

INVESTMENT RATING REPORT



INVESTMENT RATING: **SUPERIOR**

PRODUCT COMPLEXITY: **COMPLEX**

Fund Details
Investment Manager: Metrics Credit Partners Pty. Ltd.
Investment Structure: Listed Australian unit trust
Wholesale/Retail: ASX listed – wholesale and retail
Category: Australian [NZ and developed Asia] credit
Investment Style: Diversified private credit
Inception: 29 April 2019
Management Fees and Costs: 1.46% p.a.
Performance Fee: 15.38% of total returns above the trust hurdle of 7.5%
Responsible Manager/Entity: The Trust Company (RE Services) Ltd.
Investment Objective: The objective of the Trust is to return 7% p.a. paid monthly and a total return of 8-10% over 3-5 years.

Review Summary

The Metrics Income Opportunities Trust (MOT or the Trust) is an ASX-listed investment trust investing in a portfolio of largely sub-investment-grade private credit investments. The Trust also provides exposure to investments with equity-like characteristics such as warrants, options or preference shares, as well as direct minority equity stakes in companies.

The experienced management team at Metrics Credit Partners has grown its capability steadily, increasing team size, fund size and diversification of the funds underlying the MOT.

This Trust, while giving exposure to some higher risk (sub-investment-grade) private credit, is an attractive investment on a risk-return basis offering well-managed, well-diversified investment in a sub-asset class that would otherwise be difficult to access for non-bank investors.

As the investments of the MOT are untraded, the liquidity of the Trust may be affected by the performance of the underlying loans. In addition, the ASX-listed MOT may, at any time, trade above or below the net asset value of the underlying securities.

Investment Rating & Foresight Complexity Indicator

A **SUPERIOR** rating indicates the highest level of confidence that the Trust can deliver a risk-adjusted return in line with its investment objectives. The investment manager’s support for this strategy is very experienced and well-resourced, with a solid track record.

Designation as a **COMPLEX** product indicates that the underlying investments in the Australian private credit market may be structurally complex and illiquid. While the use of leverage is allowed in the Fund, it is expected that external debt will be predominantly applied as working capital.

The strategies used to outperform, while requiring a depth of market experience and due diligence, are completely compatible with normal market practice. This includes the potential conversion of debt to equity in a restructuring, where the strategy is designed to limit capital loss/preserve investor capital.

Performance (30 June 2022)

	Net Return	Distribution
1mth (%)	0.55	0.55
3mth (%)	1.62	1.79
6mth (%)	3.32	3.28
1yr (%)	11.02	11.02
3yr (% p.a.)	8.73	8.73
Inception (% p.a.)	8.57	8.57

Source: Metrics

Fund Details

Dominant Strategy	Income generation through diversified investment in Australian private debt
Investment Structure	Registered Australian unit trust
Investment Manager	Metrics Credit Partners Pty. Ltd. ACN 150 646 996, AFSL 416 146
Trustee/RE	The Trust Company (RE Services) Ltd. ACN 003 278 831, AFSL 235150
Custodian	Perpetual Corporate Trust Ltd. ACN 000 341 533, AFSL 416 146
Administrator and Unit Registrar	MCH Fund Administration Services Pty. Ltd.; ACN 636 286 970 The administrator is a wholly owned subsidiary of Metrics Credit Holdings Pty. Ltd.

KEY FEATURES

Inception	MOT was ASX-listed on 29 April 2019
Geographic Mandate	Australia
Market Cap	AU\$492 million as at end June 2022
Net Asset Value (NAV)	AU\$560 million as at end June 2022
NAV Pricing	Daily
Asset Class	Fixed interest
Asset Sector	Australian private credit
Management Fee	1.03% of the Trust's NAV.
Expenses	Approximately 0.43% including IEE and RE fee
Performance Fee	15.38% of the amount (if any) above the Trust hurdle of 7.0% pa
Distributions	Monthly

PRIMARY CONTACT

Email Address	invest@metrics.com.au
Telephone Number	1300 010 311
Address	2 Ridge Street, North Sydney, NSW 2060
Website	www.metrics.com.au

Investment Profile

HISTORY/BACKGROUND

The investment manager of the Metrics Direct Income Fund is Sydney-based Metrics Credit Partners (Metrics). The company was formed in 2011 as a specialist corporate lending manager. In June 2022, Metrics had over AU\$12 billion in assets under management across Australian corporate loans and private credit and was the largest non-bank lender in Australia in this sector.

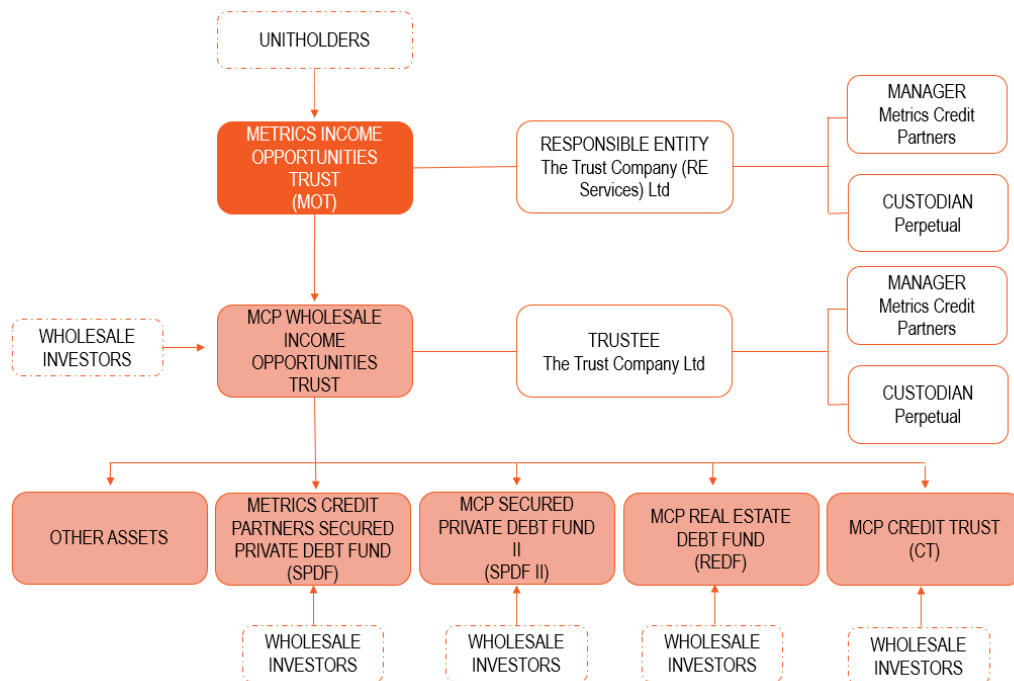
Metrics is 100% owned by Metrics Credit Holdings Pty Ltd, 65% of which is controlled by the four managing partners: Justin Hynes, Andrew Lockhart, Graham McNamara and Andrew Tremain. The remaining 35% equity interest in Metrics, originally owned by NAB, was bought back by Metrics and then acquired by Pinnacle Investment Management in August 2018. Prior to forming Metrics, the partners had extensive experience within banking environments in loan origination, corporate finance, credit analysis, credit portfolio management, leveraged and acquisition finance, syndicated loan transactions, distressed assets, and distribution.

Since its inception, Metrics has launched several funds across the credit spectrum to suit different risk/return investor requirements. Additionally, Metrics has provided different structures for accessing the funds, with a mix of wholesale, retail, and listed investment trusts. In the last 18 months, Metrics has launched an NZ PIE fund for NZ wholesale investors (March 2021), the Metrics Diversified (Australia and NZ) Lending Fund (August 2021) for Japanese investors and the Metrics Real Estate Partners Fund (Feb 2022) – real estate equity.

Investors in the wholesale funds typically comprise superannuation funds, fund of funds, and a mix of insurance companies, high net worth individuals, family offices, charities, and two ASX-listed investment trusts: the Metrics Income Opportunities Trust (ASX: MOT) and the Metrics Master Income Trust (ASX: MXT). Metrics has grown significantly over the last 2 years, surpassing AU\$12 billion in assets under management in June 2022. Capital inflows have come from a variety of sources, including insurance companies and new institutional clients.

TRUST STRUCTURE

The ASX listed entity, the Metrics Income Opportunities Trust (MOT), was formed specifically for the purposes of raising capital through an IPO and providing increased liquidity to investors. The Metrics Income Opportunities Trust is a registered managed investment scheme that invests 100% into the Metrics Wholesale Income Opportunities Trust, which in turn invests in several underlying Metrics managed wholesale corporate loan funds.



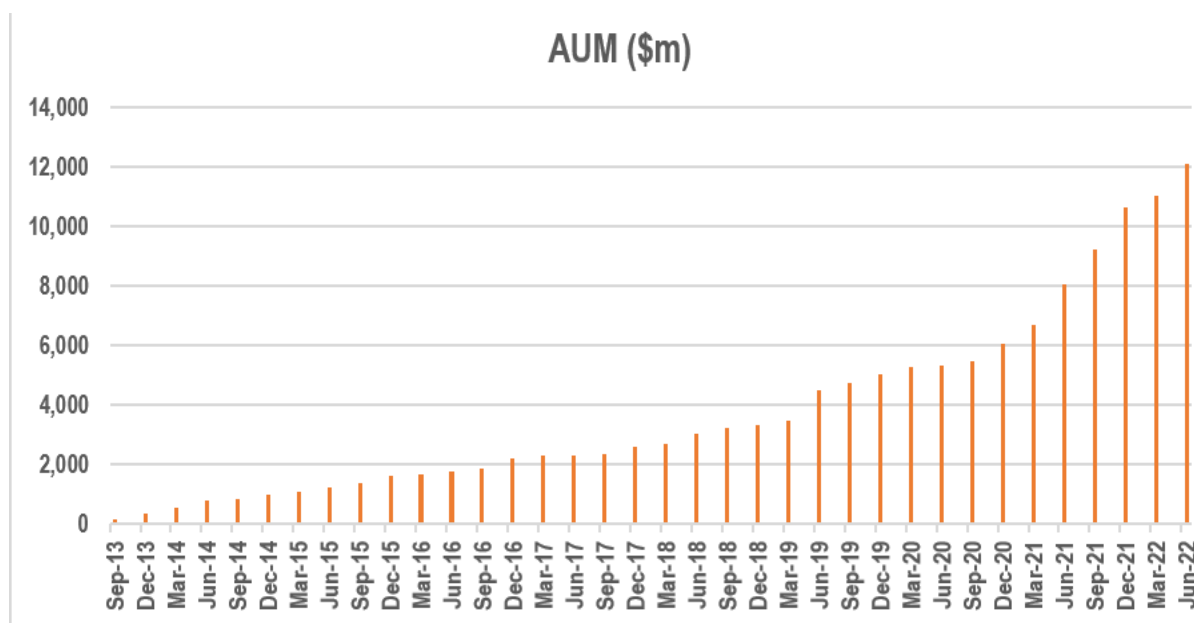
The allocation of the Metrics Wholesale Income Opportunities Trust to the sub-funds, SPDF, SPDF II, REDF and CT, is determined by the manager to achieve the investment objective. Details of the respective funds can be found in the ‘Portfolio Construction’ section of this review.

OBJECTIVE

The objective of the Trust is to provide monthly cash income, preserve investor capital, manage investment risks and provide gains through investment in private credit, enhanced with investments in other assets such as warrants, options, preference shares and equity. The performance target is a total return of 8-10% p.a. over 3-5 years and an income distribution return of 7% p.a..

FUNDS UNDER MANAGEMENT

The fund manager, Metrics, had assets under management in excess of AU\$12 billion as at June 2022, all of which were equity-funded, across 8 wholesale funds.



FEES

The fees payable by investors are dependent on the NAV of the Trust. As an indication, the following fees are based on a NAV of AU\$300 million.

	(NAV = \$300M)
Management Fee	1.03% p.a.
Investor Equalisation Expense (IEE) ⁽¹⁾	0.26% p.a.
Indirect Costs	0.18% p.a.
Total Management Costs	1.46% p.a.

(1) IEE relates to the provision of capital advisory and customer relations services.

In addition to the fees shown above, Metrics charges a performance fee of 15.38% of the amount (if any) by which the Trust's total return exceeds the trust hurdle of 7.0%.

INVESTMENT UNIVERSE

The MOT invests in portfolios of private credit that are mostly secured and may either be senior or subordinated in a borrower's capital structure. The MOT is mostly exposed to private credit to Australian borrowers; however, it may also be exposed to borrowers that are domiciled in New Zealand and developed Asia through its investment in the MCP Credit Trust. The MOT also has exposure to equity-

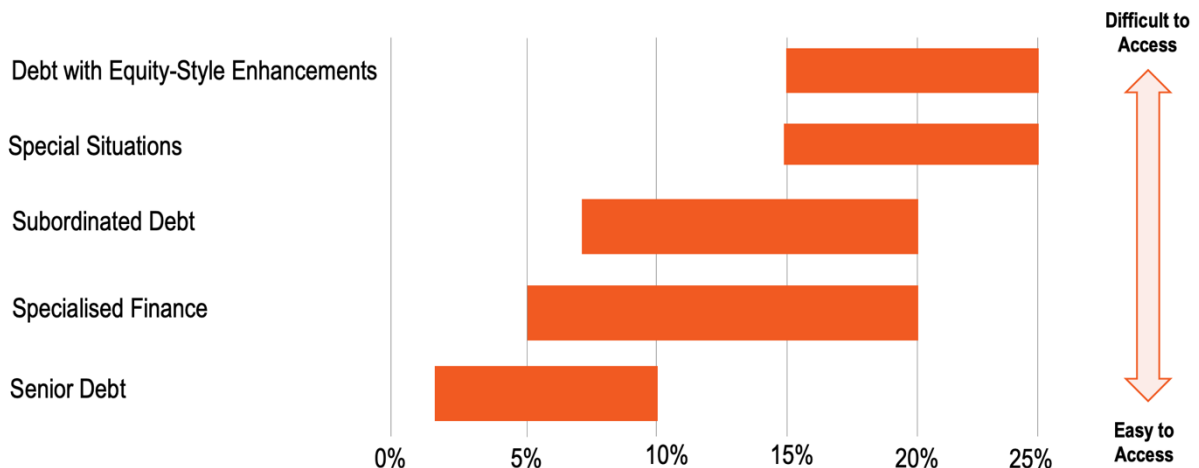
like returns through some of its investments in securities obtained through private credit transactions, including options, warrants, preference shares and ordinary equity.

Fund(s)	Investment Universe
Metrics Credit Partners Secured Private Debt Fund (closed) and MCP Secured Private Debt Fund II	These Funds invest in a portfolio of bilateral, club-style and syndicated loans, predominantly sub-investment-grade mid-market Australian corporate borrowers across industries. The fund offers investors direct exposure to Australia’s bank-dominated, mid-market corporate loan market by investing in loans to private corporates, private-equity sponsored, real estate and structured finance borrowers. The tenor of the loans can be from 6 months to 10 years.
MCP Real Estate Debt Fund	This Fund invests in a portfolio of Australian Commercial Real Estate (‘CRE’) loans. The Fund provides direct exposure to Australia’s bank dominated CRE loan market by investing in loans to Australian CRE borrowers. These include office, retail, industrial, residential development and specialised real estate assets such as hotels and healthcare. The portfolio is diversified by sector and geography.
MCP Credit Trust	This Fund comprises an actively managed portfolio of private market, largely sub-investment-grade debt products with potential equity upside gains.

Both the loan structures and the expected return for private credit loans vary greatly. Private credit includes senior debt, specialised finance, subordinated debt, special situation loans and debt with equity style enhancements. Although the investments will typically be direct loans to Australian companies, the investment mandate of the sub-trusts gives the Trust the ability to use other financial instruments in certain situations. For example, the Trust may be able to negotiate exposure to equity-like assets such as common equity, options, warrants or preference shares as compensation for bearing credit risk. In addition, the Trust may hold options, equity and warrants, which carry a greater risk of loss than debt securities should the borrower become insolvent.

INVESTMENT UNIVERSE RETURNS

Private Credit Instruments: Gross Return Expectations



OTHER ALLOWABLE INVESTMENTS

The mandates governing the MOT also allow the Trust to acquire the following physical and derivative instruments:

Instrument	How the instrument might be used/acquired
Cash and Commercial Paper	<ul style="list-style-type: none"> Part of portfolio cash management
Revolving Line of Credit	<ul style="list-style-type: none"> While the loans to counterparties are not leveraged, Metrics has access to a line of credit to assist with cash flow management
Bonds, Convertible Notes and Hybrids	<ul style="list-style-type: none"> To assist with portfolio diversification
Options, Equity and Warrants	<ul style="list-style-type: none"> Risk management Where required, in a workout scenario
Credit Default Swaps	<ul style="list-style-type: none"> Sold where the underlying asset is held by an investment grade counterparty Bought as part of risk management strategies
Credit-Linked Notes	<ul style="list-style-type: none"> To assist with portfolio diversification
Foreign Exchange and Interest Rate Swaps or Options	<ul style="list-style-type: none"> Risk management

While the derivatives above are allowed in the sub-trust mandates, Metrics has not entered any derivative transaction since inception and is not expected to enter such transactions based on current portfolio settings.

Investment Objective

The objective of the Trust is to provide monthly cash income, preserve investor capital, manage investment risks, and provide potential gains through investment in largely sub-investment-grade private credit investments and other assets such as warrants, options, preference shares and equity. The performance target is a total return of 8-10% and an income distribution return of 7.5%. The manager uses active strategies to deliver the target return, while preserving investor capital.

Investment Strategy

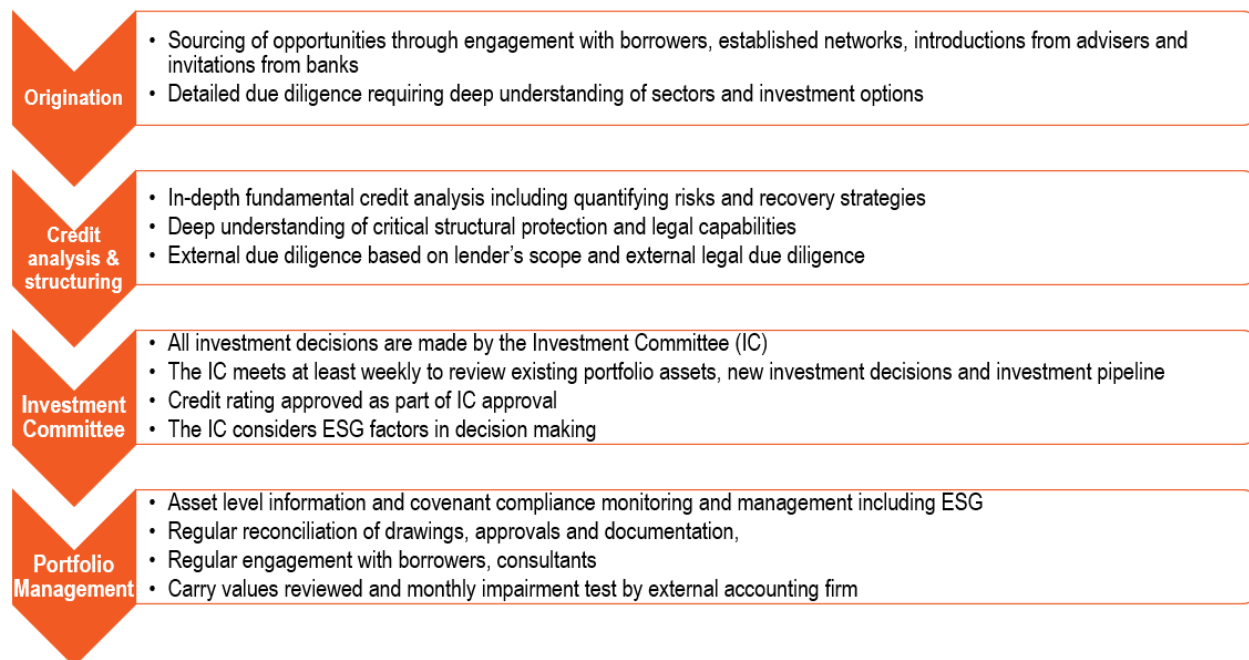
The Trust’s investment strategy is to create a diversified exposure to Australian corporate loans, generally reflecting activity in the corporate loan market and with the resultant diversity by borrower, industry, and credit quality. Through active portfolio risk management, Metrics will seek to preserve investor capital.

Strategic objectives in structuring the wholesale fund-of-fund Metrics Wholesale Income Opportunities Trust and the MOT:

- Increased scale of portfolio(s) to provide meaningful market/investor liquidity.
- Use of scale to offer retail investors a wholesale fee structure.
- Reduction of borrower risk. The portfolio currently has 89 loans.
- Lower capital and income volatility.
- Enhanced liquidity, enabling portfolio adjustment.
- Leveraging off the increase in access to deal flow and industry reputation by increasing market size in this sector.

Investment Process

Metric’s investment process is well supported by employee numbers, expertise, and the rigour of due diligence:



Metrics estimates that approximately 2 in 10 of the loan opportunities that it identifies proceed to full due diligence. Investment papers are prepared for the consideration of new investments. These papers are rigorous and detailed. The key focus is the identification of risks and an analysis of how such risks are to be mitigated. Often external reviews and due diligence from acceptable independent consultants are also required by Metrics, at the borrower's cost. These cover risk areas such as tax and accounting, financial, technical, commercial, and legal issues relevant to the transaction.

Restricted Industries: Metrics will not invest where a business may impact reputational risk, including companies that are connected with pornography, tobacco, violation of labour laws, tax avoidance schemes or weapons manufacture and distribution.

PORTFOLIO CONSTRUCTION

The Investment Committee is responsible for portfolio construction. Portfolio construction considers the relevant target portfolio settings, and Metrics' view on the broader economy, relative industry value and preferred risk setting. Potential new loans are assessed for their impact on the portfolio. Considerations include the type of investment, the target fund returns and the desired mix of tenor to maturity, aggregated exposure by industry group, credit quality and portfolio liquidity.

Using the detailed due diligence/credit analysis investment papers, consideration is given to the following:

- Portfolio limits – credit, maturity, senior debt minimums etc.
- Portfolio liquidity
- Industry limits, including restricted industries
- Foreign currency limits
- Individual and aggregated exposure limits

The Metrics Income Opportunities Trust (MOT), via the Metrics Wholesale Income Opportunities Trust, invests in 4 underlying wholesale trusts in varying proportions at the discretion of the manager. The key characteristics of the 4 funds are below:

Fund	Key Characteristics
Metrics Credit Partners Secured Private Debt Fund	<ul style="list-style-type: none"> ▪ Target return of 90-day BBSW plus 4% p.a. post fees and expenses ▪ Predominantly sub-investment-grade loans with a tenor of 6 months to 10 years
MCP Secured Private Debt Fund II	<ul style="list-style-type: none"> ▪ Target return of 90-day BBSW plus 4% p.a. post fees and expenses ▪ Predominantly sub-investment-grade assets with a tenor of 6 months to 10 years
MCP Real Estate Debt Fund	<ul style="list-style-type: none"> ▪ Target return of 90-day BBSW plus 5% p.a. ▪ Australian Commercial Real Estate ('CRE') loans across various sectors

Fund	Key Characteristics
	<ul style="list-style-type: none"> Diversified by sector and geography
MCP Credit Trust	<ul style="list-style-type: none"> Target total return of 12-14% p.a. with income target of 7% p.a. Predominantly private market sun investment-grade debt with potential upside equity gains

The 4 underlying portfolios each offer a diverse investment mix, with the differentiated credit, tenor and sector exposures giving the Investment Committee good flexibility in portfolio construction. The manager may allocate to the sub-funds without constraint depending on the availability of investment opportunities, market conditions, economic conditions, and diversification requirements.

NOTE ON ESG POLICY

Metrics believes that certain activities and industry sectors represent outside risk to us and our investors. Therefore the team will not invest in the development of new oil and gas fields or entities that: operate in the coal industry, operate in the tar sands industry, operate in the tobacco industry, operate in the pornography industry, are involved in weapons manufacturing or distribution, contribute to deforestation of native timber, particularly rainforest, may be involved in political organisations, tax avoidance schemes or violation of human rights or labour law, operate in any other industries as may be determined from time to time by the Investment Committee.

Metrics ESG building blocks:

Environmental	Social	Governance
<ul style="list-style-type: none"> Greenhouse gas emissions Waste and pollution Water use Land use 	<ul style="list-style-type: none"> Workforce and diversity Safety management Customer engagement Communities 	<ul style="list-style-type: none"> Structure and oversight Codes and values Transparency and reporting Financial and operational risks

Each potential transaction is given a low/medium/high assessment. Metrics will not invest where a business may impact reputational risk or does not fall within Metric's risk appetite. ESG policies are continually being developed, and Metrics recently recruited a specialist ESG resource and has established a sustainable finance team. Metrics became a signatory to the UN PRI in 2019. Over the last year, Metrics developed an ESG rating for borrowers.

LEVERAGE

The use of both short-term and long-term debt, up to 50% of gross asset value (GAV), is allowed for the wholesale trust underlying the MOT and its 4 underlying wholesale sub-funds. Debt may be used to undertake investment activities or to meet working requirements. Although allowed, it is not anticipated that the MOT will have any debt going forward.

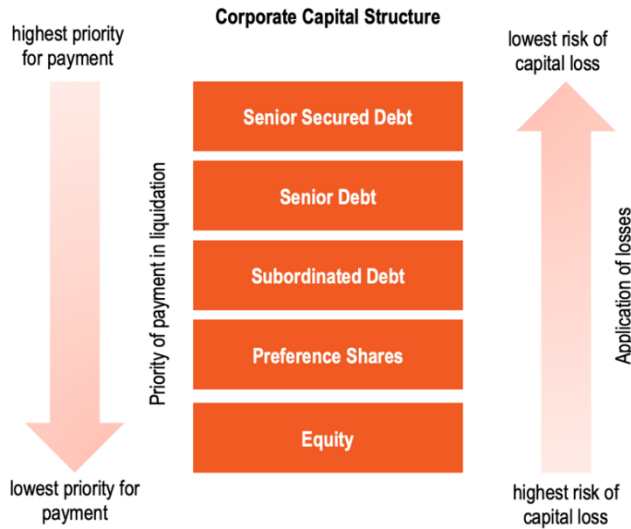
At the date of this review, the only debt facility held by these funds is for the MCP Real Estate Debt Fund. The facility is less than 10% of the gross asset value. Net leverage across the funds that the MOT is exposed to was \$0 as at 30 June 2022.

ASSET PRICING

Metrics, Perpetual, and the external valuation consultant, a top-four, tier-one international accounting firm, closely monitor the Australian credit market in calculating the net asset value (NAV) of the Trust on a daily/monthly basis. The primary valuation risk lies in negative credit migration, i.e., an increased likelihood of default through either a change in the borrower's ability to service the loan or in industry/sector macro-economic factors and sector credit margin changes.

Potential reductions in loan valuation can be reduced substantially on loans that are structured effectively using loan covenants, tenor, and seniority. Note that in Australia, there is a high level of lender protection due to the regulatory and legal framework. Taking the valuation factors of the portfolio of loans that constitute the MOT (buy-to-hold, good use of covenants, seniority, and security) with the regulatory framework and the risk-targeted due diligence by Metrics, the indication is that there will be a high level of capital stability, with the Trust assets being priced at close to par.

PROTECTION OF CORPORATE CAPITAL STRUCTURE



It is important to compare the risk of capital loss from a corporate debt portfolio with the potential loss from investing in an equity portfolio. In Australia, corporate loans are normally ranked as senior secured, senior unsecured, or subordinate/mezzanine debt. In the event of a corporate default scenario, all debt must be paid before there is any return to equity holders. This is a simple example of the relative risk of each asset class.

Investment Team

The depth of experience of the investment team, particularly the managing partners, is a key differentiator for this investment. Direct corporate credit is a private and confidential market, and the skills needed to succeed differ from the skills needed for the management of a publicly traded bond portfolio. Depth of experience is essential to good risk management and directly affects the ability to achieve a well-diversified portfolio with a low risk of capital loss.

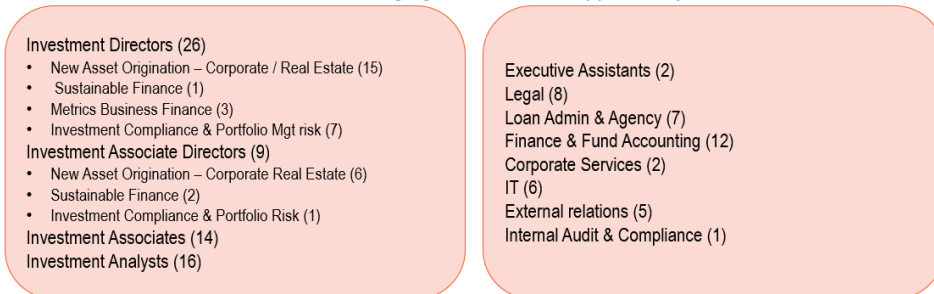
The team continues to expand, with recent hires bringing total Metrics employees to over 110. The investment team, including Compliance and Portfolio Risk, has been expanded across the board and now has approximately 70 members. Hires have included Investment Directors (Syd, Melb and Auckland), Investment Associates (Syd) and Investment Analysts (Syd and Melb).

INVESTMENT TEAM STRUCTURE

Managing Partners
Investment Committee & Executive Management Committee



Managing Partners are supported by:



Key Responsibilities of Investment Team:

Investment Committee

- Portfolio construction
- Investment decisions
- Credit rating analysis
- Investor monitoring
- Borrower engagement
- Cash flow management
- ESG compliance
- Capital budgets

Asset Origination

- Credit risk due diligence
- Investment submission
- Cash flow monitoring
- Credit rating analysis
- Legal documentation
- Transaction execution
- ESG compliance

Portfolio Risk Management

- Mandate compliance
- Ongoing credit monitoring
- Ongoing portfolio management
- Ongoing credit analysis
- Stress test analysis
- Investor reporting
- ESG compliance

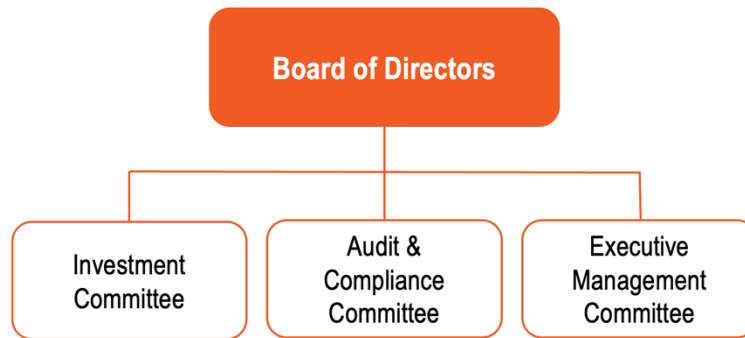
Metrics typically uses a deal team structure for potential transactions. This might comprise 2 Investment Directors, a managing partner, an Investment Associate, an Investment Analyst, and members of the legal team.

Andrew Lockhart	<ul style="list-style-type: none"> ▪ Key responsibility is Metrics Finance and Stakeholder Relations activities. ▪ Andrew has more than 33 years' banking, funds management and financial markets experience. ▪ Andrew's specialist areas include origination and portfolio risk management of large, diversified, and complex loan portfolios, leverage and acquisition finance, corporate and institutional lending and corporate restructuring.
Justin Hynes	<ul style="list-style-type: none"> ▪ Key responsibility is Metrics' operational activities. ▪ Justin has more than of 23 years' financial market experience. ▪ Justin's specialist areas include leverage and acquisition finance, corporate finance, loan origination, structuring and portfolio management and corporate workout and restructuring.
Graham McNamara	<ul style="list-style-type: none"> ▪ Key responsibility is Metrics' Risk Management and Compliance function. ▪ Graham has more than 40 years' experience in banking, funds management and financial markets. ▪ Graham's specialist areas include portfolio risk management, debt origination and distribution, agency management, corporate workout and recovery and corporate banking. He 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 chairperson of the association's Australian branch.
Andrew Tremain	<ul style="list-style-type: none"> ▪ Andrew has more than 33 years of Australian, European, and Asian banking experience. ▪ Andrew's specialist areas include corporate, structured, leverage and acquisition finance, loan syndications, portfolio management, corporate workout and recovery and relationship management.

Business Management

The board comprises the managing partners as 4 Directors, 2 from Pinnacle, and an independent Non-Executive Chairman.

The board meets approximately 6 times a year. The Investment Committee is entirely independent in its decision-making.



Metrics has distinct structures in place to separate the investment activities from operational aspects of the business, and all activities of Metrics are subject to board oversight.

The Executive Committee is supported by external resources, organised along functional business lines. They meet weekly, with the managing partners delegating specific business line responsibilities.



Risk Management

Metrics: Metrics has detailed policies and procedures addressing operational risk articulated in its Operational and Investment Policy Manual. These policies and procedures are reviewed and updated on an annual basis and monitored and managed by the Executive Management Committee and the Audit and Compliance Committee.

Metrics Funds: Operational risks are identified, modified, and mitigated via RE/trustees fund compliance plans as well as through various policies and procedures MCH Fund Administration Services, Atomic and the Fund RE/Trustees have in place.

Performance

As at 30 June 2022, the Trust reported a 1-year net return of 11.02%, with distributions of 6.71%. Net performance since inception is 8.57% p.a. The performance since inception has exceeded the target cash return of 7.0% p.a. net of fees.

Fund Performance as at 30 June 2022

	1 mth (%)	3 mth (%)	6 mth (%)	1 yr (%)	3 yr (% p.a.)	Since Inception (% p.a.)
Net Return	0.55	1.62	3.32	11.02	8.73	8.57
Distribution	0.55	1.79	3.28	6.55	6.78	6.71

Source: Metrics (assumes participation in re-investment plan)

Monthly Returns (Net)

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.58	0.57	0.52	0.50	0.56	0.55							3.28
2021	0.60	0.48	0.67	0.56	0.57	0.56	0.53	0.53	0.61	0.55	0.65	4.42	10.72
2020	0.61	0.60	0.59	0.60	0.60	0.62	0.73	0.67	0.55	0.63	0.56	0.78	7.54
2019				0.15	0.36	0.58	0.74	0.68	0.56	0.65	0.47	0.66	4.86

Source: Metrics

Distributions (Cents/Unit)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.98	0.62	1.48	1.53	1.06	1.17							6.84
2021	1.64	0.83	1.01	0.90	0.92	1.65	0.84	0.93	0.93	0.89	1.02	1.75	13.31
2020	1.03	1.05	1.33	1.06	1.00	1.93	1.03	0.85	0.92	0.88	0.95	1.24	13.28
2019						2.04			3.57	1.00	1.25	1.09	8.95

Source: Metrics

Total Returns

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.46	-2.43	1.63	1.65	-2.71	-11.53							-12.93
2021	1.80	-2.31	1.77	1.95	0.95	1.30	0.90	0.95	0.46	0.92	2.43	5.12	16.26
2020	0.03	-5.75	-23.04	8.31	13.35	-7.92	6.00	7.07	3.98	2.00	-0.31	4.50	8.18
2019				2.50	-0.49	1.02	0.98	0.49	1.79	0.02	-0.35	2.51	8.46

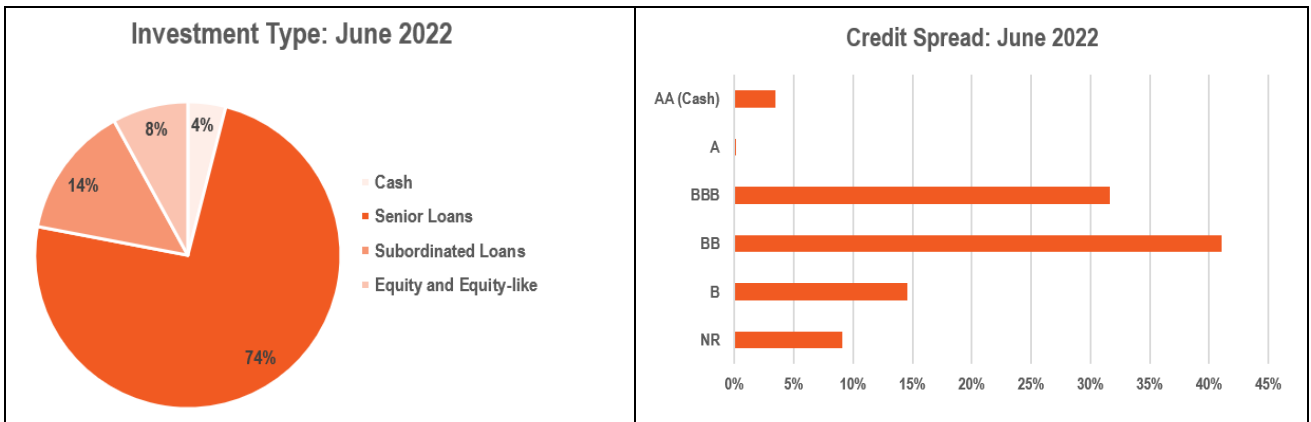
Source: Metrics

Fund Settings (June 2022)

Number of individual investments	138	Interest duration (days)	22
Senior ranking (%)	77%	Credit duration (years)	1.3

Source: Metrics

Portfolio Characteristics



Source: Metrics

Transparency and Reporting

Metrics is committed to being transparent and provides both standardised and bespoke reports to its clients, depending on their individual reporting requirements. Standardised reporting comprises the following:

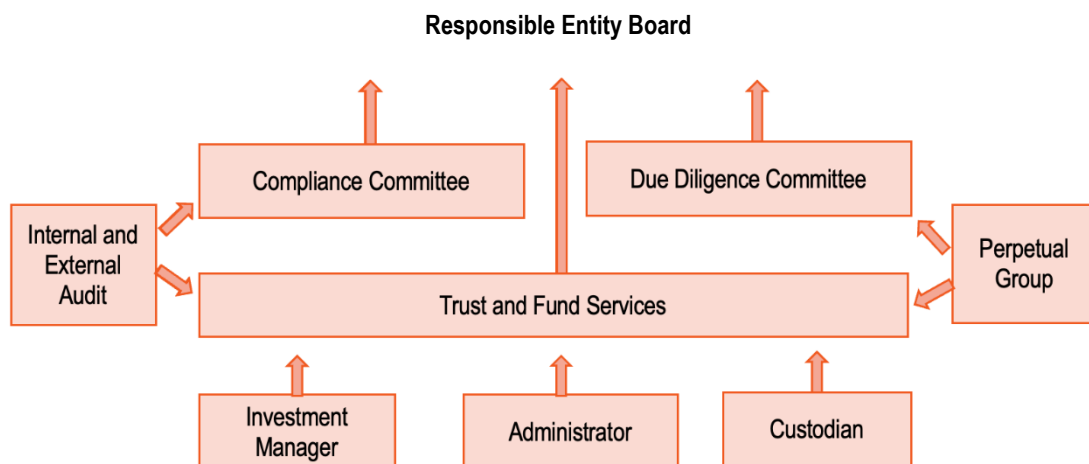
- Monthly performance reporting.
- Quarterly performance reporting with commentary.
- Transaction confirmations and monthly holding statements (for wholesale investors in underlying funds).
- Audited annual accounts and regulatory reporting (including income tax and distribution statements).

Compliance

The Metrics Income Opportunities Trust is subject to the governance and compliance structure designed, implemented, and monitored by the RE/Trustee. Compliance plans are in place to ensure that

- The duties and obligations as RE/trustees are met;
- Key control activities exist to ensure compliance; and
- Monitoring activities exist which identify whether controls are operating effectively.

The Trust is subject to both internal and external audits. Metrics is externally audited by KPMG, including an audit of Metrics' adherence to its obligations under its AFS Licence. Metrics has a Compliance Committee that reports to the RE/Trustee Board. This Committee comprises 1 internal member and 2 external members.



The RE/Trustees Audit and Compliance Committee meets quarterly.

Third Party and Service Advisors

Fund administrator	MCH Fund Administration Services Pty. Ltd.
Legal advisor	Minter Ellison
Custodian	Perpetual Corporate Trust Ltd.
Auditor	KPMG
Insurance provider	London Australia Underwriting P/L (on behalf of Lloyds of London)
Independent valuation	Big-4 accounting firm
Distribution services	Pinnacle Investment Management
Firm Accounting	Pitcher Partners
IT network provider	Telstra, cloud-based
Portfolio software	Proprietary systems
Operational Risk Review	Mercer Sentinel
Registry	Automic Group

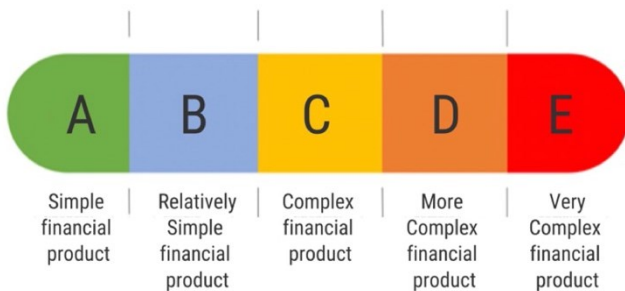
Investment Rating Scale

The Foresight Analytics’ investment rating is an opinion on how well we believe a fund will perform against a range of risks.

Rating	Definition
Superior	Indicates the highest level of confidence that the fund can deliver a risk-adjusted return in line with the investment objectives of the fund.
Very Strong	Indicates a very strong conviction that the fund can deliver a risk-adjusted return line with the investment objective of the fund.
Strong	Indicates a strong conviction that the fund can deliver a risk-adjusted return in line with the investment objective of the fund.
Competent	Indicates that the fund may deliver a return in line with the fund’s relevant benchmark.
Weak	Indicates a view that the fund is unlikely to deliver a return in line with the investment objective of the fund and or meet the return of its benchmark.

Foresight Complexity Indicator

The Foresight Complexity Indicator (FCI) highlights the complexity of an investment by its terms and conditions’ structure and transparency that may affect the investor’s return.



Investment Rating and Foresight Complexity Methodology

Foresight Analytics and Ratings’ methodology for its investment rating and research can be downloaded from its website.

Contact Details

Foresight Analytics

Level 2, Suite 208, 33 Lexington Drive, Bella Vista, 2153

Telephone: 02 8883 1369

Website: www.foresight-analytics.com

Analyst: Maggie Callinan

Email: maggie@foresight-analytics.com

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