

# Metrics Direct Income Fund



## Investment Highlights



Monthly cash income<sup>1</sup>



Low capital volatility



Attractive risk-adjusted returns



Experienced investment team with a track record of outperformance

1. Income payments depend on the success of the underlying investments and are at the responsible entity's discretion.

## Who is it for?

The Fund may be suitable for investors looking for regular income, low capital volatility and a defensive strategy offering diversification away from traditional fixed income and equity investments.

## Investment Objective

The Fund aims to provide monthly cash income, low risk of capital loss and portfolio diversification by actively originating and managing well-diversified loan portfolios.

## Investment Strategy

The Fund's investment strategy is to provide investors with exposure to directly originated loans to companies diversified by borrower, industry and credit quality. Metrics seeks to implement active strategies designed to balance delivery of the target return, while preserving investor capital.

### What is a Corporate Loan?

A corporate loan is an advance of money to a company as borrower, with obligations to pay interest and fees and to repay capital advanced at a pre-agreed future date. Loans are generally provided for a specific purpose, for example a business expansion, a property development project or a company acquisition. Corporate loans typically earn floating-rate interest and fees, ensuring an investor will receive a higher return if benchmark interest rates increase. This contrasts to other debt products, such as Bonds, which usually offer fixed interest rates and no fees. Corporate loans also typically have a range of additional investor protections through negotiated security, covenants and other controls over the activities of the company, providing additional protection against risk of loss.

## Fund Terms

|                     |   |
|---------------------|---|
| Fund                | Metrics Direct Income Fund (Fund)           |
| Manager             | Metrics Credit Partners Pty Ltd (Metrics)   |
| Target Return       | RBA Cash plus 3.25% (net) p.a. <sup>2</sup> |
| Distributions       | Monthly                                     |
| Minimum Application | \$1,000                                     |
| Redemption          | Monthly                                     |
| Management Costs    | 0.58% p.a. <sup>3</sup>                     |
| Inception Date      | 1 July 2020                                 |
| Responsible Entity  | Equity Trustees                             |
| Unit Registry       | Automic Group                               |
| APIR Code           | EVO2608AU                                   |

2. The target return is a target only and may not be achieved.

3. Excluding impact of performance fees.

## Key Portfolio Features

|                         |  |
|-------------------------|--|
| 325 Loans               | Diversified across borrowers, industries and the credit spectrum                         |
| ~2 Years                | Average credit duration for floating rate, short tenor loans                             |
| 100% ANZ                | 100% Australian and New Zealand domiciled companies                                      |
| Direct Loan Origination | Direct origination by a well resourced, highly skilled and experienced team              |
| Actively Managed        | Credit risk management focused on investor capital preservation                          |
| Protections             | Protections like covenants and security, aim to preserve investor capital and lower risk |

# Metrics Direct Income Fund



## About Metrics

Metrics is a leading Australian based alternative asset management firm specialising in direct lending to Australian companies. Metrics is an active participant in the Australian private debt market and manages ~\$22 billion of investments.

Metrics manages a range of unique and innovative investment products designed to provide investors with access to portfolios of private debt investments that seek to generate regular cash income and capital stability.

## Key Risks

Credit risk is one of the risks within a portfolio of private loan assets. As such, credit quality and monitoring is the top priority for the Metrics team. The Metrics team is highly experienced and have a demonstrated track record of performance originating and managing large portfolios of private loans. There are three key reasons for this:

- 1 Metrics undertakes detailed and thorough risk assessment of all borrowers it lends to and completes rigorous due diligence prior to committing its capital.
- 2 Metrics ensures there is sufficient equity buffer within the loan agreements to absorb any decline in the financial performance and valuation of the company.
- 3 If a workout or corporate restructure is required, Metrics have a highly skilled and professional investment team, with significant experience in corporate restructuring to act swiftly, seeking to preserve value for our investors.

## Investment Philosophy

The Australian corporate loan market represents a large and active segment of Australia's corporate fixed income market.

Metrics believes that an experienced investment team that understands the various sources of income available from, and risks associated with, corporate loans, is best able to implement investment strategies and processes to maximise returns from this asset class.

## Investment Process

Metrics' investment processes aim to deliver for investors by providing return outperformance via superior asset origination and active portfolio risk management.

Metrics believes that early, proactive and direct asset origination is the key to ensuring access to the best quality transaction opportunities, leading to optimal portfolio construction and outperformance. Constant monitoring of macro and micro factors that may impact specific investment risk, together with ongoing monitoring and regular asset and portfolio stress testing, acts to alert the investment team to investment performance risks.

## Delivering Outperformance Through Direct Origination and Active Risk Management



## Performance<sup>4</sup>

Fund Performance as at 31 January 2025.

7.66%

Net return since inception

6.91%

Income distribution since inception<sup>2</sup>

325

Individual loans

4. Inception date 01 July 2020. Past performance is not a reliable indicator of future performance. Returns greater than one year are annualised. Income payments depend on the success of the underlying investments and are at the responsible entity's discretion. Fund returns are net of fees and in AUD. Calculations are based on exit prices after taking into account ongoing fees and costs and assumes reinvestment of distributions via the Distribution Reinvestment Plan (DRP). No allowance has been made for entry fees or taxation. RBA Cash Rate as at 11/12/2024 4.35 bps p.a.

|                   | 1 mth | 3 mth | 1 yr | 3 yr | 5 yr | Incep |
|-------------------|-------|-------|------|------|------|-------|
| Net return (%)    | 0.66  | 2.03  | 8.66 | 8.26 | N/A  | 7.66  |
| Distribution (%)  | 0.72  | 2.05  | 8.74 | 8.28 | N/A  | 6.91  |
| RBA Cash Rate (%) | 0.37  | 1.10  | 4.44 | 3.36 | N/A  | 2.23  |
| Spread to RBA (%) | 0.35  | 0.95  | 4.30 | 4.92 | N/A  | 4.68  |

# Metrics Direct Income Fund



## How to Invest

The minimum initial investment for an investor is \$1,000.

### To apply for units in the Fund, you can either:

- 1 Complete an online application at [metrics.com.au/mdif](https://metrics.com.au/mdif)
- 2 Contact your financial advisor to invest in the Fund on your behalf.
- 3 Make an investment via platform – refer to your IDPS operator's requirements. (Advisor only)

Applications can be submitted daily, and Units will be issued monthly on each Issue Date (generally the first business day of each month).

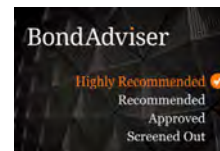
Before making an investment decision in respect of the Fund, read and consider the current Product Disclosure Statement (PDS), Target Market Determination (TMD) and whether the Fund is appropriate given your objectives, financial situation or needs.

## Platform Availability

|                |               |                               |
|----------------|---------------|-------------------------------|
| AMP North      | Asgard        | Australian Money Market (AMM) |
| BT Panorama    | CFS FirstWrap | Clearstream                   |
| Dash           | HUB24         | Insignia eXpand               |
| Macquarie Wrap | Mason Stevens | MLC Wrap                      |
| Netwealth      | Powerwrap     | Præmium                       |

## Research Ratings

The Metrics Direct Income Fund has been independently rated by Zenith Investment Partners, Bond Adviser and Lonsec Research.



**Note:** You must be a financial advisor or wholesale investor to obtain the Zenith and Lonsec Reports. Ratings are subject to Terms and Conditions which are disclosed in the disclaimer below. Ratings are only one factor to be taken into account when making an investment decision.

## Next Steps

- 1 Print out this Fact Sheet.
- 2 Assess whether the Fund is appropriate given your objectives, financial situation or needs.
- 3 Consider an investment in the Fund.

## Like to Know More?

If you would like to learn more about the Fund please contact us on the details below.

**Phone** 1300 010 311  
**Email** [invest@metrics.com.au](mailto:invest@metrics.com.au)  
**Web** [www.metrics.com.au](http://www.metrics.com.au)

This communication is current as at 17 February 2025.

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You should obtain and carefully consider in their entirety the current Product Disclosure Statement (PDS), Target Market Determination (TMD) and any updated information and continuous disclosure notices (Additional Disclosures) before making an investment decision in respect of the Fund and assess whether the Fund is appropriate given your objectives, financial situation or needs. If you require advice that takes into account your personal circumstances, you should consult a licensed or authorised financial adviser.

The PDS, TMD and any Additional Disclosures are available at [www.metrics.com.au/mdif](http://www.metrics.com.au/mdif)

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