, Subordinated Debt, and Equity or Equity-like exposures. Each position is assessed having regard to its priority, security, loss-allocation and risk-return characteristics, recognising that Subordinated and Equity-like investments are exposed to a higher risk of loss than Senior Debt. The Manager selects the capital position (or a combination of capital positions) it considers appropriate based on the transaction structure, downside risk analysis, and consistency with the relevant Metrics Fund's investment objectives.

If the investment opportunity has a Private Credit and an Equity or Equity-Like capital position, each of the relevant investment risk assessments below will be applied for the relevant capital position that forms part of the investment opportunity.

The following is an outline of the different sections of the capital structure of a borrower or project.



- **Senior Debt,** takes priority over Subordinated and Unsecured Debt as well as Equity and Equity-like instruments in a company or project's capital structure. Senior lenders receive the benefit of the Security until they are repaid in full, without having to share the benefit with any other lenders. Senior Corporate Debts are structured ensuring a satisfactory ability to service interest and repay principal through time. Senior CRE Loans are structured ensuring a sufficient level of Security over-cover, supporting interest payment and then re-payment of the Loan. Senior CRE Debt typically comprise more of a borrower's capital structure than Senior Corporate Debt given their tangible asset security, short tenor and repayment visibility.
- **Subordinate Debt**, ranks behind Senior Debt with regards to Security ad this can be either or both contractual (inter-creditor arrangement with the Senior lenders) or structural lending to a holding company of the Senior Loan borrower). Subordinated Debt are typically higher risk than Senior Debt given there is

usually less Security value behind them in a borrower's capital structure and the existence and superior rights enjoyed by a Senior Lender that ranks ahead of a Subordinated lender. Subordinated Debt earns higher return than Senior Debt. A Subordinated Loan can however be lower risk than a Senior Loan if the Senior Debt has weak controls or is excessively geared for a given borrower.

- **Equity & Equity-like instruments,** rank behind Subordinated Debt and describe the variety of instruments that vary in terms of seniority and return and may be structured in combination with Senior and/or Subordinated Debt. Examples include Payment in Kind (PIK or interest capitalising) notes with warrants, shareholder notes, preferred Equity and common Equity. Equity and Equity-like instrument comprise the highest risk part of a company or project's capital structure and sit behind Senior and Subordinated Debt with regards to rights over cash flows, security and payment. CRE Equity instruments are often structured as preferred Equity with a profit share with the project joint venture partners (who are typically the development manager of the project) typically ranking behind a Wholesale Fund's capital to incentivise their performance as development manager. Likewise, corporate Equity and Equity-like investments are typically structured to motivate sponsor and/or management performance to create value and maximise returns. Equity and Equity-like investments have the potential to generate a higher return than Subordinated Debt.

Corporate Debt and Private Credit investment opportunities

The Manager structures the Security packages and Covenants for each potential Private Credit investment based on what the Manager believes to best suit the risk profile of the transaction with a view to mitigating credit risk (see also 'Ongoing portfolio and asset management' below).

The Wholesale Funds generally invest in Secured Debt instruments. If a Debt instrument is to be Secured, the Security will typically be:

- in the case of Debt instruments to Corporates made for a wide range of purposes that are not real estate finance or project finance Debt, a general security arrangement over all of the assets of the borrower (including its shares and other operating assets) and depending on the nature of the Debt , may also include liens or mortgages over specific assets (if any), liens
- or security on stock of the borrower or subsidiaries as well as individual or corporate guarantees to support the borrower's obligations under the facility agreement with the relevant Wholesale Fund; and
- in the case of Debt made to Corporates that are real estate finance Debt or project finance Debt, a first or second ranking mortgage over real estate and depending on the nature of the Debt, may also include a general security arrangement over all of the assets of the borrower (including its shares and other operating assets) and/or borrower or project sponsor guarantees to support the borrower's obligations under the agreement with the relevant Wholesale Fund.

In addition, Debt is structured to include a range of information, financial and other covenants that require the borrower to provide regular information to the relevant Wholesale Fund which the Manager uses to assess performance and mitigate risk throughout the term of the Private Credit investment. Covenants and undertakings are designed to provide the Manager with advance notice of financial distress, and then substantial control over a borrower if a stressed scenario occurs, well before there is an impairment of the Debt.

In real estate construction finance, it is common practice for a Debt facility to be structured with an interest reserve, being a portion of the total facility limit under the Debt allocated to fund interest payments during the construction and drawdown period. As the project generally does not generate income during this time, the interest reserve forms part of the overall development budget and is taken into account when determining the maximum Debt amount for the purposes of the credit risk assessment of the investment opportunity. The Manager sets the size of the interest reserve having regard to projected drawdowns, interest rates and the construction program, and may review and adjust it during the life of the Debt. Any material increase in project costs or the required interest limit may require additional Equity from the borrower to maintain compliance with the loan to value and other financial covenants under the Debt.

CRE Equity investment opportunities

Metrics undertakes a detailed investment risk assessment in order to structure CRE Equity investment opportunities with appropriate risk and return allocation between counterparties. For example, this may involve setting a preferred return for Metrics' funds before developer partners recover their capital or gain or setting an appropriate profit share allocation to reflect the investment risk while incentivising all project counterparties.

Unlisted Corporate Equity investment opportunities

Metrics will draw on its extensive experience in assessing Corporate Debt and Private Credit transactions when assessing unlisted Corporate Equity investment opportunities. Metrics will draw on the expertise of its Corporate Origination team in negotiating unlisted Corporate Equity investment opportunities and its knowledge of current market precedents to execute investments. The Manager is involved in the structuring, negotiation and execution of all key legal, financing and other documents required to compete the acquisition and will engage advisors as necessary to assist

Credit risk ratings – Corporate Debt and Private Credit investment opportunities

In Australia, it is the Manager's experience that a large number of the borrowers in the Corporate Debt market do not have a credit rating given by a global credit ratings agency (for example, credit ratings issued by S&P Global Ratings or Moody's). As external ratings are generally not available for Corporate borrowers, lenders typically use their own internal credit ratings models that employ a similar approach to that used by the global credit rating agencies. The Manager generally assesses credit risk on a proposed investment using the Metrics Internal Credit Rating Guidelines, an internal rating methodology, which are based on the rating methodology developed and practiced by S&P Global Ratings.

The Metrics Internal Credit Rating Guidelines include rating methodologies specific to the type of borrower that are used to assess credit risk.

In assessing the creditworthiness of a borrower, the Manager applies a rating to reflect the risk of payment default and recovery of a borrower. In doing so, the Manager will obtain detailed financial and other information on the borrower as well as performing detailed legal due diligence as part of the credit risk assessment. The Metrics Internal Credit Rating Guidelines are applied to each potential Debt investment using this information which produces a credit rating in one of the following categories shown below.

Metrics Internal Credit Rating Guidelines

	METRICS' CATEGORY	DEFINITION
Investment Grade	aaa	The highest rating possible, typically associated with sovereign borrowers. Obligors are the highest quality, with the lowest level of credit risk.
	aa	Only a slight difference to a 'aaa' rating. Obligors have very low credit risk with very strong capacity to meet financial commitments.
	a	High credit quality and capacity for payment of financial commitments is still strong.
	bbb	Moderate credit quality and capacity to pay financial commitments is satisfactory.
Sub-Investment Grade	bb	Higher vulnerability to credit risks and may face exposure to adverse business, financial or economic conditions.
	b	Considered speculative and subject to material credit risks.
	ccc	Substantial credit risk and obligor is vulnerable to non-payment of financial commitments.
	cc	Very high levels of credit risk and obligor is highly vulnerable to non-payment of financial commitments.
	c	Exceptionally high levels of credit risk. Default is considered a near certainty.
	d	Obligation is in default or breach.

The initial investment and credit analysis is submitted by the Origination teams to the Investment Committee for consideration.

Diversification

The Manager principally targets diversification by counterparty but also industry/sector and credit quality. The Manager believes that diversification is key to risk mitigation as it reduces the negative impact of significant stresses or industry-specific idiosyncrasies on overall returns.

Ongoing portfolio and asset management

The Manager undertakes ongoing monitoring of all investments as a core strategy to protect capital.

Corporate Debt and Private Credit assets

The Manager believes that ongoing monitoring of all Corporate Debt and Private Credit assets is core to protecting each Wholesale Fund's capital. The Manager proactively monitors transaction credit risk by regularly analysing the performance of the borrowers and updating credit risk ratings to reflect any change in key credit risk factors from individual borrower to sector-wide and macroeconomic factors.

Corporate Debt and Private Credit assets are structured with certain Covenants (for example, information requirements, financial Covenants and other undertakings). The Manager monitors Covenants on an ongoing basis to assess the performance of a Debt asset. Information Covenants, including detailed reporting obligations, are designed to give the Manager early warning of potential financial distress of the borrower and to provide the Manager with greater control in a stressed scenario, well before any impairment of a Debt asset.

In addition, the Manager actively seeks to manage credit risk through continuous monitoring and stress testing of the Metrics Funds' portfolios under various scenarios. These processes are intended to assess the risks associated with declines in asset values, changes in interest rates, and broader economic conditions. It also identifies portfolio vulnerabilities, informs concentration limits, and sets risk thresholds.

Other than in cases of fraud, signs of financial distress are typically identifiable by the Manager well in advance of an enforcement scenario for a Private Credit asset. The Manager uses a number of internal mechanisms including the Manager's internal Loan ranking system (see in this section below), tracking interest amounts that are overdue and maintaining a Watchlist of Private Credit assets that are closely monitored by the Manager's Portfolio Risk Management team for evidence of any impairment. The Trust Quarterly Portfolio

Report reports on Private Credit assets on the Watchlist

Frequent engagement with borrowers, and regular information reporting undertakings gives the Manager a high degree of transparency regarding the financial and operational performance of each company and project.

In addition to ranking all Loan assets in accordance with the Metrics Internal Credit Ratings Guidelines, as part of its ongoing monitoring of the Wholesale Funds' portfolios, the Manager uses its own proprietary ranking system as a means of monitoring credit performance. These rankings are as follows

- Ranking 1 – Loans performing at or above the Manager's underwrite case (at the time the Loan was made) with no concerns identified by the Manager;
- Ranking 2 – Loans performing but below expectations against the Manager's underwrite case (at the time the Loan was made);
- Ranking 3 – Loans performing but with a higher likelihood of near-term issues in the 6 months;
- Ranking 4 – Loans with an active Covenant breach, payment default, or other significant issues negatively impacting the borrower's ability to service its Debt obligations across the capital stack; and
- Ranking 5 – Loans that are non-performing or in a distressed state with lenders exercising rights or control actions, Loans that may be impaired with a credit loss possible.

The Manager also performs regular risk monitoring activities for the Private Credit instruments in the portfolio, including among other things, maintaining a Watchlist which has Private Credit instruments in the portfolio that are subject to close monitoring by the Manager based on deviation from the base case financial and operational performance of the Loan. Any Loan ranked as a 4 or 5 using the Manager's ranking system, will be added to the Watchlist.

The Manager actively tracks upcoming Loan maturities and engages closely with borrowers to ensure that their financial obligations and Loan repayments remain on track, well before their maturity date.

CRE Equity assets

For CRE Equity assets, ongoing portfolio and asset management includes:

- **Management Committee representation:** maintaining an active role in the governance and oversight of CRE Equity joint venture assets by appointing a representative to the Management Committees for CRE Equity assets allowing Metrics to participate in key strategic, financial and operational decision making in respect of the CRE Equity assets;
- **Project team engagement:** attendance on-site or virtually to project control group meetings on a regular basis, meeting with all key project counterparties to monitor risk and obtain updated information on project progress;
- **Project timeline and budget:** regular assessment and analysis of project progress in terms of time, cost and key performance milestones as verified by the independent quantity surveyor, typically monthly throughout the course of the project;
- **Sales activity and progress:** regular updates on type and volume of sales rates achieved prior to and throughout construction to continually analyse settlement risk, default rates and discounts and market competition; and
- **CRE Equity asset governing documents:** certain protections are typically incorporated into the joint venture shareholders' agreements for CRE Equity assets to support ongoing portfolio and asset management and monitoring of investments. These protections may include governance rights, consent or reserved matters for key decisions, contractual information and reporting obligations requiring regular provision of financial, operational and project-level data, controls over execution of key documents in relation to the CRE Equity asset, buy-out rights if one joint venture partner defaults on their obligations and distribution mechanics designed to align the economic interests of the relevant Wholesale Fund and its joint venture partners.

Metrics undertakes ongoing monitoring and updates its investment against Metrics' underwrite case (at the time the CRE Equity investment was made), including updating the investment risk assessment, cashflow and valuation of investments to reflect expected net profit based on the current valuation and sales as well as projects costs and timeline as the project progresses.

Development projects are generally assessed on a monthly basis or on receipt of revised information if required. Any material changes affecting the value of the project are reflected in the carrying value of the CRE Equity investment, which may include construction costs or timeframes, key milestones and critical path, and sales progress.

Metrics receives detailed data on project progress for all CRE Equity assets and updates its valuation accordingly. For example, project updates may include sub-contractor quotes or timing changes, or specific sales data Metrics may require an updated external property valuation if it considers a material change has occurred, which will be conducted on the same basis as valuations conducted at inception of the investment. A Metrics panel valuer will be instructed to prepare an updated valuation based on updated market conditions and any other factors that may have changed since the last property valuation was conducted.

Corporate Equity investments

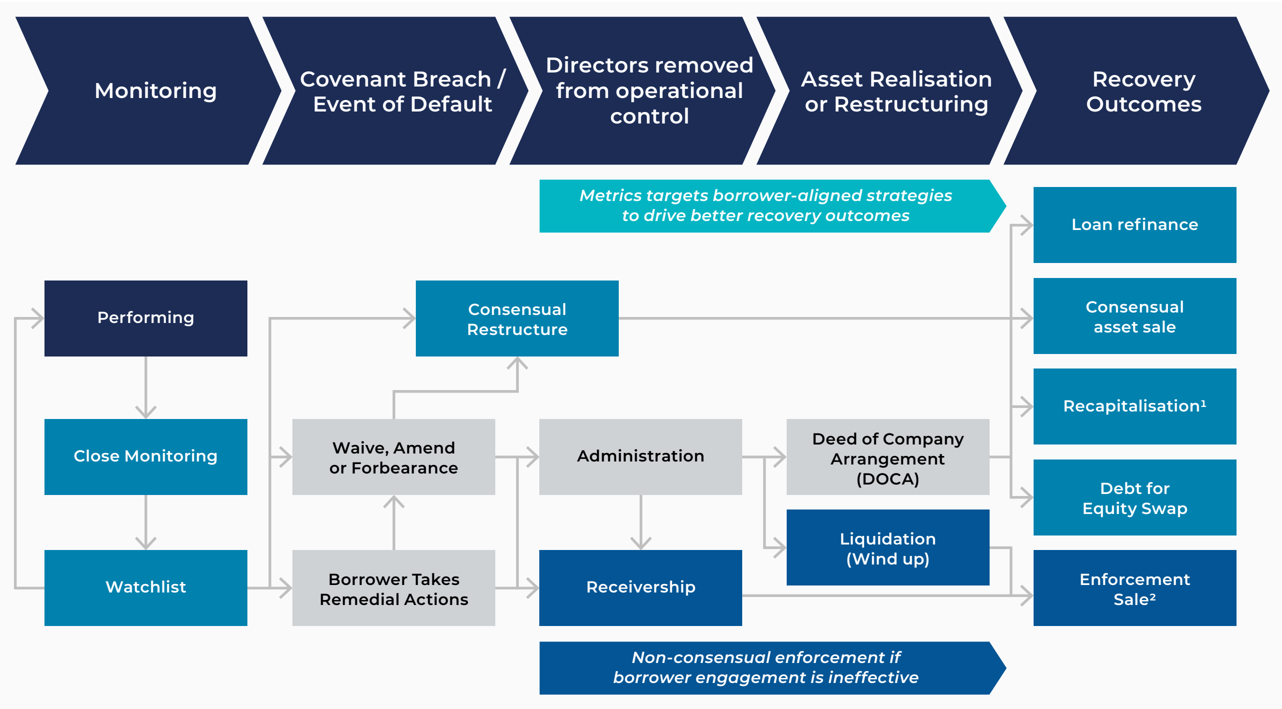
For Corporate Equity investments, the Manager will designate one or more of its investment professionals in the Portfolio Risk Management team to monitor the investment on an ongoing basis against Metrics' underwrite case (at the time the investment was made). Typically, one or more members of the Investment Team or other representative of the Manager will be appointed as a director of the board of the investee company, to ensure that there is appropriate oversight of management and board decisions. In addition to director appointment rights, certain structural protections are typically incorporated into the Corporate Equity shareholders agreement to support ongoing oversight by the Manager. These protections may include consent matters for key decisions, restrictions on transfers or issues of shares, requirements to provide material contractual information, and reporting obligations requiring regular provision of financial, and operational performance data. Such arrangements may also include customary investor protections such as drag along and tag along rights, which facilitate coordinated exit outcomes. If the Manager does not have a controlling interest in the investee company, it will typically structure the investment in such a manner to align its interests with the investee company's controlling shareholders. Metrics will also continuously evaluate exit options, taking into consideration market conditions, the financial condition of the investee company or assets in questing, the timing of any potential exit, the prospects of the investment and other relevant factors.

Managing non-performing assets

The Manager's approach to managing non-performing assets may include:

- increased operational or financial monitoring or further analysis;
- negotiation with key transaction counterparties and stakeholders;
- engaging third-party consultants or representatives for advice or to take strategic actions;
- compelling divestments, restructuring of Loan terms and conditions;
- refinancing or restructuring of Loan facilities which in some circumstances may result in a Debt-for-Equity swap or other similar type restructure of the capital structure; and
- enforcement of rights under transaction and Security Loan documents

The diagram below is a summary of the Manager's process for managing and reporting on non-performing assets.



Source: Metrics. Notes: (1) typically involves further Equity contributions or Subordinated Debt but may also involve personal or corporate guarantees being called to repay debt (if required). (2) May involve a forced sale of any assets of the borrower, or the entire business if the lender has specific security over company shares.

The Manager negotiates a broad range of rights within transaction documentation to compel engagement with any non-performing borrower and enjoys rights such as an ability to prevent further capital draws or seize or freeze any available collateral in order to mitigate risk and protect capital.

An ability to analyse, understand value, innovate and negotiate in these circumstances is key to preserving value, as is a solid understanding of, and experience in, Australia's corporate insolvency framework. The objective of these processes is to preserve the relevant Wholesale Fund's capital and returns.

The Trust Quarterly Portfolio Report provides the following information to Investors on the number of Private Credit assets (and as a percentage of Loan's in the Trust's portfolio) that:

- are in arrears;
- the Manager has placed on its internal Watchlist,
- are subject to enforcement action where enforcement of Security has commenced;
- have been restructured (whether through enforcement or agreement with existing owners); and
- a realised credit loss has occurred in relation to the Loan being instances where the total recovery received was less than the amount originally invested by the relevant Wholesale Fund.

See section 6. 'Where Investors can obtain information on the Trust's Portfolio Construction and Guidelines' for further information on how to obtain the Trust Quarterly Portfolio Report.

8. Valuations

Net Asset Value

The Net Asset Value of each of the Trust, the Sub-Trust and the Underlying Funds is generally calculated Daily in accordance with the Constitution and the trust deeds for the Sub-Trust and the Underlying Funds. The Net Asset Value is calculated by deducting the liabilities (which includes declared but unpaid distributions) attributable to the Trust, the Sub-Trust and the Underlying Funds from the total value of the assets of the Trust, the Sub-Trust and the Underlying Fund respectively. The Net Asset Value per Unit of the Trust is published Daily on the Trust Website.

In certain circumstances, the Responsible Entity may suspend the calculation of the Net Asset Value or Trust unit prices. This may occur for example, if trading on relevant securities exchanges is suspended or restricted, or it is otherwise not possible to reliably value the Trust's assets.

Valuation of assets

The Trust's, the Sub-Trust's and generally each Wholesale Trust's assets and liabilities are valued each time its Net Asset Value is calculated, in accordance with the Valuation Policy and other Metrics group policies (including the Trust Administrator's Accounting and Tax Policy and Unit Pricing Policy) (Valuation Policies)). Where applicable, assets and liabilities are measured at fair value or amortised cost. Fair value is determined in a manner consistent accounting standards. Valuation techniques, methodologies and inputs applied in determining fair value are consistent with those prescribed in the Valuation Policies. A copy of the Valuation Policy is available on request via email at invest@metrics.com.au or phone 1300 010 311 (Monday-Friday 9.00 – 5.30).

Listed investments

Listed units that may be held by the Sub-Trust are normally valued using the last quoted market price for the units at the relevant time. If the listed units are subject to trading suspensions or other circumstances that make valuation difficult, or where independent pricing sources are not available on a timely basis, the listed units may be valued at fair value using valuation methods and assumptions considered appropriate in the circumstances.

Unlisted investments

Loan Assets

The Loan assets of the Sub-Trust or the Underlying Funds are valued based on methodologies that reflect their classification under the Valuation Policies and applicable Accounting Standards and the availability of observable market inputs being information that can be independently verified in the market, such as prevailing interest rates, market yields or pricing for similar assets.

Loan assets of the Sub-Trust and the Underlying Funds are measured using the amortised cost method, where appropriate, reflecting their contractual cash flows and the nature of the investment. This method is reflective that the Loan assets are typically held to maturity and not generally available for sale. Credit risk is assessed in terms of the probability that a borrower may default, the estimated level of utilisation of a Loan at default and the anticipated loss given a default has occurred. Assets valued using the amortised cost method are initially recorded at their acquisition cost (including directly attributable transaction costs) and subsequently adjusted for principal repayments, interest accruals and any expected credit impairment. Such assets are not remeasured for changes in market value and may differ from amounts that could be realised on sale prior to maturity.

Unlisted units

The Fund holds units in the Sub-Trust and in the Sub-Trust holds units in each of the Underlying Funds. Units are valued at fair value using the net asset value per unit of the Sub-Trust and the Underlying Funds on the relevant date.

CRE Equity Assets

CRE Equity assets valued at fair value using valuation techniques consistent with the Australian and New Zealand Valuation Property Standards, the Valuation Policy and applicable Accounting Standards including AASB 13 *Fair Value Measurement*. Fair value is determined based on the highest and best use of the asset with reference to the typical market participant acquirer.

The valuation methodologies that are applied for CRE Equity development assets in accordance with the Valuation Policy are market approach (valuation based on market prices for identical or comparable assets), the direct comparison approach (valuation based on comparable arm's length transactions) and the income approach (valuation based on the present value of future cash flows generated by the asset). The valuation methodology applies depends on the development stage of the asset, with the appliable methodology and transition point determined in accordance with the Valuation Policy.

The valuation inputs for CRE Equity development projects will depend on the type of project and development stage which may include independent third-party valuations on an 'as-is' or 'as if complete' basis, issued by independent valuation firms appointed by the Trustee on the recommendation of the Valuation & Unit Pricing Committee. Valuations are performed in accordance with the Valuation Policies.

Completed and stabilised CRE assets are valued using an income capitalisation or discounted cash flow approach with key inputs derived from observable market evidence for comparable assets.

Other Corporate Equity and Financial Assets

Unlisted Equity investments and other unlisted assets that do not have readily observable market pricing are valued using fair valuation techniques considered appropriate to the nature of the investment. These techniques may include reference to recent arms'-length transactions, observable market data for comparable assets or income-based valuation methods.

Monitoring and valuation adjustments

Valuations are monitored on an ongoing basis to ensure they remain appropriate and reflective of current market conditions.

The framework includes the identification and assessment of market and asset specific indicators that may signal a material change in value. These may include, but are not limited to:

- changes in market conditions or market spreads;
- borrower performance and covenant compliance;
- significant changes in expected cash flows;
- legal, regulatory or structural developments affecting an asset.

Where such factors indicate that carrying values may no longer be appropriate, valuations may be updated outside the normal valuation cycle using appropriate methodologies.

In periods of market disruption or reduced market observability, additional judgment may be applied to ensure valuations remain representative of a Private Credit asset's value.

Oversight

Valuations are subject to ongoing internal review and governance oversight. In addition:

- valuation methodologies and outcomes are periodically reviewed for consistency and appropriateness;
- the Valuation and Unit Pricing Committee is responsible for the oversight of valuations and to ensure the integrity, consistency and independence of the valuation process for all Metrics Funds (including the Trust, the Sub-Trust and each Wholesale Fund) including reviewing valuation methodologies, assumptions and outcomes (see 'Valuation and Unit Pricing Committee' for further information in section 3 'Trust Governance');
- independent valuation inputs on third-party data sources may be used where appropriate to support valuation outcomes (see 'Independent review and testing' below for details on the independent adviser's role in reviewing and testing a sample of each Wholesale Fund's portfolio).

In addition, as part of the Trust Auditor's role as auditor of each of the Wholesale Fund, in performing the external audit of the Wholesale Fund's accounts, the Trust Auditor assesses a sample of the carrying value of the Wholesale Fund's Private Credit assets.

Independent review and testing

As noted in section 3 'Trust Governance' an independent adviser has been appointed to perform a monthly portfolio review and testing of a sample of the Manager's Loan portfolio. As part of this review, they are provided with a register of Debt assets and their carrying value together with the Manager's Watchlist and documentation supporting credit decision-making in respect of a sample. This is intended to allow the independent adviser to review the accuracy of the information in the register of Debt assets (including their carrying value) for the sample reviewed and to identify any potential credit impairment that may require a more detailed review. The independent adviser will also review current trading and financial Covenant reporting and if a Loan is identified with potential for an impairment, a more detailed review will be carried out and reported to the relevant Wholesale Fund Trustee.

The independent adviser has also been appointed to conduct an independent valuation review over CRE Equity assets that the Trust may have exposure to. The review will be performed as a calculation engagement under APES 225 Valuation Services (APES 225). CRE Equity assets for review will be assessed on a rotating basis, with the intention that, over a 12-month period, the majority, if not all, of the portfolio of CRE Equity asset portfolio is covered. The scope of the review involves, among other things, an assessment as to whether the methodology adopted for a particular CRE Equity aligns with the Valuation Policy with consideration of key valuation inputs, such as independent property valuations or quantity surveyor reports.

The independent adviser has also been appointed to conduct a limited scope (indicative) valuation in respect of Corporate Equity and Equity-like investments as a limited-scope valuation engagements under APES 225. The Equity and Equity-like investments subject to valuation are reviewed on a rotating basis, with the intention that, over a 12-month period, the majority, if not all, of Corporate Equity and Equity-like investments are covered. The valuation will include understanding the nature, recent performance, competitive landscape and outlook for the selected investment, performing limited industry research and using generally-accepted methodologies, undertaking a high-level limited scope valuation using certain key inputs and information provided by the Manager.

9. Glossary

TERM	DESCRIPTION
A$	means Australian dollars.
Accounting Standards	means accounting standards and any other generally accepted accounting principles and practices in Australia (to the extent they are not inconsistent with the accounting standards) recommended by the Manager to be applied in preparing the financial accounts for the Trust.
AFSL	means Australian financial services licence.
Allocation Policy	means Metrics' Allocation Policy, which, among other things, outlines the methodology for allocating investment opportunities between the Metrics Funds.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ABN 98 008 624 691 and includes the market it operates.
BACC	means the MCH Board Audit and Compliance Committee established by the board of directors of MCH, the roles and responsibilities of which are set out in section 3 'Trust Governance' under the heading 'MCH Board Audit and Compliance Committee'.
Board	means the board of directors of a company.
Business Day	means a day on which banks are open for general banking business in Sydney, Australia.
Conflicts Policy	means the Metrics Conflicts of Interest and Connected Party Transactions Policy.
Constitution	means the constitution of the Trust as amended from time to time.
Corporate	means a public or private company.
Corporations Act	means the *Corporations Act 2001* (Cth).
Covenant	means an undertaking by a borrower to do or refrain from doing certain activities and a breach of which may trigger a default by that borrower.
CRE	means commercial real estate.
Daily	means each Business Day.
Debt	means an instrument involving an advance of a fixed amount of money in exchange for a return profile involving fees, interest and return of the advanced amount over a specified timeframe, such as a loan, bond or note.
Equity	means interest in the capital of an issuer, which provides the holder with ownership rights in a company or trust which may be listed or unlisted.
Investment Committee	means the Investment Committee appointed by the Board of the Manager, the roles and responsibilities of which are set out in section 3 'Trust Governance' under the heading 'Investment Committee'.
Investment Team	means the three Managing Partners that indirectly will hold an equity interest in the Manager after completion of the MCH Transaction being Justin Hynes, Andrew Lockhart and Andrew Tremain.
Investor	means a person that holds Units in the Trust.
Manager or Metrics	means Metrics Credit Partners Pty Ltd (ACN 150 646 996) in its capacity as manager of the Trust.

TERM	DESCRIPTION
MCH	Metrics Credit Holdings Pty Ltd ACN 150 647 091.
MCH Transaction	has the meaning given in Section 2 'Update on Metrics Group and the Manager'.
Manager or Metrics	means Metrics Credit Partners Pty Ltd (ACN 150 646 996) in its capacity as manager of the Trust, the Sub-Trust and the Underlying Funds.
Metrics Funds	means a fund, other pooled vehicle or separately managed account that is managed by the Manager or any other Metrics Group entity and includes the Trust.
Metrics Group	means MCH and its related bodies corporates (as defined in section 50 of the Corporations Act) which includes the Manager.
Metrics Internal Credit Rating Guidelines	means the Manager's internal credit risk rating guidelines for rating Corporate and CRE credit instruments to which the Trust has exposure which are based on the rating methodology developed and practiced by S&P Global Ratings and adapted for certain other proprietary factors.
MREP	means Metrics Real Estate Partners Pty Ltd (ACN 649 136 970).
MREP Investment Committee	means the Investment Committee established by the board of directors of MREP.
Net Asset Value	means, in relation to the Trust, the Sub-Trust or an Underlying Fund, the total value of the assets of the Trust, the Sub-Trust or the relevant Underlying Fund less the value of the liabilities of the Trust, the Sub-Trust or the relevant Underlying Fund (as applicable) and calculated in accordance with the Trust's Constitution, the trust deed of the Sub-Trust and each Underlying Fund respectively.
Ongoing Fees	means a fee payable by a borrower to a lender under a Private Credit instrument to compensate the lender for making committed capital available under the Private Credit instrument before the borrower draws down under the Private Credit instrument and is typically calculated based on a percentage on the total facility amount under the Private Credit instrument for real estate project Private Credit instrument and as a percentage of the drawn credit margin for Corporate Debt assets.
Other Metrics Fund	means any Metrics Fund excluding the Trust.
Perpetual Group	means Perpetual Limited and its subsidiaries, including the Responsible Entity.
PDS	means the product disclosure statement for MOT dated 10 February 2022, each as amended or supplemented from time to time.
Private Credit	refers to lending money through private transactions, as distinct from the acquisition of publicly traded debt such as Bonds. This may include, but is not limited to, Corporate Debt and CRE Debt that can be Senior or Subordinated Debt.
RBA Cash Rate	means the interest rate which banks pay to borrow funds from other banks in the money market on an overnight basis as published by the Reserve Bank of Australia.
Responsible Entity	means The Trust Company (RE Services) Limited (ACN 003 278 831, AFSL 235 150) as responsible entity of the Trust.
S&P Global Ratings	means the credit rating agency (formerly Standard & Poor's), a division of S&P Global.

TERM	DESCRIPTION
Secured	means: ▸ in respect of a Loan asset that is not to fund a CRE asset, means a general security over the assets of the borrower (including its shares, property and other operating assets) or any other security collateral that has been granted to the lender giving the lender rights to deal with the assets to recover any amount due and payable under the terms of the Loan; and ▸ in relation to a CRE Debt instrument, typically a first or second real property mortgage over the borrower, a real estate asset or individual guarantees from project sponsors.
Senior or Seniority	refers to the rights of investors in a Debt instrument to be paid in priority to other obligations or Equity holders of the relevant borrower in the event that the borrower defaults on its obligations to pay.
Sub-Trust	means the Metrics Wholesale Investment Opportunities Trust, an Australian unit trust that is an unregistered managed investment scheme.
Sub-Trustee	means The Trust Company Limited as trustee for the Sub-Trust.
Subordinated	means in the context of debt investments, the fact that the relevant lender ranks behind other lender to receive payments of interest and principal.
Target Return	means a cash return of 7% per annum (net of fees) paid monthly and a target total return of 8-10% per annum (net of fees) through the economic cycle.
Transaction Benefits	means fees (including in respect of extensions, variations and waivers) and other financial benefits under the terms of a Loan
Trust	means the Metrics Income Opportunities Trust (ARSN 631 320 628).
Trust Administrator	means MCH Fund Administration Services Pty Ltd (ACN 636 286 970).
Trust Auditor	means KPMG.
Trust Quarterly Portfolio Report	means the quarterly portfolio report on the Trust, that includes the information under 'Trust Quarterly Portfolio Report' in section 6. 'Where Investors can obtain information on the Trust's Portfolio Construction and Guidelines'.
Trust Website	means https://metrics.com.au/listed-funds/metrics-income-opportunities-trust/.
Units	means units in the Trust.
Underlying Fund Trustee	in relation to an Underlying Fund, means the relevant Perpetual Group company that is the trustee of the Underlying Fund.
Underlying Funds	means a Metrics Fund that the Sub-Trust may invest in from time to time including the Wholesale Funds, the Metrics Real Estate Partners Fund I and the Metrics Real Estate Multi-Strategy Fund.
Unsecured	in respect of a Loan, means it is not Secured.
Valuation and Unit Pricing Committee	means the Valuation and Unit Pricing Committee established by the board of directors of the Trust Administrator, the roles and responsibilities of which are set out in section 3 'Trust Governance' under the heading 'Valuation and Unit Pricing Committee'.
Valuation Policy	means the valuation policy that applies to the Trust, the Sub-Trust and the Underlying Funds.
Valuation Policies	has the meaning given in Section 8 'Valuations'.

TERM	DESCRIPTION
Watchlist	means a list, maintained by Metrics, of loans, that are being closely monitored by the Manager's Portfolio Risk Management team for evidence of any impairment.
Wholesale Fund Trustee	in relation to a Wholesale Fund, means the relevant Perpetual Group company that is the trustee of the Wholesale Fund.
Wholesale Funds	means a Metrics Fund that is available only to wholesale investors and open for investment, including (but not limited to) MCP Secured Private Debt Fund II, MCP Real Estate Debt Fund, MCP Credit Trust and Metrics Credit Trust II.

Corporate Directory

Manager

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ACN 150 646 996

Address:
Level 16, 1 Martin Place
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Custodian

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ACN 111 042 132

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ACN 636 286 970

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Mailing Address:
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www.automicgroup.com.au
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