

METRICS INCOME OPPORTUNITIES TRUST (MOT)

INVESTMENT RATING REPORT

July 2021



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 & Retail

Category: Australian [NZ and Developed Asia] Credit

Investment Style: Diversified Private Credit

Inception: 29 April 2019

Management Fees and Costs: 1.46% pa [Management Fees 103, IEE 26, Other 18 = 145]

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 provide monthly cash income, preserve investor capital, and manage investment risks while seeking to provide potential for upside gains through investment in private credit and other assets such as warrants, options, preference shares, and equity. The net performance target is a Cash Return of 7% p.a. paid monthly and a Total Return of 8% to 10% over three to five 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 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 MOT are untraded, the liquidity of the Trust may be affected by the performance of the underlying loans. In addition, 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 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 are 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 2021)

	Net Return (%)	RBA Cash Rate (%)	Dist'n (%)	Spread to RBA (%)
1mth	0.56	0.01	0.81	0.80
3mth	1.69	0.02	1.72	1.69
6mth	3.48	0.05	3.47	3.42
1yr	7.60	0.15	6.50	6.35
2yrs (p.a.)	7.60	0.41	6.89	6.48
Inception (p.a.) (29/4/19)	7.47	0.52	6.78	6.26

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 416146
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 & 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	A\$354 million as at end June 2021
Net Asset Value (NAV)	A\$352 million as at end June 2021
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 7.5% 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 Income Opportunities Trust (MOT) is Sydney-based Metrics Credit Partners (Metrics). The company was formed in 2011 as a specialist private credit fund manager. At the time of this review, July 2021, and with over A\$8 billion in Funds Under Management (June 2021) across Australian corporate loans and private credit, Metrics is 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, then acquired by Pinnacle Investment Management in August 2018.

Prior to forming Metrics, the partners collectively 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.

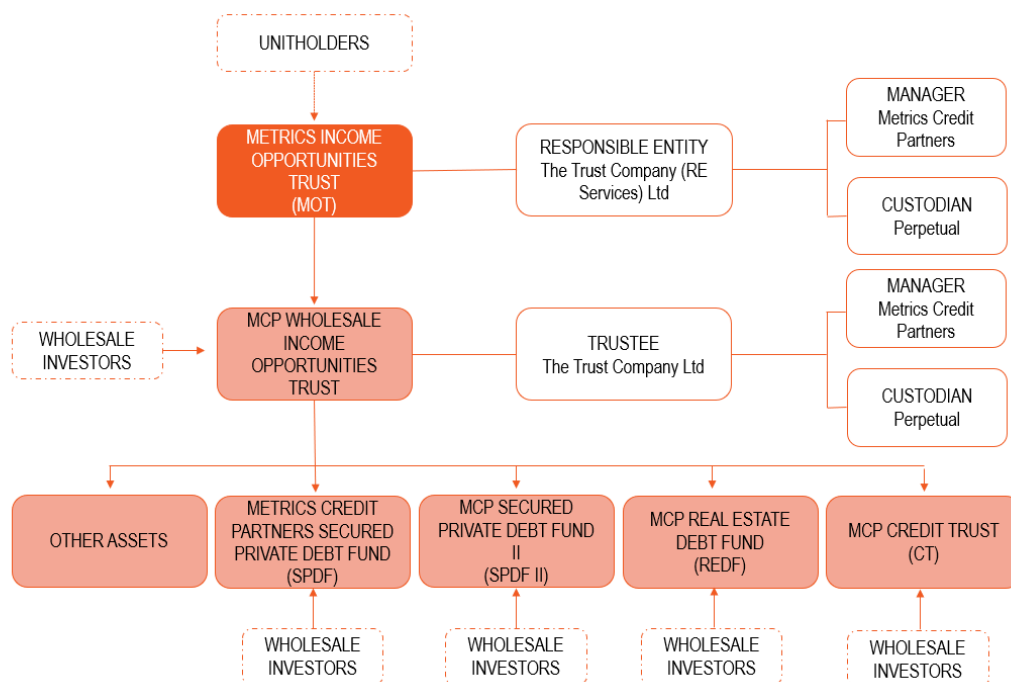
Since inception, Metrics has launched several funds across the credit spectrum to suit different risk/return investor requirements. Additionally, Metrics has provided different structures for accessing the funds, with a mix of wholesale, retail, and listed investment trusts. In March 2021, Metrics launched a NZ PIE fund for NZ wholesale investors.

Investors in the wholesale funds typically comprise superannuation funds (35%), fund of funds (33%), 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).

In March 2021, Metrics acquired a A\$1.1 billion portfolio of Australian corporate loans from Investec. This portfolio is expected to increase portfolio diversification and enhance underlying fund liquidity.

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 MCP Wholesale Income Opportunities Trust, which in turn invests in several underlying Metrics managed wholesale corporate loan funds.



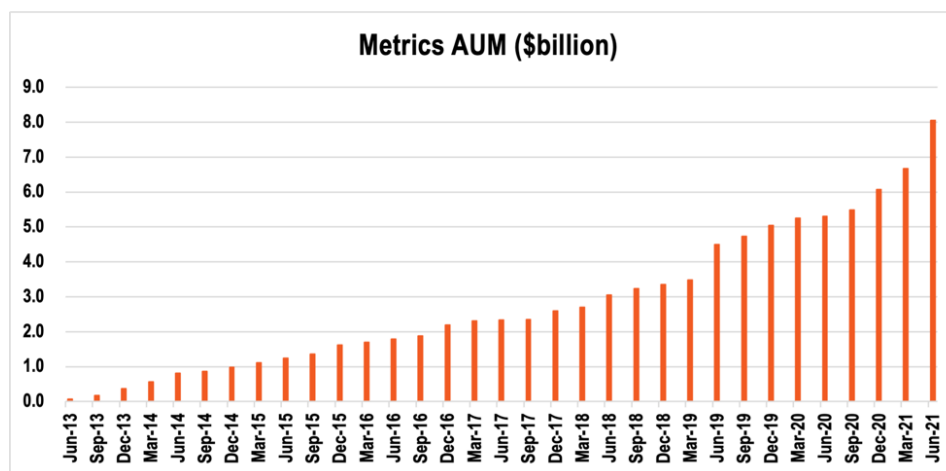
The allocation of the MCP Wholesale Income Opportunities Trust to the sub-funds, SPDF, SPDF II, REDF and CT, is determined by the manager according to how the Manager believes that the Investment Objective can best be achieved. Details of the respective funds can be found in the 'Portfolio Construction' section of this review.

OBJECTIVE

The objective of the Trust is to provide monthly cash income, preserve investor capital and manage investment risks while seeking to provide potential for upside 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% over three to five years and an income distribution return of 7%.

FUNDS UNDER MANAGEMENT

The fund manager, Metrics, has Assets under Management in excess of AUD 8 billion as at June 2021, all of which is equity funded, across eight wholesale funds.



FEES

The fees payable by investors are dependent on the NAV of the Trust, with. As an indication, the following fees are based on a NAV of \$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.
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 the RBA cash rate plus 6.0%.

INVESTMENT UNIVERSE

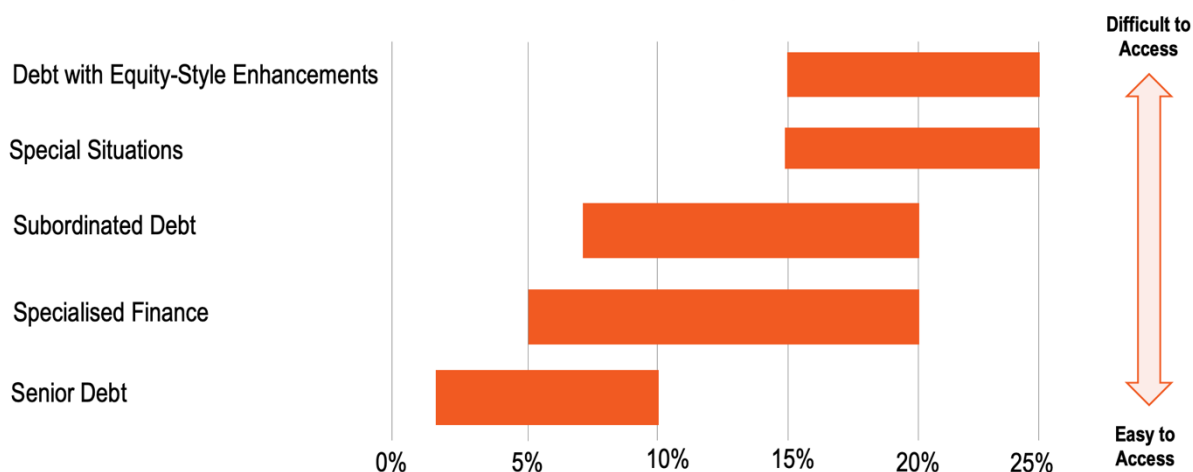
MOT invests in portfolios of private credit; that are mostly secured and may either be senior or subordinated in a borrower's capital structure. MOT is mostly exposed to Private Credit to Australian borrowers, however it may also be exposed to borrowers that are domiciled in New Zealand and Developed Asia through its investment in the MCP Credit Trust. 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
MCP Secured Private Debt Fund (closed) and MCP Secured Private Debt Fund II	These Funds invests 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 six months to ten 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, in a workout, 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 of the funds in which MOT invests 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, or 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 into any derivative transaction since inception and is not expected to enter into such transactions based on current portfolio settings.

Investment Objective

The objective of the Trust is to provide monthly cash income, preserve investor capital, and manage investment risks while seeking to provide potential for upside 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%. The Manager seeks to implement active strategies designed to balance delivery of the target return, while seeking to preserve 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.

The strategic objectives in structuring the wholesale fund-of-fund, MCP Wholesale Income Opportunities Trust, and listed vehicle, MOT, include:

- 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

The process undergone by the investment team can be classified into the following areas:

- Portfolio construction
- Asset origination
- Due diligence
- Investment decisions
- Ongoing portfolio risk management

The Investment Committee, comprising the four Managing Partners, meets daily to oversee all aspects of the process. It is responsible for investment decisions, portfolio and industry monitoring, and ensuring compliance with mandates.

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 the impact on the portfolio. Considerations include the type of investment, the target fund returns, the desired mix of tenor to maturity, aggregated exposure by industry group, credit quality, and portfolio liquidity.
Asset origination	Metrics maintains a transaction/investment pipeline, monitoring opportunities as well as the fund's maturity profiles. The time from identification of a potential transaction to successful conclusion can be anything from three weeks to 18 months. Once identified, a marketing strategy is devised for a target investment, well ahead of the borrower coming to market. As the potential for acquiring a loan asset becomes nearer, more detailed analysis is conducted. The secondary market is also constantly monitored for asset purchase opportunities. The three main sources of pipeline assets are via direct origination, the syndicated loan market and the secondary loan market.
Due diligence	<p>Metrics estimates that approximately two in ten of the loan opportunities that it identifies proceed to full due diligence. Investment papers are prepared for 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.</p> <p>Often external expert 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.</p> <p>ESG considerations – see note below.</p>
Investment decisions	<p>Using the detailed due diligence/credit analysis investment papers, consideration is given to:</p> <ul style="list-style-type: none"> ▪ portfolio limits – credit, maturity, senior debt minimums etc. ▪ portfolio liquidity ▪ industry limits including restricted industries ▪ foreign currency limits ▪ individual and aggregated exposure limits
Ongoing portfolio risk management	<p>Loan assets and industries are continuously monitored to ensure the ongoing robustness of portfolio assets. The Metrics team's extensive history in loan portfolio risk management allows them work with borrowers to seek the best investor outcomes to mitigate the likelihood of default and to recover capital in the event of default.</p>

PORTFOLIO CONSTRUCTION

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

Fund	Key Characteristics
MCP Secured Private Debt Fund	<ul style="list-style-type: none"> ▪ Target return of 90-day BBSW plus 4% post fees & expenses ▪ Predominantly sub-investment grade loans with a tenor of six months to ten years
MCP Secured Private Debt Fund II	<ul style="list-style-type: none"> ▪ Target return of 90day BBSW plus 4% p.a. post fees & expenses ▪ Predominantly sub-investment grade assets with a tenor of six months to ten 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 ▪ Diversified by sector and geography
MCP Credit Trust	<ul style="list-style-type: none"> ▪ Target total return of 12-14% pa with Income target of 7% pa ▪ Predominantly private market sun investment grade debt with potential upside equity gains.

The four 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 has hard negative screens for companies that are connected with coal, tar sands, pornography, tobacco, violation of labour laws, tax avoidance schemes, political organisations, or weapons manufacture and distribution. Metrics screens for other ESG considerations, including environmental, social and governance on all loans.

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, Metrics recently recruited a specialist ESG resource and has established a sustainable finance team. Metrics became a signatory to the UN PRI in 2019. ESG reporting is to be enhanced during 2021.

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 MOT, and its four underlying wholesale sub-funds. Debt may be used to undertake investment activities or to meet working requirements. Although allowed, it is not anticipated that 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 MOT is exposed to was \$0.

ASSET PRICING

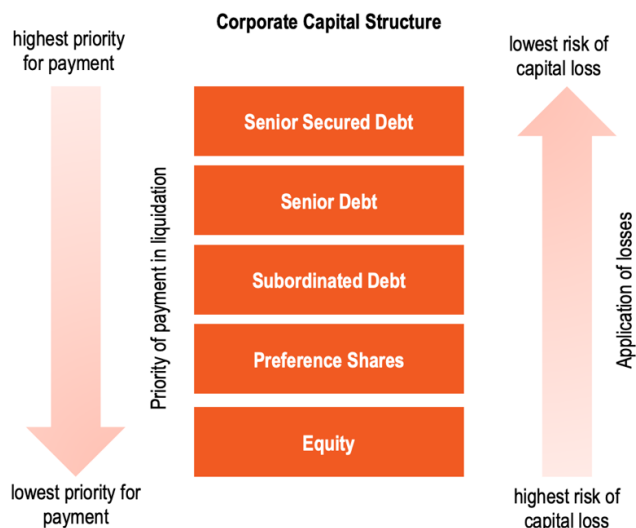
Metrics, Perpetual, and the external valuation consultant, a top four, tier one international accounting firm, closely monitor the Australian credit market in calculating the Net Asset Value (NAV) of the Trust on a daily/monthly basis. The primary valuation risk lies in negative credit migration, ie an increased likelihood of default through either 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 MOT has exposure to – buy-to-hold, good use of covenants, seniority, and security – together 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:

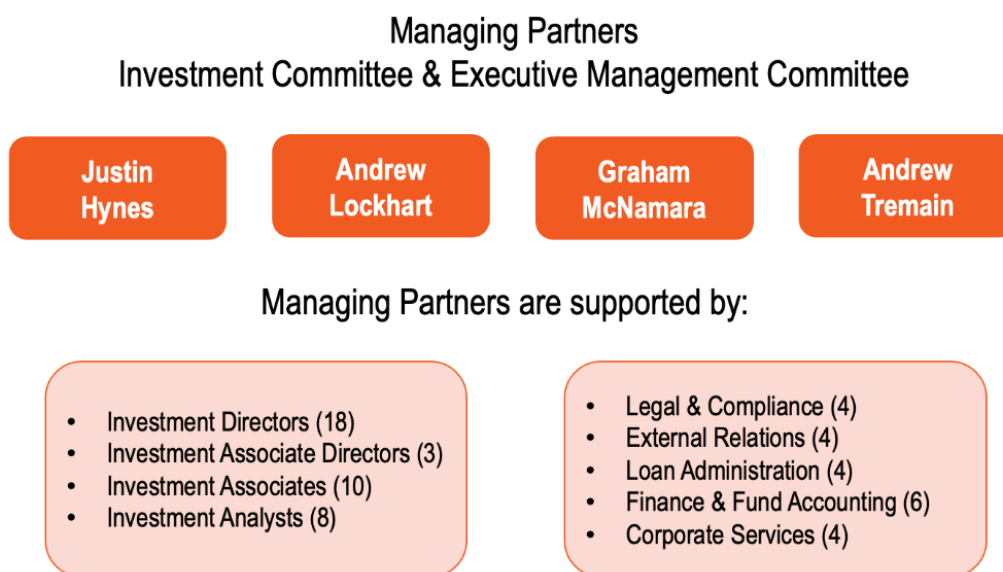


Investment Team

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 be expanded, with recent hires bringing total Metrics employees to circa 80. Hires have included Investment Directors (Syd & Melb), Investment Associates (Syd), and Investment Analysts (Syd & Melb).

INVESTMENT TEAM STRUCTURE



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

As at the date of this report, Metrics has increased its employee numbers to circa 80. Metrics is continuing to recruit as Funds Under Management (FUM) increases.

Metrics typically uses a deal team structure for potential transactions. This might comprise two 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 in excess of 33 years' banking, funds management, and financial markets experience. Andrew's specialist areas have included 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 in excess of 23 years' financial market experience. Justin's specialist areas have included 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 in excess of 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 has established the loan syndications and agency business 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.
Andrew Tremain	<ul style="list-style-type: none"> Andrew has in excess of 33 years' 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 four directors, two from Pinnacle, and an independent Non-Executive Chairman.

The Board meets approximately six 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 meets weekly, the Managing Partners delegated specific business line responsibilities.

The Executive is supported by external resources, organised along functional business lines



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 via 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, Automic and the Fund RE/Trustees have in place.

Performance

As at June 30 2021, the Trust reported a one year net return of 7.60%, with distributions of 5.25%. Net performance since inception is 7.47% p.a.. The performance since inception has exceeded the target cash return of 7.0% net of fees.

Fund Performance as at 30 June 2021

	1mth	3mth	6mth	1 yr	2yr (annualised)	Inception (29/4/19) (annualised)
Net Return (%)	0.56	1.69	3.48	7.60	7.60	7.47
RBA Cash Rate (%)	0.01	0.02	0.05	0.15	0.41	0.52
Distribution (%)	0.81	1.72	3.47	6.50	6.89	6.78
Yield Spread to RBA Cash (%)	0.80	1.69	3.42	6.35	6.48	6.26

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

MONTHLY RETURNS (% net)

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.60	0.48	0.67	0.56	0.57	0.56							3.43
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
2021	1.64	0.83	1.01	0.90	0.92	1.65							6.95
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 (Calculation of monthly change in unit price plus distributions)

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	1.80	(2.31)	1.77	1.95	0.95	1.30							5.47
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

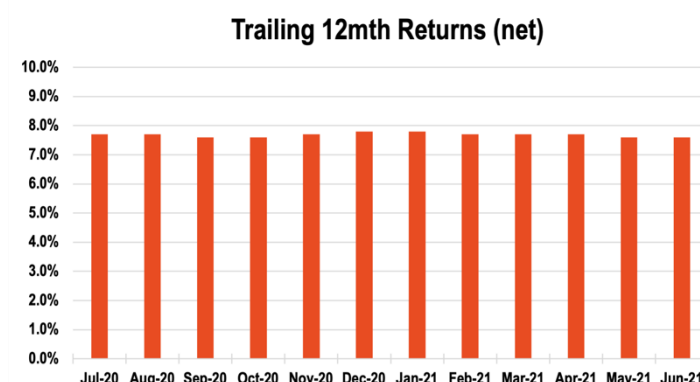
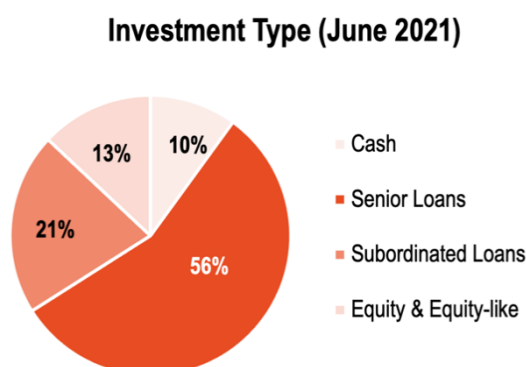
Source: Metrics

FUND SETTINGS (as at end June 2021)

Number of individual investments	89	Interest duration (days)	26
Senior ranking (%)	63%	Credit duration (years)	1.5

Source: Metrics

PORTFOLIO CHARACTERISTICS



Source: Metrics

Transparency & Reporting

Metrics provides both standardised and bespoke reporting to its clients, depending on their individual reporting requirements. Metrics is committed to being transparent.

Standardised reporting comprises:

- 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).

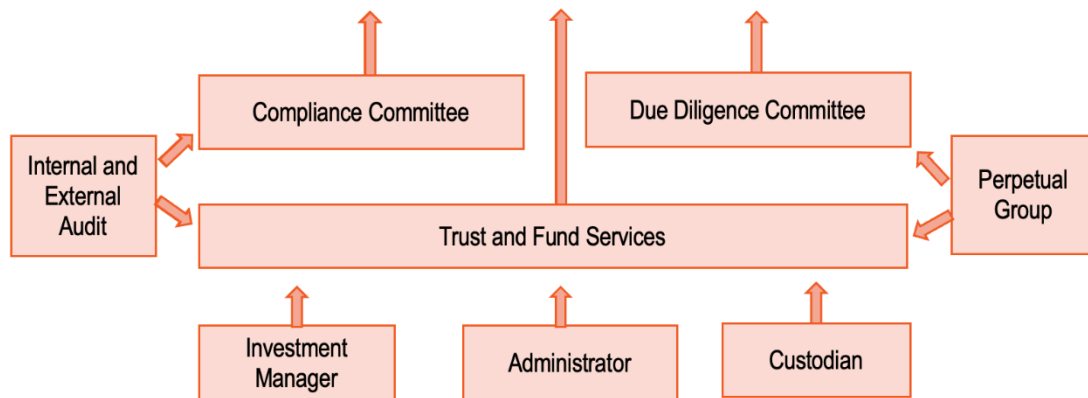
Compliance

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:

- 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 audit. 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 one internal member and two external members.

Responsible Entity Board



The RE/Trustees Audit & Compliance Committee meets quarterly.

Third Party & 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

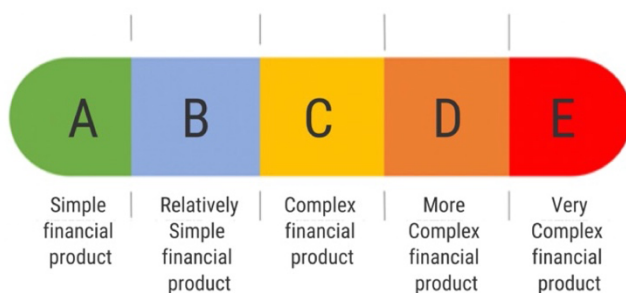
Investment Rating Scale

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 funds 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

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



Investment Rating & Foresight Complexity Methodology

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

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