

# Metrics Credit Partners Private Markets Presentation

October 2024



# Metrics is a leading Australian Private Markets Manager



**> \$20bn AUM**



**>150 Investment Professionals**



**~11 Year Track Record\***



**Diversified Investor Base**

\* Past performance is not a reliable indicator of future performance.

## Corporate



## Leveraged Finance



## Commercial Real Estate



## Project Finance



# Metrics Investment Approach

Outperformance through direct origination and active risk management.

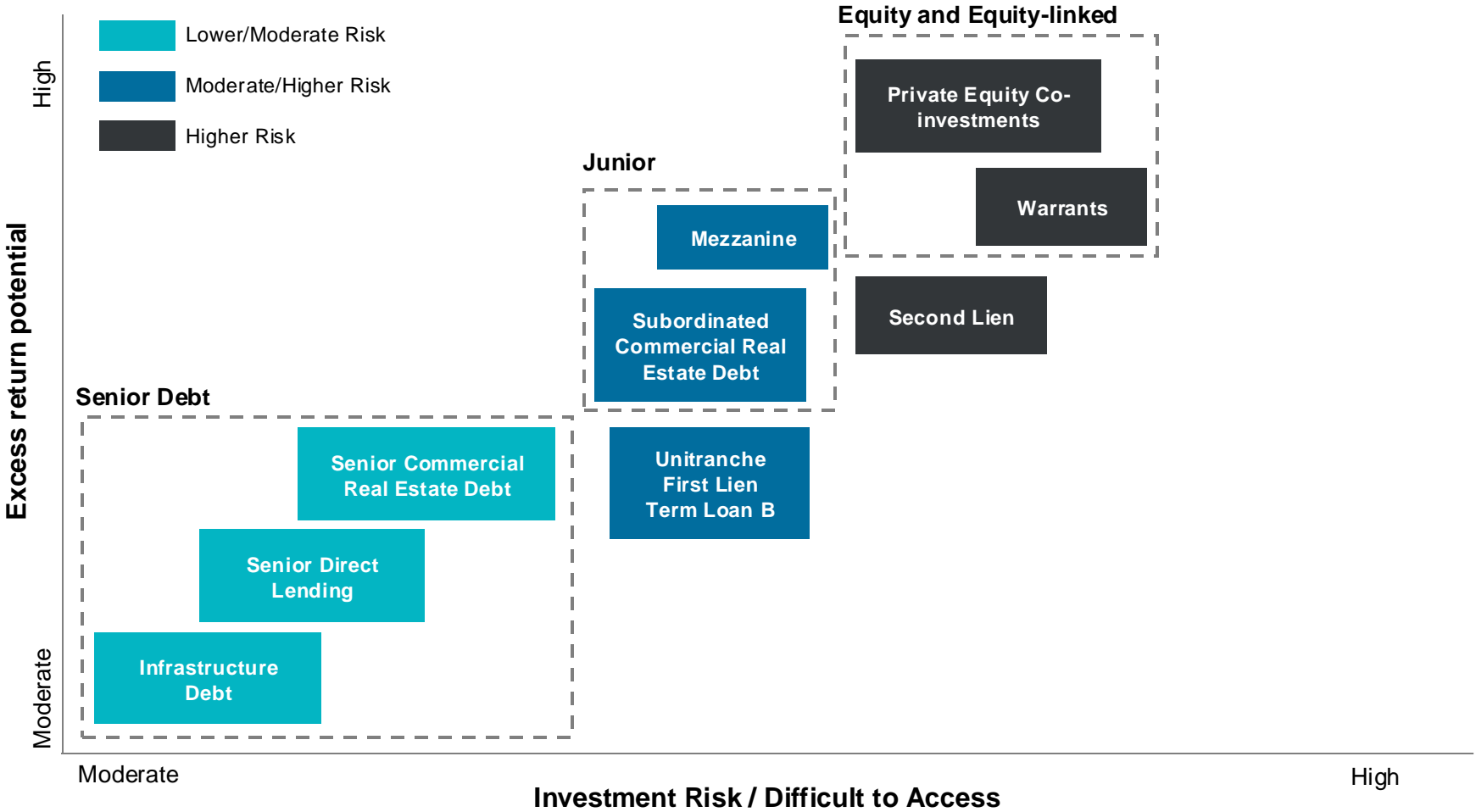


Past performance is not an indicator of future performance.

# Private Markets: Metrics invests across the capital structure

**RBA Cash Rate plus 15%+ p.a.**

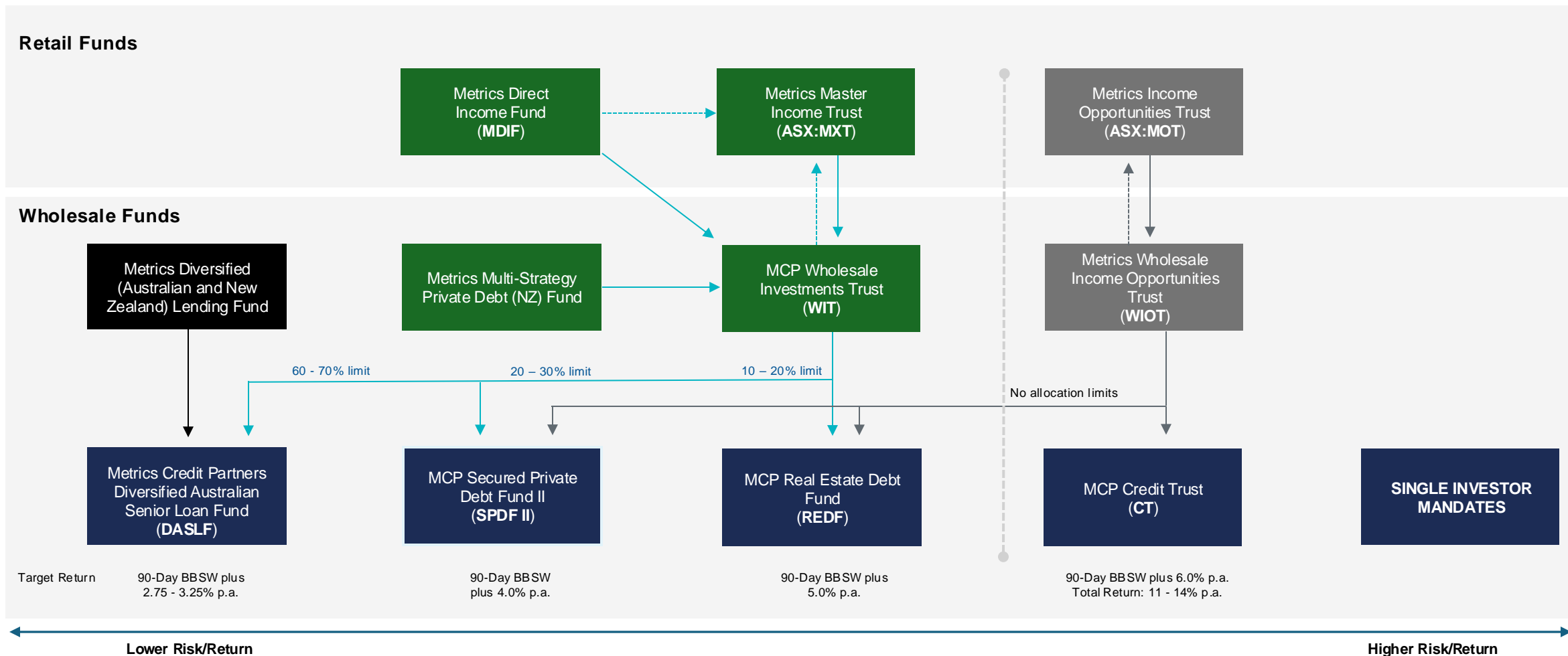
**RBA Cash plus 2 - 6% p.a.**



Source: Mercer, Metrics.

# Metrics Private Debt Investment Funds

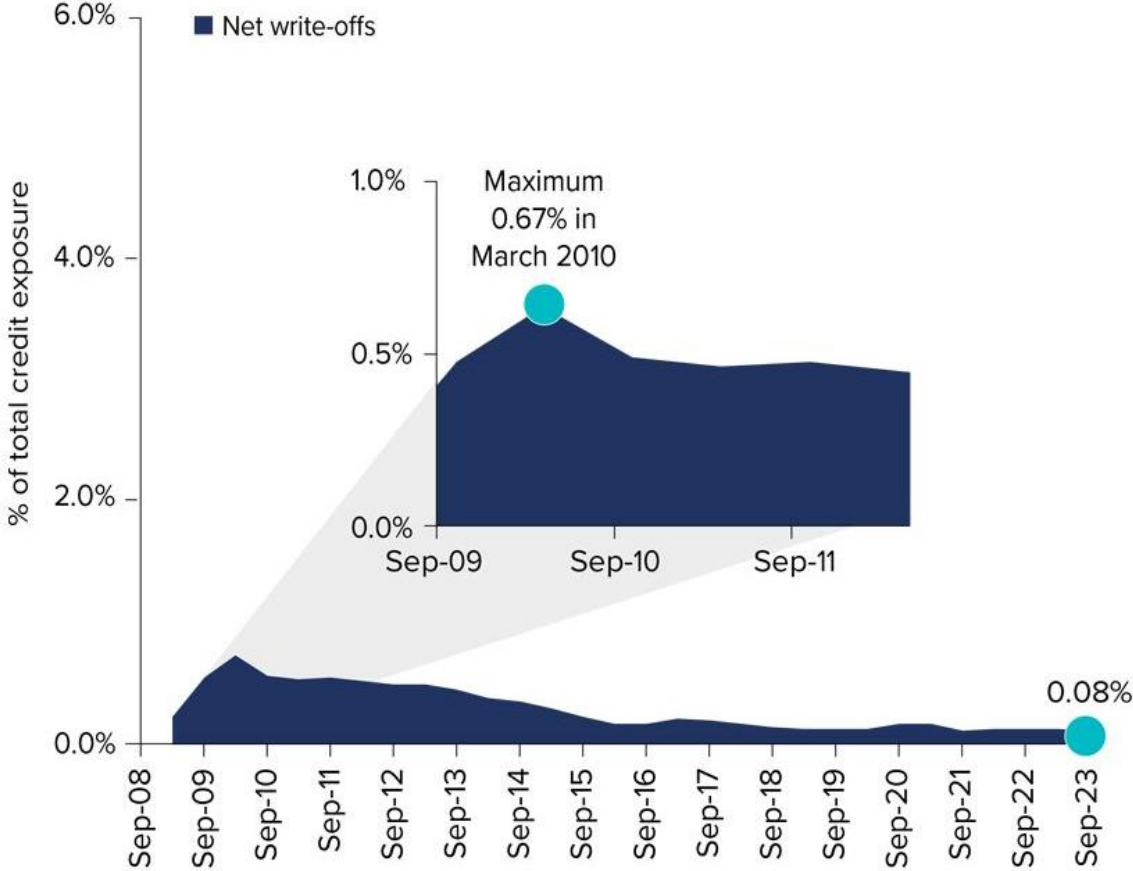
Providing investors unique access to private debt across the risk spectrum.



Source: Metrics.

# Counter to Macro-Economic Risk

## Major Banks' Historical Net Write-offs

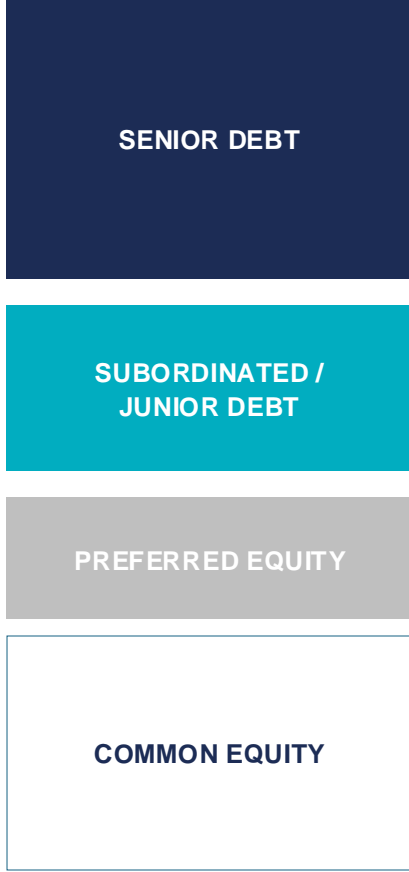


Source: APRA APS 330, Metrics. As at September 2022. Past performance is not a reliable indicator of future performance.

## Capital Ranking

(for interests / distributions & capital returns)

HIGHEST PRIORITY  
Lowest Risk



LOWEST PRIORITY  
Highest Risk

Source: Metrics




# Private Debt for Reduced Capital Volatility

In Australia, private lenders benefit from a range of protections




**Structural Protections in Australia**

Australian corporate insolvency regime assists lenders to protect capital.



**Relationships with Borrowers**

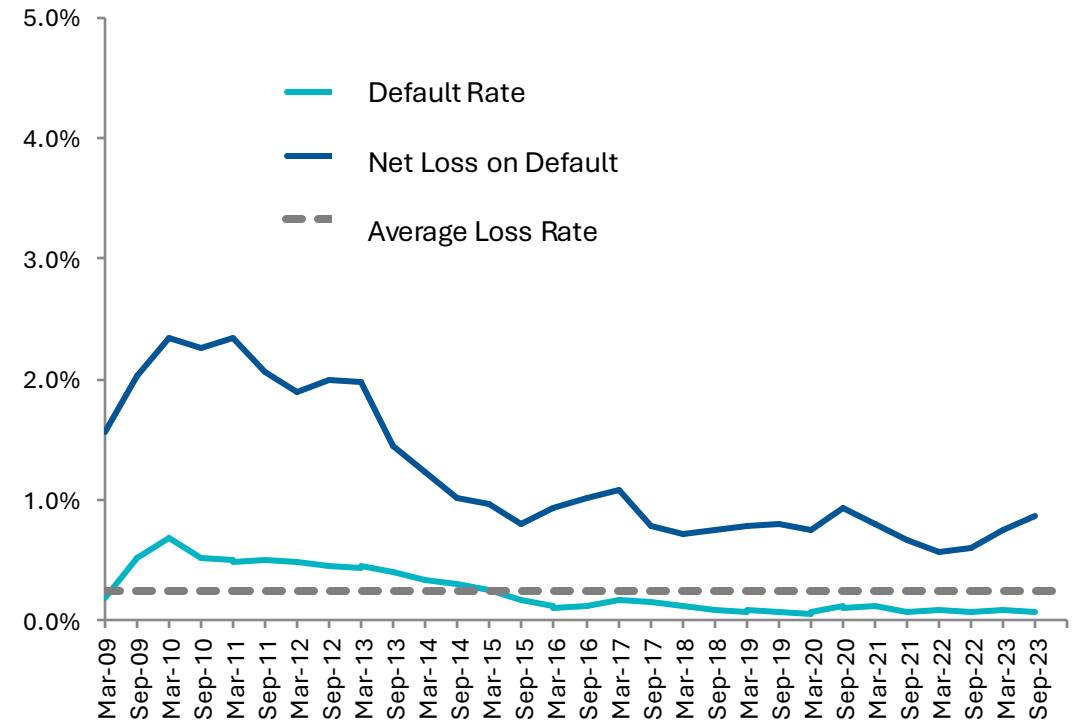
Regular communication with borrowers ensures the private debt manager can more effectively manage risk.



**Financial Contracts**

Covenants are negotiated & documented in loan agreements to assist in controlling risk. These include Controls, Security, Pricing & Reporting obligations.




**Australian Corporate Lending – Default Rate vs Net Losses**



Source: APRA APS 330, Metrics. As at September 2023.  
Past performance is not a reliable indicator of future performance.

# Private Debt for Income

Private debt aims to provide regular income<sup>1</sup> that moves in line with inflation

|   |  |
|---|--|
|  <p><b>Inflation Hedge</b></p>             | <p>Corporate loans are typically floating rate, unlike the largely fixed corporate bond market</p> |
|  <p><b>Income Generating Assets</b></p>    | <p>Regular income received from interest payments made by borrowers</p>                            |
|  <p><b>Opportunity and Diversity</b></p> | <p>Australian private loan market is diversified over industries, sectors and credit quality</p>   |

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

## PRIVATE DEBT FLOATING / FIXED RATE SPLIT

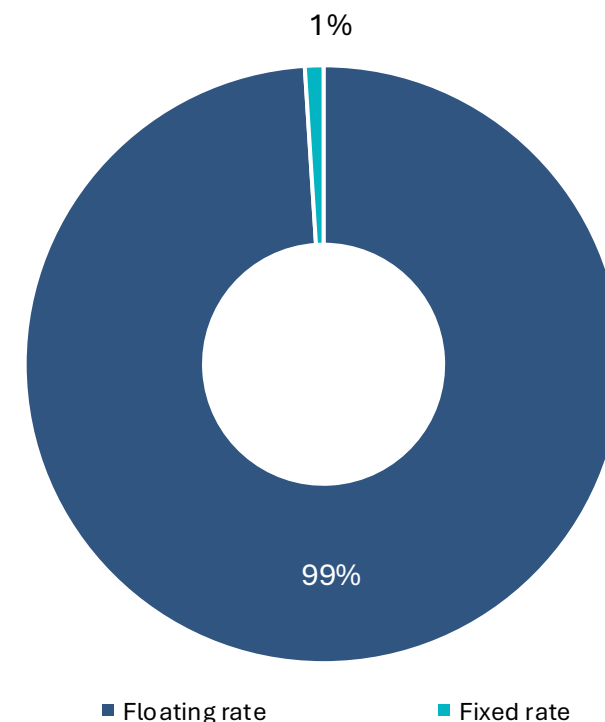
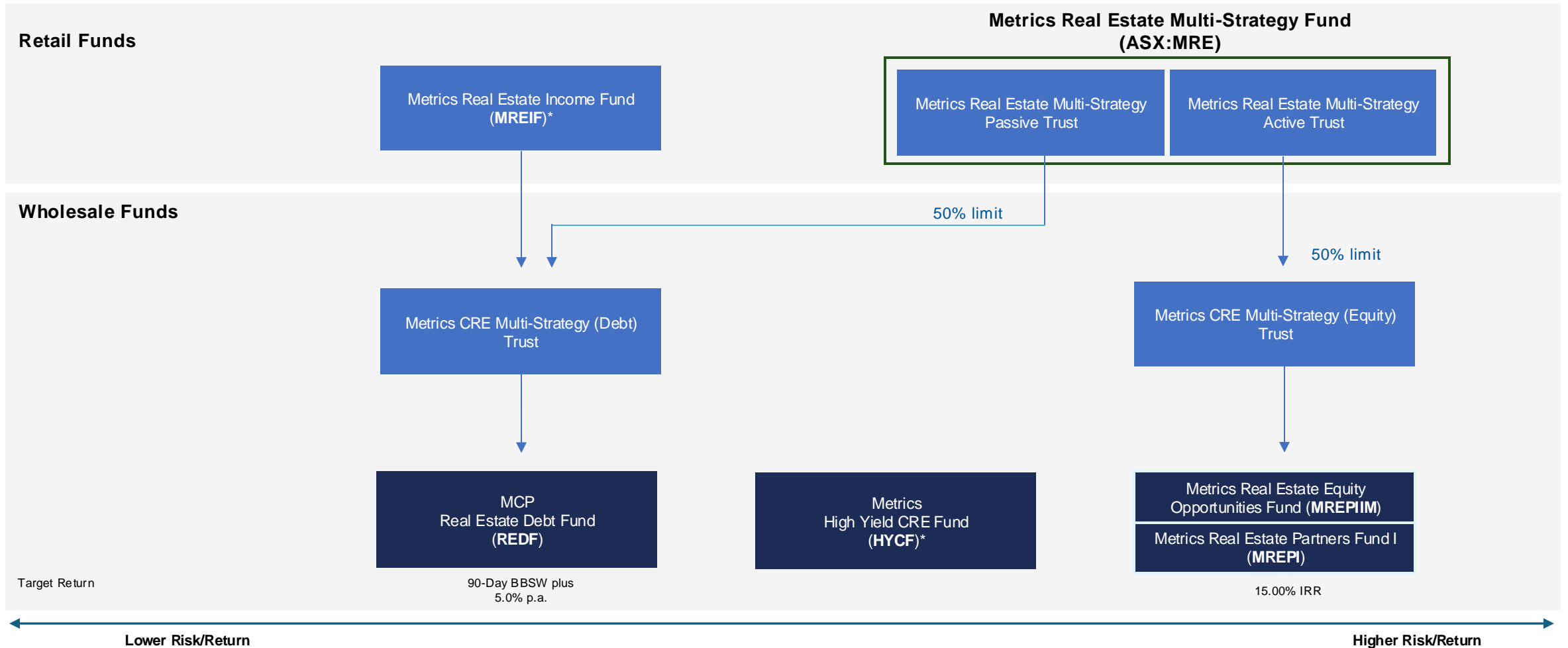


Chart is representative of a portfolio of >95% Australian senior private debt. Source: Metrics. This chart uses the MCP Wholesale Investments Trust as an example of a portfolio of Australian private debt. As at 30 September 2024, the Trust contains a diversified portfolio of 316 loans.



# Metrics Private CRE Investment Funds

Providing investors unique access to commercial real estate investment opportunities



Source: Metrics. Notes: \*Launching in 2024.

# Case Study



## CRE Equity

Land subdivision to create 1,500 residential lots over 13 stages and 1 retail lot along with lifestyle and natural amenity, parks, educational and sporting facilities.

Metrics the equity partner with an experienced property developer.

|                          |                                |
|--------------------------|--------------------------------|
| Location                 | Sydney West, NSW               |
| Sector                   | Residential - Land Subdivision |
| Forecast Project IRR     | >25%                           |
| Forecast Completion Date | 2028                           |



# MREPIIM Portfolio<sup>5</sup>

| Project      | Location             | Investment Description                  | Date committed | Forecast completion date | Proportion of fund portfolio <sup>1</sup> | Forecast Project IRR <sup>2</sup> | Project status     | Key Risks  | LVR (Covenant) <sup>3</sup> | Valuation <sup>4</sup> | Date of Valuation    | Cost Contingencies | Time Contingencies |
|--------------|----------------------|---|----------------|--------------------------|---|-----------------------------------|--------------------|--|-----------------------------|------------------------|----------------------|--------------------|--------------------|
| 1            | Melbourne Metro, VIC | ~4 superlots land Subdivision           | Jul 2023       | 2027                     | 5.9%                                      | > 10%                             | Planning           | - Planning<br>- Environmental<br>- Sales & marketing     | 70.0%                       | \$55.0m                | Mar 2023             | 5.0%               | 2 mths             |
| 2            | Melbourne Metro, VIC | ~350 apartment development              | Jan 2024       | 2029                     | 15.1%                                     | > 20%                             | Planning           | - Planning<br>- Sales & marketing                        | 55.0%                       | \$85.0m                | Oct 2023             | 5.0%               | 2 mths             |
| 3            | Gold Coast, QLD      | ~80 strata unit industrial development  | Mar 2024       | 2027                     | 3.4%                                      | > 30%                             | Under Construction | - Sales & marketing<br>- Development                     | 70.0%                       | \$27.0m                | Apr 2024             | 5.0%               | 2 mths             |
| 4            | Brisbane Metro, QLD  | 85ha Industrial subdivision             | Feb 2024       | 2027                     | 5.3%                                      | > 50%                             | Under Construction | - Environmental<br>- Sales & marketing<br>- Development  | 52.5%                       | \$70.0m                | May 2024             | 10.0%              | 6 mths             |
| 5            | Sydney Metro, NSW    | residential mix use site rezoning       | Oct 2023       | 2029                     | 15.2%                                     | > 15%                             | Planning           | - Rezoning & Planning<br>- Leasing<br>- Development      | 53.0%                       | \$132.0m               | Jun 2023             | 5.0%               | 2 mths             |
| 6            | Sydney Metro, NSW    | ~238 apartment development              | Oct 2023       | 2027                     | 15.9%                                     | > 15%                             | Planning           | - Planning<br>- Sales & Marketing<br>- Environmental     | 50.0%                       | \$144.0m               | Jun 2023             | 5.0%               | 2 mths             |
| 7            | Sydney West, NSW     | ~170 apartment development              | Dec 2023       | 2026                     | 5.9%                                      | > 20%                             | Pre-Construction   | - Planning (Revised scheme)                              | 70.0%                       | \$21m                  | Aug 2023             | 5.0%               | 2 mths             |
| 8            | Sydney West, NSW     | ~1,500 residential land lot subdivision | Apr 2024       | 2028                     | 23.4%                                     | > 25%                             | Under Construction | - Program<br>- Environmental<br>- Sales & marketing      | 65.0%                       | \$208m                 | Aug 2023 to Jun 2024 | 5.0%               | 2 mths             |
| 9            | Sydney Metro, NSW    | ~374 apartment development              | Aug 2024       | 2027                     | 9.9%                                      | >20%                              | Planning           | - Sales & marketing<br>- Construction<br>- Environmental | 81.9%                       | A\$90m                 | May 2024             | 5.0%               | 2 mths             |
| <b>Total</b> |                      |   |                |                          | <b>100%</b>                               | <b>&gt; 20%</b>                   |                    |  | <b>61%</b>                  |                        |                      |                    |                    |

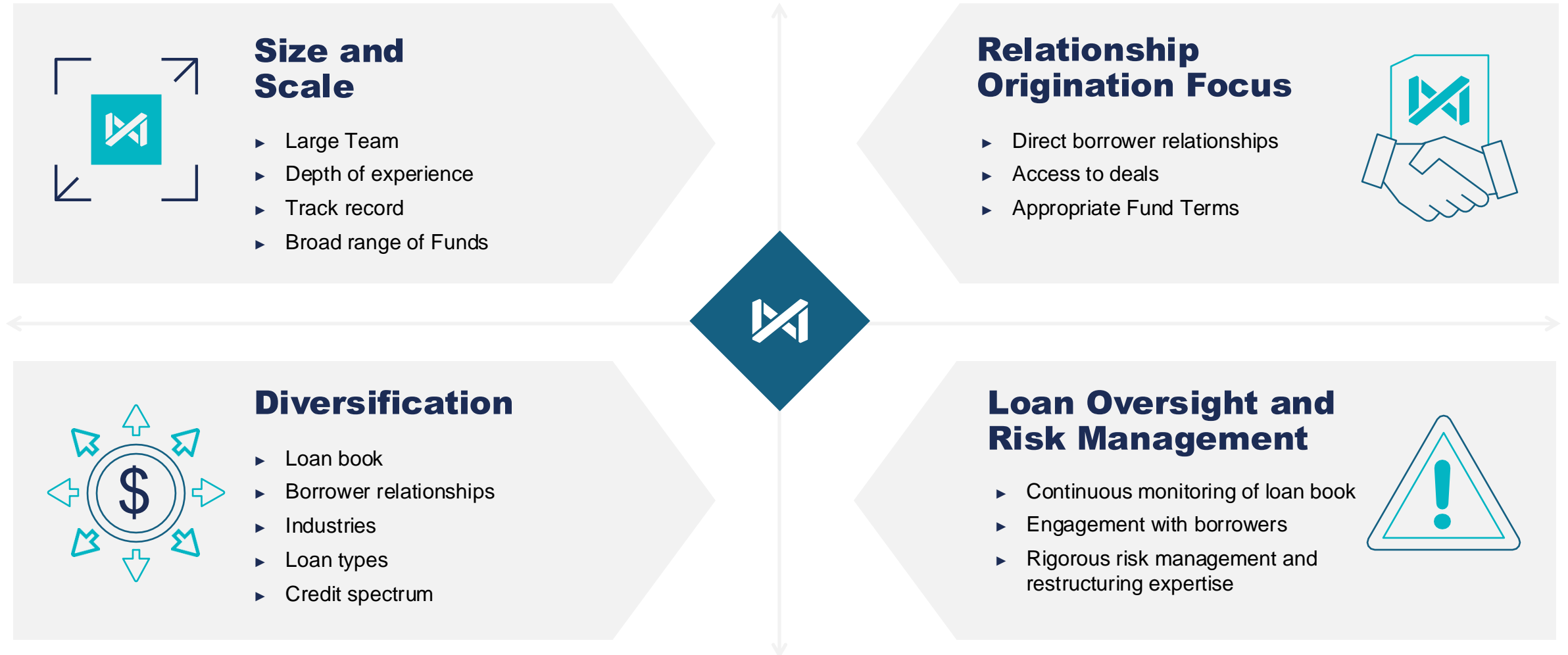
Notes: Data as at 31 July 2024. Any forecast returns are the current expectation of Metrics; however the returns may not be realised. No person guarantees any return out of the Fund, Sub-Trusts or any Wholesale Fund. The forecast returns are based on certain assumptions and contingencies that may not be accurate at all times. 1. Based on MREPIIM commitment. 2. Forecast Project IRR is at the project level based on MREPIIM's investment, excluding tax and fund level fees and costs (including management fees, performance fees and finance costs). The project budgets upon which the forecast IRRs are calculated include contingencies for construction costs, program holding and finance costs. Therefore, if the project cost budget or program changes, the forecast returns will also change. The forecast returns reflect all known information available to Metrics as at the date of the PDS. 3.(Covenant) Loan-to-Value ratios are based on the facility limit of all Debt which ranks ahead of the MREPIIM investment in the capital structure (ie. drawn Debt plus undrawn available Debt) divided by the most recent valuation of the underlying property. 4. The valuation is based on the most recently obtained valuation and are expressed to be on an as-is market valuation basis excluding GST). (5) MREPIIM's exposure to the above projects and developments are structured as Equity or Preferred Equity. In all cases, the investment will rank behind any Senior or junior Debt in the capital structure. This means that MREPIIM will not receive its return on investment until after any Debt holders have been paid the interest and principal under those arrangements. In the event of a winding up of any of the above investments, the amount payable to MREPIIM will be limited to the available cash after Debt holders have been repaid any monies owing to them. The projects set out above are subject to risks, including development risk. In connection with the investment of the Offer proceeds into MREPIIM, certain duty liabilities will arise. The duty is a one-off expense and only applies to the assets seeded in MREPIIM prior to the injection of capital. The Equity Sub-Trust will recognise the investment in MREPIIM in accordance with fair value through profit or loss, and as such the transaction costs attached to this transaction are to be immediately expensed. Based on the current asset valuations for the above assets there is a valuation uplift accrued on the seed portfolio that will offset the impact of the cost of the duty referable to the Fund's investment in the Equity Sub-Trust.

# How to Access Private Markets with Metrics

|   | <b>Metrics Direct<br/>Income Fund<br/>MANAGED FUND</b>  | <b>Metrics Master<br/>Income Trust<br/>ASX:MXT</b>  | <b>Metrics Income<br/>Opportunities Trust<br/>ASX:MOT</b>   | <b>Metrics Real Estate<br/>Multi-Strategy Fund<br/>ASX:MRE</b> | <b>Metrics Real Estate<br/>Income Fund<br/>MANAGED FUND</b> |
|---|---|---|---|--|---|
| <b>Inception Date</b>                                   | July 2020   | October 2017  | April 2019  | <b>16 October 2024</b>   | <b>Coming Soon</b>  |
| <b>Target Net Return<sup>^</sup></b>                    | RBA Cash Rate<br>plus 3.25% p.a.  | RBA Cash Rate<br>plus 3.25% p.a.  | Cash Return: 7% p.a.<br>with upside gains<br>Total Return: 8–10% p.a.<br>over 3–5yrs                            | Total Return: 10-12% p.a.                                      | RBA Cash Rate<br>plus 4.00% p.a.                            |
| <b>1 Year Net Return</b>                                | 9.35%   | 8.97%   | 9.23%   | ~  | ~   |
| <b>Net Returns Since<br/>Inception p.a.<sup>1</sup></b> | 7.61% <sup>2</sup>  | 6.18% <sup>3</sup>  | 8.90% <sup>4</sup>  | ~  | ~   |
| <b>Distributions</b>                                    | Monthly   | Monthly   | Monthly   | Monthly  | Monthly   |
| <b>Applications /<br/>Redemption</b>                    | Monthly   | Daily*  | Daily*  | Daily*   | Monthly   |
| <b>Research<br/>Ratings</b>                             | <b>Highly Recommended</b><br>Lonsec, Zenith Investment Partners,<br>BondAdviser<br><b>Recommended+</b><br>Independent Investment Research | <b>Highly Recommended</b><br>Lonsec, Zenith Investment Partners,<br>BondAdviser<br><b>Recommended+</b><br>Independent Investment Research | <b>Recommended</b><br>Lonsec,<br>Zenith Investment Partners,<br>BondAdviser,<br>Independent Investment Research | <b>Recommended</b><br>Lonsec, Zenith Investment Partners       | –   |

Notes: As at 30 September 2024 (1) Annualised (2) since inception 1 July 2020 (3) IPO October 2017 (4) IPO April 2019 (5) Pro forma return series based on actual MCP Real Estate Debt Fund returns since inception as at October 2017 and expected Metrics Real Estate Income Fund expenses. <sup>^</sup>This is a target return and may not be achieved. Past performance is not a reliable indicator of future performance. Assumes participation in Distribution Reinvestment Plan (DRP). \*Subject to market liquidity. See the Research Ratings Terms and Conditions under the 'Ratings Disclaimer' at the end of the presentation.

# Manager Selection Matters



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