METRICS

METRICS DIRECT INCOME FUND

UPDATED AND REISSUED
PRODUCT DISCLOSURE STATEMENT
Metrics Direct Income Fund
(ARSN 641 620 331; APIR CODE EVO2608AU; ISIN AU60EVO26084)

30 September 2022

ISSUER AND RESPONSIBLE ENTITY
Equity Trustees Limited
(ACN 004 031 298; AFSL 240975)

MANAGER
Metrics Credit Partners Pty Ltd
(ACN 150 646 996; AFSL 416 146)

IMPORTANT NOTICE

IMPORTANT NOTICES

The Metrics Direct Income Fund ARSN 641 620 331 (**Trust**) is an Australian registered managed investment scheme.

This document is a product disclosure statement (**PDS**) for the purposes of Part 7.9 of the Corporations Act.

This PDS is issued by the responsible entity of the Trust. The responsible entity of the Trust is Equity Trustees Limited ACN 004 031 298, AFSL 240975 (**Responsible Entity**, **Us**, or **We**).

The Responsible Entity has engaged Metrics Credit Partners Pty Ltd ACN 150 646 996; AFSL 416 146 (**Manager** or **Metrics**) to provide investment and other services to the Trust, pursuant to an Investment Management Agreement entered into between the Responsible Entity and the Manager.

The Corporations Act allows us to provide certain information to you separately to this PDS. Where you see references to "Additional information is incorporated by reference" additional information concerning this topic has been incorporated by reference and forms part of the PDS. This information can be found in the Additional Information Booklet, available at the Trust Website. You should read this information before making an important decision. This material may change between the time when you read this PDS and when you acquire the product. This information is available to you free of charge upon request in paper format by contacting Pinnacle Investment Management Limited ACN 109 659 109 (**Distribution Partner**).

Units issued under this PDS will be issued by the Responsible Entity on the terms and conditions set out in the Constitution and this PDS.

TARGET MARKET DETERMINATION

The Responsible Entity has issued a target market determination in respect of the Trust (**TMD**). The TMD is publicly available at the Trust Website.

NOT INVESTMENT ADVICE

The information contained in this PDS is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs.

Before deciding to invest in the Trust, you should read this PDS including the Additional Information Booklet in its entirety. You should take into account all risk factors referred to in this PDS and the AIB and consider whether acquiring Units represents an appropriate investment in view of your personal circumstances. You should carefully consider your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and you should seek advice from your professional adviser before deciding whether to invest. You should consider the risk factors that could affect the financial performance of the Trust. There is no guarantee that the Units offered under this PDS will provide a return on capital, lead to payment of distributions or that there will be any increase in the value of the Units. If you wish to apply for Units you must do so using the Application Form.

NO OFFER WHERE OFFER WOULD BE ILLEGAL

The Offer pursuant to this PDS is available to persons receiving an electronic version of this PDS within Australia and New Zealand. The Responsible Entity is entitled to refuse an Application if it believes the Applicant did not receive the Offer in Australia or New Zealand. The Offer under this PDS is only available to persons receiving this PDS in Australia and New Zealand and does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Units in any jurisdiction outside Australia and New Zealand. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

WARNING STATEMENTS FOR NEW ZEALAND INVESTORS

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

Currency exchange risk

The Offer may involve currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

RIGHTS AND OBLIGATIONS ATTACHED TO THE UNITS

Units issued under the Offer will be fully paid and rank equally with existing Units from allotment, including in respect of distributions.

ELECTRONIC PDS

This PDS will be available and may be viewed online at www.metrics.com.au/funding-solutions/metrics-direct-income-fund. The information on the website, other than the Additional Information Booklet, does not form part of this PDS.

Any person accessing the electronic version of this PDS for the purpose of making an investment in the Trust must only access the PDS from within Australia and New Zealand. Applications for Units can only be made using the procedure outlined in section 11 of this PDS.

PAY BY BPAY®

Applicants should be aware of their financial institution's cut-off time, noting that payments must be made to be processed overnight. Any BPAY® payment must be received by the Unit Registry by 5:00pm (Sydney time) on the Application Day for Units to be issued on the relevant Issue Date.

DISCLAIMER

No person is authorised by the Responsible Entity, the Manager or the Distribution Partner to give any information or make any representation in connection with the Offer that is not contained in this PDS. Any information or representation that is not contained in this PDS may not be relied on as having been authorised by the Responsible Entity, the Manager, or the Distribution Partner, their directors or any other person in connection with the Offer. The Trust's business, financial condition, operations and prospects may have changed since the date of this PDS.

Certain statements in this PDS constitute forward looking statements. These forward-looking statements are identified by words such as 'aim', 'anticipate', 'assume', 'believes', 'could', 'expects', 'intends', 'may', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would', and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

These forward-looking statements are based on current expectations, estimates, and projections about the Trust's business and the industry in which the Trust invests and the beliefs and assumptions of the Manager and the Responsible Entity. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Responsible Entity's and Manager's control. As a result, any or all of the forward-looking statements in this PDS may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in section 8.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The Responsible Entity and Manager do not make any assurance, express or implied, in relation to whether any forward-looking statements will actually eventuate.

These forward-looking statements speak only as at the date of this PDS. Unless required by law, the Responsible Entity or Manager does not intend to publicly update or revise any forward-looking statements to reflect new information, future events or otherwise. They are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

Some numerical figures in this PDS have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

UPDATED INFORMATION

Information in this PDS may need to be updated from time to time. Any updated information that is considered not materially adverse to investors will be made available on the Trust Website and a copy of the updated information will be provided free of charge to any investor who requests a copy by contacting the Distribution Partner on:

Tel: 1300 010 311 (between 9:00am to 5:00pm Sydney time Monday to Friday).

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

PRIVACY

> **Additional information is incorporated by reference**

You should read the important information about privacy in section 11 of the AIB available at the Trust Website before making a decision.

MISCELLANEOUS

Photographs and diagrams used in this PDS that do not have descriptions are for illustration only and should not be interpreted to mean that any person in them endorses this PDS or its contents or that the assets shown in them are owned by the Trust.

References in this PDS to currency are to Australian dollars unless otherwise indicated. All data contained in charts, graphs and tables within this PDS are based on information available as at the date of this PDS unless otherwise stated.

Certain terms and abbreviations in this PDS have defined meanings that are set out in the Glossary to this PDS.

TIME

Unless otherwise stated or implied, references to time in this PDS are to the local time in Sydney, New South Wales, Australia (**Sydney time**).

Any references to documents included on the Metrics Website are provided for convenience only, and none of the documents or other information on the Metrics Website is incorporated by reference into the PDS.

CONTENTS

1. KEY TERMS

IMPORTANT NOTE: THE TABLE BELOW PROVIDES A SUMMARY ONLY OF THE KEY TERMS OF THE TRUST AND DOES NOT SET OUT FULL DETAILS OF THE TRUST'S TERMS. YOU SHOULD READ THIS PRODUCT DISCLOSURE STATEMENT (INCLUDING THE AIB) AND THE CONSTITUTION IN FULL PRIOR TO MAKING A DECISION TO INVEST IN THE TRUST.

KEY TERM	DESCRIPTION	FOR MORE INFORMATION
Trust	Metrics Direct Income Fund ARSN 641 620 331. The Trust is an Australian unit trust, registered under the Corporations Act as a managed investment scheme.	Section 3.1
Manager	Metrics Credit Partners Pty Ltd ACN 150 646 996, AFSL 416146.	Section 2
Responsible Entity	Equity Trustees Limited ACN 004 031 298, AFSL 240975.	Section 4
Investment Objective	The Trust's Investment Objective is to provide monthly cash income, low risk of capital loss and portfolio diversification, through its exposure to the MCP Wholesale Investments Trust (**Sub-Trust**) and the Wholesale Funds, by gaining exposure to managed diversified loan portfolios and participating in Australia's bank-dominated loan market. **The Trust may not be successful in reaching its objective.** Whilst the Manager believes the Trust will be liquid, there may be periods where an investment in the Trust cannot be redeemed.	Section 3.4
Investment Horizon	An investment in the Trust should be considered a medium to long-term investment.	Section 3.17
Investment Strategy	The Trust will invest as a wholesale investor in the Sub-Trust. The Sub-Trust invests in the Wholesale Funds managed by Metrics and may invest directly in investment assets itself to best achieve the Investment Objective. The Wholesale Funds that the Sub-Trust has invested in at the time of this PDS are Metrics Credit Partners Diversified Australian Senior Loan Fund (**DASLF**), MCP Secured Private Debt Fund II (**SPDF II**) and MCP Real Estate Debt Fund (**REDF**). From time to time the Trust may, subject to the Listing Rules, hold units in the Metrics Master Income Trust (**Listed Trust**) which are traded on the ASX.	Section 3.8
Target Return	RBA Cash Rate plus 3.25% per annum net of fees through the economic cycle. Based on the RBA Cash Rate as at the date of this PDS of 2.35%, the Target Return is 5.60% per annum (net of fees). The total return may rise or fall based on, among other things, the performance and the value of the Wholesale Funds' assets, movements in the RBA Cash Rate and the traded price of units in the Listed Trust	

KEY TERM	DESCRIPTION	FOR MORE INFORMATION
Target Return continued	**The Target Return is only a target and may not be achieved. Please refer to the 'Target Return Assumptions' in section 3.7.**	Section 3.7
Issue Price	Units will be issued at the month end ex-distribution Net Unit Value plus Transaction Costs.	Section 3.15
Capital structure of Units	The Offer is for ordinary, fully paid Units. As at the date of this PDS, there are no other classes of Units in the Trust.	
Issue of Units	Applications can be submitted daily and Units will be issued monthly on each Issue Date. The Trust will retain any interest earned on Application Monies.	Section 3.15(a)
Redemptions	The Responsible Entity expects that the Trust will typically be liquid although the Trust's ability to meet redemptions may, due to a variety of factors from time to time, be adversely affected. Situations may arise where you may not be able to redeem your investment in the Trust. Where the Trust is liquid, the Responsible Entity will typically accept redemption requests monthly, at the end of each month, where a redeeming Investor has provided 10 Business Days' prior written notice. In certain circumstances redemptions may be restricted. Please refer to Section 3.19 for more information. Dependent on changing market conditions, future issues of Units may be issued on the basis that they will not be able to be redeemed until the first anniversary of their issue other than with the Responsible Entity's consent in accordance with the Constitution. Under these circumstances, those Units will be issued under a replacement, supplementary or updated product disclosure statement.	Sections 3.15(b) and 3.19 > **Additional information is incorporated by reference** You should read the important information about matters that can affect the Trust's liquidity in section 6 of the AIB available at the Trust Website before making a decision. Section 3.9

KEY TERM	DESCRIPTION	FOR MORE INFORMATION
Distributions	The Responsible Entity intends to pay distributions to Investors monthly, subject to the Trust receiving distributions from the Sub-Trust (and the Listed Trust to the extent the Trust holds units in the Listed Trust). Distributions will be paid at the discretion of the Responsible Entity and may depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Responsible Entity deems relevant. **Please refer to section 3.10 below.** The Trust has established a Distribution Reinvestment Plan (**DRP**). Please refer to the DRP available on the Trust Website. Investors may elect to participate in the DRP or alternatively receive cash distributions. Where Investors make no election they will be deemed to have requested to receive cash distributions. Unitholders who have not provided the Unit Registry with valid bank account details for the payment of cash distributions will be deemed to have elected to reinvest all of their cash distributions in additional Units in the Trust in accordance with the DRP.	> **Additional information is incorporated by reference** You should read the important information about the distributions from the Trust in section 2 of the AIB available at the Trust Website before making a decision.
Key Risks	**All investments are subject to risk, which means the value of your investment may rise or fall. Before making an investment decision, it is important to understand the risks that can affect the value of your investment. Key risks of an investment in the Trust include but are not limited to:** > the replacement of Metrics as the manager of the Trust; > the replacement of the Responsible Entity as responsible entity of the Trust; > the inability of the Trust to fund Redemption Requests; > the risk that the Trust will not be successful in achieving the Investment Objective; > the risk that Investors may lose all of the capital invested in the Trust. Please refer to section 8 below.	Section 8 > **Additional information is incorporated by reference** You should read the important information about the risks of an investment in the Trust in section 6 of the AIB available at the Trust Website before making a decision.

KEY TERM	DESCRIPTION	FOR MORE INFORMATION
Investor Reporting	The Trust's NAV will be disclosed daily on the Trust Website. Transaction confirmations and monthly holding statements will be available to investors via the Unit Registry's online investor portal. Monthly performance reporting. Financial accounts including annual audit or half yearly review by Auditor of the Trust within 3 months of reporting date. Regulatory reporting (such as annual income tax, periodic statements and distribution statements).	Section 3.13
Minimum Application Amount	$1,000 or such lesser amount as determined by the Responsible Entity in its absolute discretion.	Section 11
Fees and costs	The Responsible Entity will be paid fees out of assets of the Trust in aggregate equal to 0.03% per annum of the Trust's NAV up to $500 million and reducing to 0.02% per annum on amounts in excess of $500 million. Metrics will receive a management fee out of the assets of the Trust equal to 0.20% of the Trust's NAV per annum. In addition Metrics will receive management and performance fees in respect of the Sub-Trust (where the Sub-Trust makes direct investments) and the Wholesale Funds. The total management costs of the Trust borne by Investors are estimated to be 0.69% per annum of the Trust's NAV.	Section 6
Trust Entry & Exit Fees	Nil, however Transaction Costs in relation to the issue or redemption of Units may apply (see "Issue, Redemptions and Transfer of Units" section 3.15).	Sections 3.15 and 6.
Unit Registry	Automic Pty Ltd ACN 152 260 814 trading as Automic Group has been appointed to provide registry services to the Trust under a Registry Services Agreement.	> **Additional information is incorporated by reference** You should read the information about the Registry Services Agreement in section 5.5 of the AIB available at the Trust Website before making a decision.

KEY TERM	DESCRIPTION	FOR MORE INFORMATION
Trust Administrator	MCH Fund Administration Services Pty Ltd ACN 636 286 970 has been appointed by the Responsible Entity to provide fund administration and accounting services to the Trust under the Administration Services Deed. The Trust Administrator is related to the Manager.	> **Additional information is incorporated by reference** You should read the important information about the Administration Services Deed in section 5.5 of the AIB available at the Trust Website before making a decision.
Custodian	EQT Australia Limited ACN 111 042 132 is appointed by the Responsible Entity to hold the assets of the Trust under the Custody Agreement. The Custodian has no supervisory role in relation to the operations of the Trust and is not responsible for protecting the Trust's interests. Fees payable to the Custodian will be borne by the Responsible Entity, however, expenses incurred by the Custodian in the proper performance of its duties may be borne by the Trust.	> **Additional information is incorporated by reference** You should read the important information about the Custody Agreement in section 5.5 of the AIB available at the Trust Website before making a decision.
Trust Auditor	KPMG.	

2. ABOUT THE MANAGER

The Responsible Entity has appointed Metrics to be the manager of the Trust under the Investment Management Agreement. Metrics' role under the Investment Management Agreement includes but is not limited to managing the Trust's investments and administrative affairs. The Sub-Trustee has appointed Metrics to be the manager of the Sub-Trust under the Sub-Trust Investment Management Agreement. The Manager can be terminated as manager of the Trust and the Sub-Trust in certain circumstances.

> **Additional information is incorporated by reference**
>
> You should read the important information about the Manager term and Manager termination rights with respect to the Trust and the Sub-Trust in sections 5.2 and 5.3 of the AIB available at the Trust Website before making a decision.

Metrics is an Australian based alternative asset management firm specialising in direct lending to Australian companies and is an active participant in the Australian private credit market. Metrics launched its first wholesale fund in 2013 and is the appointed manager of a number of wholesale investment trusts in addition to two ASX listed funds. The ASX listed funds managed by Metrics are the Metrics Master Income Trust (ASX:MXT) and the Metrics Income Opportunities Trust (ASX:MOT). As at the date of this PDS Metrics manages in excess of A$13 billion in assets.

Metrics has established a range of unique and innovative investment products that are designed to provide investors with access to portfolios of private credit investments that have regular income potential and would not normally be available to retail investors. Metrics' investment activities cover a broad range of private credit investments from lower yielding and lower risk private credit to higher yielding and higher risk private credit. Lending activities cover a range of industries and borrowers as well as structures including (but not limited to) loans, Notes, Bonds, Warrants, Options, Preference Shares and Equity.

Metrics' Investment Team is experienced in the direct origination and management of corporate debt investments and seeks to manage risk through detailed initial and ongoing due diligence and portfolio risk management strategies. Refer to section 3 for more details.

Metrics is a wholly owned subsidiary of Metrics Credit Holdings Pty Ltd (ACN 150 647 091) which in turn is 65% owned by the Investment Team and 35% by Pinnacle Investment Management Limited (ACN 109 659 109) (**Pinnacle**). Pinnacle is a subsidiary of ASX listed Pinnacle Investment Management Group Limited (ASX:PNI).

3. INVESTMENT OVERVIEW

3.1 ABOUT THE TRUST

The Trust is a registered managed investment scheme under the Corporations Act.

Equity Trustees Limited is the responsible entity of the Trust.

The Trust invests in the Sub-Trust, the Listed Trust, cash and other trusts from time to time established for the Trust's investments. The Sub-Trust is an unregistered wholesale Australian unit trust. The Trust Company Limited ACN 004 027 749 (**Sub-Trustee**) is the trustee of the Sub-Trust and is a 100% owned subsidiary of Perpetual. The Listed Trust is an Australian registered managed investment scheme. The Trust Company (RE Services) Limited ACN 003 278 831 is the responsible entity of the Listed Trust.

The Manager's Investment Objective for the Trust is, through its investment in the Sub-Trust, to provide monthly cash income, low risk of capital loss and portfolio diversification by actively managing diversified loan portfolios and participating in Australia's bank-dominated corporate loan market. The corporate loan market includes lending for businesses, commercial real estate and projects (e.g. infrastructure). **The Trust may not be successful in achieving its objective.**

The Sub-Trust may make direct investments or invest in Wholesale Funds which are managed by the Manager. The Wholesale Funds invest directly in portfolios of corporate fixed income via direct lending to predominantly Australian companies. Metrics is the manager of various underlying Wholesale Funds which themselves have different terms and investment management agreements.

External wholesale investors may invest in the Sub-Trust and Wholesale Funds from time to time. This may help the Trust to generate liquidity and assist it in participating in the corporate loan market in a scalable manner.

The Manager intends to manage the Trust with a focus on capital preservation. The Manager (as manager of the Sub-Trust and the Wholesale Funds) implements pro-active risk management strategies within a robust risk management framework and culture. The Manager will implement active strategies designed to balance the Trust's objective in delivering the Target Return while actively managing risk and seeking to preserve investor capital.

The Trust may not be successful in achieving the Target Return.

3.2 MARKET OPPORTUNITY

The Trust seeks to provide investors, via the Trust's investment in the Sub-Trust, with exposure to the Australian corporate loan market. The Australian corporate loan market is the primary source of debt finance for Australian companies. This market demonstrates many features which make it an attractive use of bank capital.

In addition, Australia's corporate lending market is characterised by high barriers to entry which limit participation by non-bank investors and lenders. These barriers to entry include:

> the market dominance of the Australian major banks which have extensive relationships and operate full service business models that increase the cost and risk of asset origination for new entrants;

> the high fixed cost base incurred by a new entrant at start up prior to its portfolio achieving a profitable scale;

> the requirement for significant levels of capital to build a diversified portfolio to mitigate individual borrower and sector risk; and

> borrowers' desire to deal with established lenders with significant capital and expertise.

A number of circumstances have resulted in an opportunity in the corporate lending market for a non-bank lender to be able to overcome market barriers to entry and to exploit advantageous market conditions. These external factors include:

> increased bank regulation which is increasing the cost of lending which, in turn, is passed on to borrowers; and

> capital adequacy requirements for banks increasing in line with regulation making it more expensive for banks to lend, which in turn is passed through to borrowers.

The Trust is designed to be an accessible means for investors to capitalise on this market opportunity and to enable investment (via the Sub-Trust and the Wholesale Funds) in a directly originated, actively managed and diversified portfolio of corporate loan assets.

3.3 INVESTMENT PHILOSOPHY

The Australian corporate loan market represents a large and active segment of Australia's corporate fixed income market and provides attractive risk-adjusted returns compared with most other classes of fixed income investment opportunities available to investors in Australia.

The Manager's belief is 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.

3.4 INVESTMENT OBJECTIVE

The Trust's Investment Objective is to provide, through its investments in the Sub-Trust, monthly cash income, low risk of capital loss and indirect portfolio diversification by gaining exposure to actively managed diversified loan portfolios and participating in Australia's bank-dominated corporate loan market. **The Trust may not be successful in achieving its objective.**

3.5 WHOLESALE FUNDS

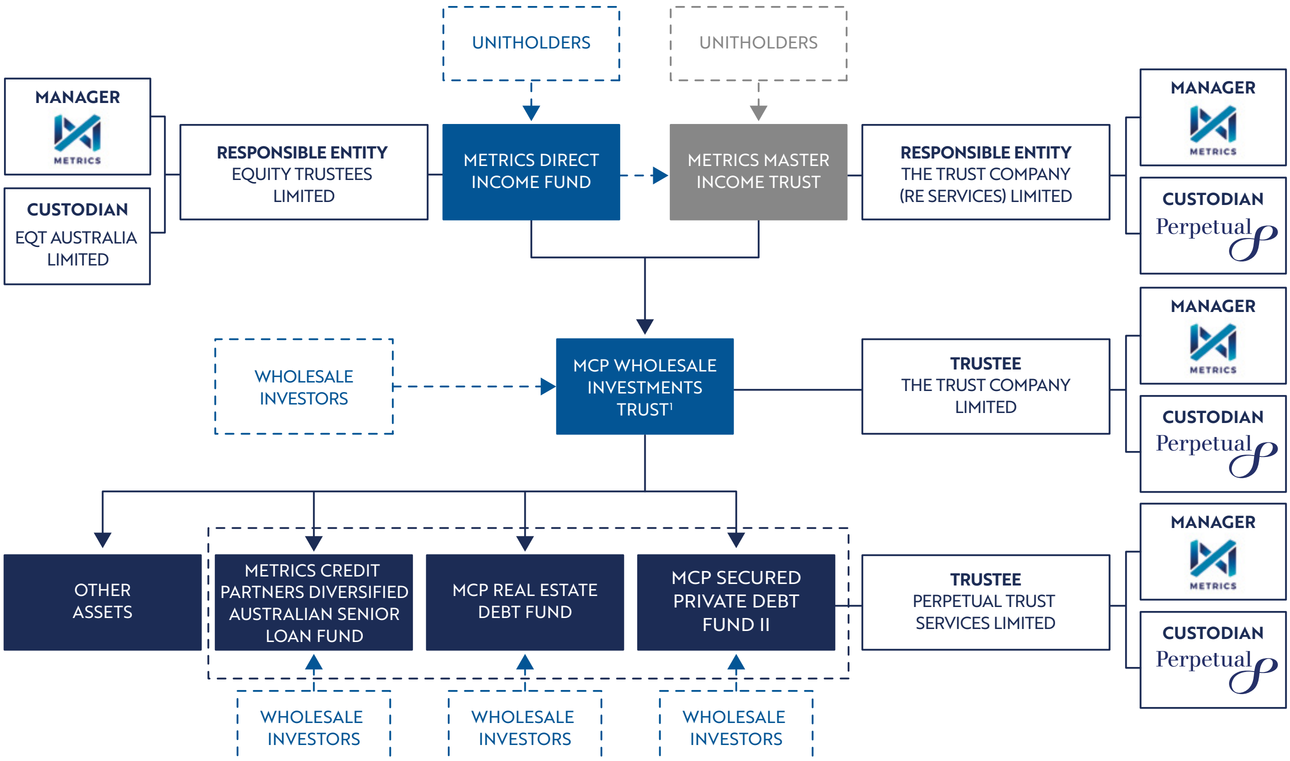
The Trust will be exposed to investments, through its exposure to the Sub-Trust, in loans and in certain Wholesale Funds that are managed by Metrics. Generally, the Wholesale Funds invest directly in a diversified portfolio of lending products via direct lending to Australian companies. The Wholesale Funds may also have investment mandates that enable them to make investments in other funds managed by Metrics. The Wholesale Funds may also invest in Equity or other financial instruments and may enter into restructuring and recapitalisation agreements with certain borrowers in the event a corporate restructuring or recapitalisation of a corporate borrower is required. For further information on how the Trust will invest in the Sub-Trust and Wholesale Funds please see section 5.

The Wholesale Funds that the Sub-Trust has invested in as at the date of this PDS are:

> DASLF;

> SPDF II; and

> REDF.



1 The Sub-Trust may gain exposure to the Wholesale Trust by way of Convertible Notes or units in the Wholesale Funds.

3.6 DISTRIBUTION PARTNER

Pinnacle has been appointed by the Manager as Distribution Partner for the Trust.

3.7 TARGET RETURN AND ASSUMPTIONS

The Trust's Target Return is the RBA Cash Rate plus 3.25% per annum net of fees and costs, through the economic cycle. Based on the RBA Cash Rate as at the date of this PDS of 2.35%, the current Target Return is 5.60% per annum (net of fees and costs). The Trust's total return may rise or fall based on, amongst other things, performance in the underlying corporate loan assets and on movements in the RBA Cash Rate and the traded price of units in the Listed Trust.

The Trust's Target Return is only a target and the actual return of the Trust may be lower than the Trust's Target Return.

> **Additional information is incorporated by reference**
>
> You should read the important information about risks of investing in the Trust in section 6 of the AIB available at the Trust Website before making a decision.

In calculating the Target Return, the Manager has relied on a number of assumptions in respect of the portfolio of the Sub-Trust and the portfolio construction of the Wholesale Funds. These include (but are not limited to):

- the Trust, the Sub-Trust and the Wholesale Funds will operate in markets where market or economic shocks that could have a material impact on Australian or international financial markets are within Metrics' expected tolerances;
- the Sub-Trust will invest in each of the Wholesale Funds according to how the Manager believes the Investment Objective can be best achieved;
- 60-70% of the Sub-Trust's assets will be invested in DASLF, 20-30% of the Sub-Trust's assets will be invested in SPDF II and 10-20% of the Sub-Trust's assets will be invested in REDF; and
- the Trust and the Sub-Trust may from time to time invest in the Listed Trust.

Any or all of the above assumptions may be incorrect or subject to change. In these circumstances the Manager may not be successful in achieving the Target Return. The Wholesale Funds have different liquidity provisions and the assets they hold may not all be realisable in the same time frame. Where the Responsible Entity receives Redemption Requests it may request to redeem a portion of its units in the Sub-Trust. In these circumstances, to meet the Responsible Entity's redemption request, the Sub-Trustee may need to dispose of its investments in one or more of the Wholesale Funds, which may alter the Sub-Trust's portfolio composition.

3.8 INVESTMENT STRATEGY

The Trust's Investment Strategy is (through its investment in the Sub-Trust) 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, the Manager (as manager of the Sub-Trust and Wholesale Funds) will seek to preserve investor capital. The Trust may, subject to the Listing Rules, also hold units in the Listed Trust. There is no determined strategy as to the proportion of the Trust's assets will be invested in the Listed Trust and this amount may vary from time to time. The Trust may hold units in the Listed Trust in order to be able to satisfy Redemption Requests.

Amounts raised by the Trust will be invested in the Sub-Trust and (subject to the Listing Rules) potentially in the Listed Trust. The Sub-Trust will then invest directly in the Wholesale Funds or directly in investment assets so as to achieve the following Target Portfolio Construction which as at the date of this PDS the Manager expects will achieve the Investment Objective:

(a) Diversified by Borrowers

- Lending to public and private companies and projects (over 230 individual investments as at the date of this PDS).
- No more than 5% of the Trust's assets are to be invested in a single borrower. [2]

(b) Diversified by Industries

- Lending across industry sectors.
- It is not intended that the Trust will invest in the banking sector (i.e. regulated banks that otherwise issue public debt securities and hybrids).

(c) Diversified by Credit Quality and investment type

- Lending across the credit spectrum reflective of the corporate loan market.
- Borrowers will mainly be Australian domiciled (>80%).

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2 Measured at the time of investment. This limit may be exceeded in some situations such as revaluations, redemptions from the Sub-Trust or Wholesale Funds or workouts as a result of a corporate restructure or active risk management during a workout where considered necessary to best achieve the investment objective.

> Investments will be in debt products typical in the Australian corporate loan market, including being Secured or unsecured, Senior or Subordinated, Investment Grade or Sub-Investment Grade, with such investments undertaken by the Manager to best achieve the Investment Objective.

This provides only an indication of the intended exposures of the Trust through its investment in the Sub-Trust.

> **Additional information is incorporated by reference**
>
> You should read the important information on the products typical in the Australian corporate loan market in section 4.4 of the AIB available at the Trust Website before making a decision.

> **Additional information is incorporated by reference**
>
> You should read the important information on subordinated loans, Investment Grade and Sub-Investment Grade loans in section 4.1 of the AIB available at the Trust Website before making a decision.

3.9 CHANGES TO INVESTMENT STRATEGY

The Manager intends to implement the Trust's Investment Strategy as detailed in this PDS.

Whilst it is not expected that the Manager will change the investment objective and investment strategy of the Trust, Listed Trust, Sub-Trust and Wholesale Funds, such changes may be made to address issues such as changing economic conditions.

However, any such changes to the Trust's Investment Strategy or Investment Objective would require Responsible Entity approval, after consultation with the Manager, before they could be implemented. Investors will receive advice of any material changes via the Trust Website and, where necessary, a supplementary or replacement product disclosure statement.

Subject to compliance with this PDS, the Investment Management Agreement and the Corporations Act, the Manager has absolute discretion to recommend investments as it sees fit to achieve the Trust's Investment Objective.

3.10 DISTRIBUTIONS POLICY

The Trust intends to pay cash distributions to Investors monthly, subject to receiving distributions from each of the Sub-Trust and the Listed Trust and the Responsible Entity's discretion to set different distribution periods. Annual distributions are expected to match the annual income (net of fees and expenses) achieved by the Trust but will be paid at the discretion of the Responsible Entity and may depend on a number of factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Responsible Entity deems relevant. Distributions from the Trust will be paid to the nominated bank account on an Investor's Application Form. There is a risk that the Trust may be unable to pay distributions.

3.11 VALUATION OF ASSETS

> **Additional information is incorporated by reference**
>
> You should read the important information about the valuation of assets in section 3 of the AIB available at the Trust Website before making a decision.

3.12 LEVERAGE

As at the date of this PDS, the Trust has not incurred, nor is it anticipated that it will incur any debt. However the Trust may incur debt from time to time, including, where necessary to fund Redemption Requests. The Sub-Trust and the Wholesale Funds may borrow for purposes including:

> to enable the Sub-Trust or relevant Wholesale Fund to undertake its investment activities; and

> working capital requirements of the Sub-Trust or relevant Wholesale Fund.

As at the date of this PDS, the Sub-Trust has a $200 million facility.

Additionally, the Wholesale Funds may utilise core leverage, depending on the underlying strategy and investment objectives of the individual Wholesale Fund. As at the date of this PDS, the Wholesale Funds do not have substantial core debt. DASLF has a $1.55 billion facility and REDF has a $300 million facility which may be used to enable it to undertake investment activities. Subject to portfolio diversity, credit quality, performance and the availability of debt finance on terms acceptable to the Manager, the maximum level of permitted leverage of SPDF II and REDF is restricted to not greater than 50% of gross asset value and for DASLF no greater than 30% of gross asset value. DASLF has also established a senior unsecured Australian dollar medium term Note programme. There has been no issuance under this programme as at the date of this PDS. Any issuance under this programme will be included in the calculation of maximum permitted leverage.

3.13 REPORTS TO INVESTORS

> **Additional information is incorporated by reference**
> You should read the important information about the Trust's reporting obligations in section 7 of the AIB available at the Trust Website before making a decision.

It is intended that the Manager will assist the Responsible Entity in the preparation of reports on a monthly basis to keep Investors informed about the current activities of the Trust, the performance of the Trust's investments and the investment outlook.

The annual financial report for the Trust will be audited. The Trust's annual report most recently lodged with ASIC, any half-yearly report lodged with ASIC after the lodgement of the annual financial report, continuous disclosure notices and other information about the Trust are accessible on the Trust Website. The Responsible Entity will also provide a copy of any of the above free of charge on request. Please call the Unit Registry on 1300 816 157 (within Australia) or +61 2 8072 1417 (International). Copies of documents set out above that are lodged by the Trust with ASIC may also be obtained from ASIC.

Note, investments in corporate loans are private and confidential transactions and as such individual investments will not be disclosed.

3.14 UNIT INFORMATION

Each Unit comprises an equal and undivided interest in the assets of the Trust as a whole. Units do not confer an interest in particular Trust assets. The Trust may issue different classes of Units and on different terms.

All Units are issued to fractions of two decimal places of a Unit. A Unit has no nominal or par value. Units are uncertificated and maintained solely by entries on the Unit register maintained by the Unit Registry on behalf of the Responsible Entity.

3.15 ISSUE, REDEMPTION AND TRANSFER OF UNITS

(a) Issue of Units

When an Investor delivers all required documents and pays Application Monies, and the Responsible Entity has accepted that Investor's Application, the Responsible Entity will (subject to rounding) issue Units to the Investor with an aggregate Issue Price equal to the relevant Application Monies.

Application Monies received pending the issue of Units will be held by the Custodian in an application account administered by the Unit Registry.

Any interest earned on the application account will not be attributed to any particular applicant, but will be paid into the Trust for the benefit of the Investors. The Responsible Entity must either issue Units or return the Application Monies (but not any interest earned) to the relevant applicants.

Issue Price calculation details are set out below in respect of:

- the issue of Units (other than in a distribution reinvestment); and
- a distribution reinvestment.

Please refer to section 3.15(e) below.

(b) Redemption of Units

Where the Trust is liquid, Investors may redeem their Units in the Trust on a monthly basis at the end of each month (**Redemption Date**) by providing a written redemption request to the Responsible Entity at least 10 Business Days prior to the last Business Day of the month (**Redemption Request**). It is expected that the Responsible Entity will satisfy Redemption Requests within 15 days of the relevant Redemption Date however, under the Constitution the Responsible Entity has up to 180 days from the relevant Redemption Date to pay redeeming Investors their redemption proceeds.

The Constitution provides that Units may not be redeemed until the first anniversary of their date of issue other than with the consent of the Responsible Entity (**Lock Up**). Where the Trust is liquid, the Responsible Entity does not anticipate withholding such consent in respect of Units issued under this PDS. If the Responsible Entity proposes to withhold its consent in respect of future issues of Units, prospective Investors will be notified by way of a replacement or updated product disclosure statement. In those circumstances, the application of the Lock Up will not apply to Units issued under this PDS.

In certain circumstances the Responsible Entity may suspend or stagger redemptions in accordance with the Constitution. Please refer to section 3.19 below.

Metrics anticipates that Redemption Requests accepted by the Responsible Entity may be satisfied from the following sources:

- sale of units in the Listed Trust that are held by the Trust;
- funds received by the Trust as distributions from the Sub-Trust where the Sub-Trust has received proceeds from the sale of assets or from uninvested cash from the Wholesale Funds;
- the proceeds of newly issued Units in the Trust; or
- funds received by the Trust from realising its investments in the Sub-Trust.

Where the Trust is not liquid withdrawals can only be made pursuant to a withdrawal offer issued by the Responsible Entity in accordance with the Corporations Act. From time to time the Trust may acquire units in the Listed Trust by purchasing units on-market (as they are publicly traded on the ASX) where those units trade at a discount to their net asset value, as well as by way of a placement of units in the Listed Trust. The Trust may subscribe for units in the Listed Trust at the net asset value of those units. At times, where the Trust acquires units in the Listed Trust by way of wholesale placement, this may be at a premium to the price at which such units are traded. In such circumstances, where such units in the Listed Trust are required to be sold in order to fund Redemption Requests, the Trust may crystallise a loss in respect of those Listed Trust units.

(c) Transfer of Units

Investors may only transfer their Units in accordance with the Constitution (including the transferee executing such documents required under the Constitution whereby the transferee agrees to abide by the terms of the Constitution) and the Corporations Act and with the consent of the Responsible Entity and the Manager which may be withheld in their absolute discretion. Such consent is generally not necessary where the transfer is to certain persons such as an Investor's custodian, trustee or a person who controls or is under common control with that Investor. Transfers are not effective until entered into the Trust register by the Unit Registry, and all amounts payable in relation to a Unit will be paid to the registered Investor from the time a transfer is recorded in the Trust register.

There is unlikely to be a secondary market in Units.

(d) Transaction Costs

The Responsible Entity may determine an amount of Transaction Costs as appropriate to Applications and/or Redemptions for the purposes of ensuring that Investors are not actually or potentially adversely impacted as a result of a Redemption of or Application for Units.

Transaction Costs are costs incurred when assets are bought and sold. These amounts could include stamp duty, legal expenses, lost interest or reduction in asset values from carrying values (including loss of value when an asset is sold). Transaction Costs may be charged to ensure fair treatment of Investors. Transaction Costs also include costs incurred by the trustee of the Sub-Trust that would be Transaction Costs if incurred by the Responsible Entity in respect of the Trust.

Transaction Costs are not fixed and may vary. Where assets are required to be sold to fund Redemption Requests, a redeeming Investor may be paid such proceeds less Transaction Costs in full satisfaction of their Redemption Request, which may not equal the Net Unit Value of that person's Units prior to the Redemption Date.

(e) Unit Issue Price

Units are issued monthly following payment of the prior month's distribution. Units will be issued on a fully paid basis.

The Issue Price for Units will be calculated at the Net Unit Value plus the Transaction Costs (if any) as follows:

$$\frac{\text{Net Asset Value} + \text{Transaction Costs}}{\text{Number of Units in issue}}$$

The Issue Price in the case of a distribution reinvestment will, for the avoidance of doubt, be calculated post income distribution.

(f) Redemption Price of Units

The Redemption Price for a Unit is calculated as follows:

$$\frac{\text{Net Asset Value} - \text{Transaction Costs}}{\text{Number of Units in issue}}$$

Where the Responsible Entity determines that assets of the Trust must be realised to satisfy redemptions, the Responsible Entity may:

- delay the calculation of the Redemption Price applying to the relevant Redemption Request until such time as it is aware of the realisation price of those assets; and
- calculate the Redemption Price by adjusting the Net Unit Value and the Transaction Costs so that the Redemption Price reflects the actual or estimated realisation values of the assets of the Trust to be realised in order to satisfy the relevant redemption.

This means that the amount paid to a redeeming Investor may be less than the Net Unit Value of that Investor's Units as at the Redemption Date.

3.16 REALISATION OF INVESTMENTS IN THE WHOLESALE FUNDS

The Trust invests mostly in the Sub-Trust, which invests in and alongside the Wholesale Funds. The Manager anticipates that the Sub-Trust's direct investments and investments in the Wholesale Funds will typically involve long term commitments of 5 to 10 years given the nature of the investments of the Wholesale Funds which can have terms of up to 15 years. The ability of the Trust to withdraw its investment in the Sub-Trust will be dependent on a number of factors, which include:

- the terms of the Sub-Trust and the Wholesale Funds;
- the ability of the Wholesale Funds to liquidate their investments to pay any withdrawal request by the Sub-Trust and whether liquidating those investments is in the best interests of investors as a whole in those funds;
- to the extent the Sub-Trust holds any direct investments, the Sub-Trust's ability to liquidate such investments to pay the relevant withdrawal by the Trust and whether liquidating those investments is in the best interests of investors of the Sub-Trust as a whole; and
- the volume of other withdrawing investors in the Wholesale Funds and the Sub-Trust.

> **Additional information is incorporated by reference**
>
> You should read the important information about the terms of the Wholesale Funds in section 9 of the AIB available at the Trust Website before making a decision.

3.17 REMOVAL AS MANAGER OF THE LISTED TRUST

If Metrics' appointment as manager of the Listed Trust is terminated by ordinary resolution of unitholders in the Listed Trust, the Sub-Trustee may at its discretion compulsorily redeem units in the Sub-Trust held by the Listed Trust within three months of the resolution.

> **Additional information is incorporated by reference**
>
> You should read the important information about the removal of Metrics as manager of the Listed Trust in section 5.3 of the AIB available at the Trust Website before making a decision.

The timing and funding of such redemptions will be dependent on a number of factors. This situation would greatly reduce liquidity in the Trust and may impact the Trust's performance.

> **Additional information is incorporated by reference**
>
> You should read the important information about the redemptions from the Wholesale Funds in section 5.4 of the AIB available at the Trust Website before making a decision.

If such redemption does not occur in the three months, then Metrics must retire as manager of the Sub-Trust. If this occurs, Metrics will no longer be responsible for making investment decisions in respect of the Sub-Trust and may not be in a position to carry out the Trust's Investment Strategy.

3.18 SUSPENSION AND STAGGERING OF REDEMPTION OR ISSUE OF UNITS

The Responsible Entity may at any time suspend the redemption or issue of Units in the Trust for up to 365 days at a time, if:

- it is impracticable for the Responsible Entity to calculate the NAV of the Trust;
- the Trust's investments suspend, delay or restrict the redemption, issue or payment of redemption proceeds (as applicable), or are unable to provide a withdrawal price;
- the Responsible Entity receives Redemption Requests of an aggregate value that in its reasonable estimate exceeds 5% (by value) of all Trust property;

- there have been, or the Responsible Entity anticipates that there will be, Redemption Requests that involve realising a significant amount of the Trust property and the Responsible Entity considers that if those Redemption Requests are all met immediately, other Investors may bear a disproportionate burden of capital gains tax or other expenses, or experience some disadvantage including by way of a material diminution in the value of the Trust property or departure from the Investment Strategy of the Trust;
- the Responsible Entity reasonably considers that it is in the interests of Investors; or
- it is otherwise legally permitted.

A Redemption Request lodged during any period when the redemption of Units is suspended, is taken to be lodged the day after the end of the relevant suspension period.

Where Investors over a month make Redemption Requests representing more than 10% of the Units on issue over that period, the Responsible Entity may stagger each such redemption requests over the successive 5 months in accordance with the Constitution.

3.19 DEFAULTING INVESTORS

In certain circumstances under the Constitution an Investor may be classified as a 'Defaulting Holder' by the Responsible Entity. These circumstances include:

- where that Investor is insolvent;
- where the Investor has made a material misrepresentation in acquiring its Units; or
- where the Responsible Entity reasonably believes the Units are held in circumstances which have or will result in a violation of law by the Responsible Entity, the Manager, Trust or another Investor, or which will subject the Trust to taxation or otherwise adversely affect the Trust, the Responsible Entity, the Manager or the Investors in a material respect.

If the relevant Investor fails, within 10 Business Days of being notified by the Responsible Entity, to remedy the event that has caused them to be a Defaulting Holder, that person's Units may be forfeited and cancelled under the Constitution. An Investor may be liable to the Responsible Entity for any costs incurred by the Responsible Entity or the Trust in respect of the Investor being a Defaulting Holder. During such time as an Investor is a Defaulting Holder, that person's rights in respect of the Trust and any rights attaching to that person's Units, including the right to vote and receive distributions, are suspended until reinstated by the Responsible Entity in accordance with the Constitution.

4. ABOUT THE RESPONSIBLE ENTITY

Equity Trustees Limited ACN 004 031 298 AFSL 240975, a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Trust's responsible entity and issuer of this PDS. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

The Responsible Entity holds AFSL number 240975 issued by ASIC, which authorises it to operate the Trust.

The Responsible Entity is bound by the Constitution and the Corporations Act. The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Constitution and the Corporations Act.

The Responsible Entity has the power to delegate certain aspects of its duties.

The Responsible Entity has appointed the Manager as investment manager of the Trust. The Manager has been delegated full day-to-day decision making with respect to investments. All investment decisions are made by the Manager's investment committee. The Investment Management Agreement, under which the Manager is appointed as investment manager of the Trust, has been entered into at arm's length. There is also a segregation in the decision making process with the Responsible Entity and the Manager each having their own boards of directors and executive team. Under the Investment Management Agreement, the Manager is to provide the Responsible Entity with regular reports on the Trust's investments and the performance of the Trust. These reporting requirements also include the Manager providing regular compliance certificates confirming that for the applicable reporting period it had adequate compliance measures in place, including conflicts of interest policies and risk management systems. This information will enable the Responsible Entity to determine whether the Manager has followed all appropriate processes and controls in assessing and reviewing the investments of the Trust and whether any conflicts of interest or related party aspects of these investments have been adequately identified and assessed in accordance with the Responsible Entity's conflicts policies and other applicable procedures and processes.

> **Additional information is incorporated by reference**
>
> You should read the important information about the functions of the Manager under the Investment Management Agreement in section 5.2 of the AIB available at the Trust Website before making a decision.

The Manager may at any time request the Responsible Entity to retire. If the Responsible Entity receives this request it will facilitate its retirement and replacement, each in accordance with the relevant provisions of the Corporations Act. Investors will be entitled to vote on the appointment of the new responsible entity in those circumstances.

The Responsible Entity regularly reviews the Trust's performance and monitors the Manager's performance. The Responsible Entity is ultimately accountable to the Investors, not the Manager.

The Responsible Entity has conducted due diligence on the Manager to assess its ability to carry out the Investment Strategy for the Trust.

The Responsible Entity has appointed EQT Australia Limited ACN 111 042 132 to hold the assets of the Trust. The Custodian is ultimately wholly-owned by EQT Holdings Limited. The assets of the Trust are held by the Custodian in accordance with usual market practice. Fees payable to the Custodian are borne by the Responsible Entity, however expenses incurred by the Custodian in properly performing its duties will be borne by the Trust. The Custodian has no supervisory role in relation to the operations of the Trust and is not responsible for protecting its interests. The Custodian has no liability or responsibility for an act done or omission made in accordance with the terms of its appointment. To the extent that this PDS includes statements by the Custodian or includes statements based on any statement of, or information provided by, the Custodian, the Custodian consents to each such statement being included in the PDS in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this PDS. The assets held by the Custodian are not investments of the Custodian. The Custodian does not guarantee the performance of the investment or the underlying assets of the Trust, or provide a guarantee or assurance in respect of the obligations of the Trust.

> **Additional information is incorporated by reference**
>
> You should read the important information about the functions of the Custodian under the Custody Agreement in section 5.5 of the AIB available at the Trust Website before making a decision.

5. SUB-TRUST AND WHOLESALE FUNDS

The Sub-Trust is an open-ended (which means it can continue to issue and redeem units), unregistered unit trust which accepts applications from wholesale investors only. The Trust will hold fully paid units in the Sub-Trust, however, the Sub-Trustee may issue partly paid units or other investments in the future to other investors who will have the same voting rights as the Trust. In the event that partly paid units in the Sub-Trust are issued, holders of partly paid are entitled to the same voting rights as the holders of fully paid units, notwithstanding that their units are not fully paid.

5.1 SUB-TRUST PORTFOLIO CONSTRUCTION

> **Additional information is incorporated by reference**
>
> You should read the important information about the portfolio construction of the Sub-Trust in section 9.1 of the AIB available at the Trust Website before making a decision.

> **Additional information is incorporated by reference**
>
> You should read the important information about Valuation of assets and investments of the Sub-Trust in sections 9.3 and 9.4 of the AIB available at the Trust Website before making a decision. Historical returns of the Sub-Trust can be found on the Trust Website. **Past performance is not a reliable indicator of future performance.**

5.2 INVESTMENTS OF THE SUB-TRUST

The Sub-Trust may invest in the Wholesale Funds from time to time and this may be through a variety of different financial instruments in order to obtain an investment exposure.

This may include investing in the Wholesale Funds by way of units, Convertible Notes, debt facilities and other financial instruments from time to time.

Whilst it is intended, as set out below, that the Sub-Trust will primarily invest in the Wholesale Funds by way of Convertible Notes, the proportion of Convertible Notes versus units in the Wholesale Funds may change over time.

The Convertible Notes do not carry the right to vote unless required by law, such as for DASLF. Any loss in the underlying portfolio of the Wholesale Funds will reduce the value of the Convertible Notes.

The Sub-Trust may borrow and may invest directly in loans with other investors to the extent that the Manager and the Sub-Trustee deem appropriate.

The Sub-Trust may also make investments in the Listed Trust by acquiring units in the Listed Trust where the Manager believes it is financially beneficial (such as where units in the Listed Trust are trading below their net asset value).

> **Additional information is incorporated by reference**
>
> You should read the important information about investments of the Sub-Trust and redemption of the Sub-Trust and Wholesale Funds in sections 9.4 and 9.6 of the AIB available at the Trust Website before making a decision.

> **Additional information is incorporated by reference**
>
> You should read the important information summarising the key features of the Wholesale Funds including retirement of the trustee and manager, termination of the fund, voting rights, indemnity and Convertible Notes in section 5 of the AIB available at the Trust Website before making a decision.

6. FEES AND OTHER COSTS

6.1 CONSUMER ADVISORY WARNING

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees.
Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

6.2 FEES AND OTHER COSTS

This section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Tax information is set out in section 7 of this PDS and section 10 of the AIB.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs summary

Metrics Direct Income Fund		
TYPE OF FEE OR COST[1, 4]	**AMOUNT**	**HOW AND WHEN PAID**
Ongoing annual fees and costs[2]		
Management fees and costs The fees and costs for managing your investment	Estimated to be 0.58% per annum of the Trust's NAV, depending on the assets of the Trust and Sub-Trust, comprised of: [3] 1. **Responsible Entity fee** of 0.03% per annum of the Trust's NAV up to $500 million, and reducing to 0.02% per annum on amounts in excess of $500 million[2] 2. **Management fee** of 0.20% per annum of the Trust's NAV 3. **Estimated Recoverable expenses of the Trust** of 0.06%per annum of the Trust's NAV 4. **Estimated Indirect costs** of 0.28% per annum of the Trust's NAV	1. The Responsible Entity fee is calculated and accrued daily and paid monthly in arrears (within one month of month end) to the Responsible Entity from the Trust's assets.[4] 2. The management fee[1] is calculated and accrued daily and paid monthly in arrears (within 14 Business Days of month end) to the Manager from the Trust's assets.[4] 3. The recoverable expenses of the Trust are paid out of the Trust's assets once the cost is incurred.[2] 4. Indirect costs[3] are paid from the Trust's assets once the cost is incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Estimated to be 0.11% per annum of the Trust's NAV, comprised of: 1. Estimated performance fee of 0% per annum of the Trust's NAV[5] 2. Estimated interposed vehicle performance fees of 0.11% per annum of the Trust's NAV[6]	1. Not applicable 2. There are no performance fees charged in the Sub-Trust. Any performance fees charged at the Wholesale Fund level are generally deducted from the assets of the relevant Wholesale Fund once incurred, reflected in the value of the Trust's investment in the relevant Wholesale Fund, and are therefore reflected in the unit price of the Trust.[4]
Transaction costs The costs incurred by the Trust when buying or selling assets	0.00% per annum of the Trust's NAV[7]	Transaction costs generally arise when the value of the assets of the Trust are affected by the day-to-day trading of the Trust (or the Sub-Trust or Wholesale Funds) and are paid out of the assets of the Trust (or Sub-Trust or Wholesale Funds, as relevant) once incurred.

Metrics Direct Income Fund		
TYPE OF FEE OR COST[1, 4]	**AMOUNT**	**HOW AND WHEN PAID**
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Nil	Not Applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not Applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Not Applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not Applicable
Exit fee The fee to close your investment	Nil	Not Applicable
Switching fee The fee for changing investment options	Nil	Not Applicable

1 Certain additional fees and costs may apply. See 'Additional Explanation of Fees and Costs' section below for more information. Unless otherwise stated, the fees and costs shown are inclusive of GST and net of any applicable input tax credits and reduced input tax credits, and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.

2 All fees and costs in this section reflect the Responsible Entity's reasonable estimate based on information available as at the date of this PDS. All fees reflect the Responsible Entity's reasonable estimate of the typical fees for the current financial year. All costs reflect the actual amount incurred for the previous financial year and may include the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS or where the Responsible Entity was unable to determine the exact amount. For further information please see section 6.4 below.

3 This amount comprises of the responsible entity fee, management fee, recoverable expenses of the Trust and indirect costs. The estimates are based on an allocation of 10% of Trust's capital in the Listed Trust and 90% of the Trust's capital in the Sub-Trust which allocates 60% of its capital to DASLF, 20% of its capital to SPDF II and 20% of its capital to REDF and average fund sizes in the next 12 months of circa $6.3 billion DASLF, $2.1 billion SPDF II and circa $2.5 billion for REDF.

4 The fees in this table can be negotiated with wholesale clients (as defined in the Corporations Act). For more information, refer to 'Can fees be different for different investors?' in section 6.4 below.

5 The Responsible Entity does not charge a performance fee in respect of the Trust and has not done so since the Trust's inception. See "Performance fees" in section 6.4 below for more information.

6 While the Responsible Entity does not charge a performance fee, the Sub-Trust and certain of the Wholesale Funds in which the Trust invests may charge performance fees. The Responsible Entity reasonably estimates the performance fees charged by these interposed vehicles based on (i) the average fee incurred for the previous five financial years; (ii) if the interposed vehicle was not in operation for the past five financial years, the average fee incurred for all of the financial years in which the interposed vehicle was in operation; or (iii) if the interposed vehicle was first offered in the current financial year, the Responsible Entity's reasonable estimate of the fee for the current financial year adjusted to reflect a 12 month period. Past performance is not a reliable indicator of future performance and the actual performance fees of the interposed vehicles will be based on the interposed vehicles' performance over the relevant period. See "Performance fees" below for more information.

7 The transaction costs disclosed in this section are shown net of any recovery received by the Trust from any buy/sell spread charged to transacting unitholders. The Responsible Entity does not currently charge any buy/sell spread, however under the Constitution it may apply Transaction Costs in respect of Applications and Redemptions (see section 3.15 for more details). Please refer to the 'Additional explanation of fees and costs' section below for further details.

6.3 EXAMPLES OF ANNUAL FEES AND COSTS FOR THE TRUST

This table gives an example of how the ongoing annual fees and costs in the Trust can affect your investment over a one year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – METRICS DIRECT INCOME FUND		BALANCE OF $50,000 WITH A CONTRIBUTION OF $5,000 DURING THE YEAR[8]
Contribution fees	Nil	For every additional $5,000 you put in, you will be charged **$0**.
PLUS Management fees and costs[11]	0.58% per annum of the Trust's NAV	**And,** for every $50,000 you have in the Trust, you will be charged or have deducted from your investment **$290.00** each year.
PLUS Performance fees[5, 6, 11]	0.11% per annum of the Trust's NAV	**And,** you will be charged or have deducted from your investment **$55.00** in performance fees each year.
PLUS Transaction Costs[7]	0.00% per annum of the Trust's NAV	**And,** you will be charged or have deducted from your investment **$0.00** in transaction costs.
EQUALS Cost of Trust		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees and costs of: **$345.00**[8, 9, 10, 11] **What it costs you will depend on the fees you negotiate.**

8 This example assumes the $5,000 contribution occurs at the end of the first year and that the value of the investment is constant. This example is therefore calculated using the $50,000 balance only. Please note that this is just an example. In practice, actual investment balances will vary daily and actual fees and costs charged are based on the value of the Trust, which also fluctuates daily.

9 Additional fees may apply. Please see the 'Additional explanation of fees and costs section' for further information.

10 All fees and costs in this example reflect the Responsible Entity's reasonable estimate based on information available as at the date of this PDS. All fees reflect the Responsible Entity's reasonable estimate of the typical fees for the current financial year.

All costs reflect the actual amount incurred for the previous financial year and may include the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS or where the Responsible Entity was unable to determine the exact amount. For more information, refer to section 6.4.

11 The fees in this example can be negotiated with wholesale clients (as defined in the Corporations Act). For more information, refer to 'Can fees be different for different investors?' in section 6.4 below.

6.4 ADDITIONAL EXPLANATION OF FEES AND COSTS

Management fees and costs

Management costs are expressed as a percentage of the Trust's NAV. Management fees and costs are comprised of the Responsible Entity fee, management fee, recoverable expenses of the Trust and indirect costs. Management costs do not include transactional and operational costs or performance fees which are disclosed separately.

Management fee

This fee is charged by the Manager for providing investment management services to the Trust. It is calculated and accrued daily and paid monthly in arrears from the Trust's assets within 14 Business Days of month end.

Indirect costs

Indirect costs are any amounts that the Responsible Entity knows or where required, reasonably estimates, will reduce whether directly or indirectly the Trust's returns or the amount or value of the income of, or assets attributable to the Trust (other than the Responsible Entity fee, Manager's fee, performance fees, recoverable expenses and transaction costs) including the assets of any interposed vehicle (such as the Sub-Trust or Wholesale Funds) which the Trust may be invested in. For example, indirect costs include (where applicable) indirect management fees such as management fees charged in respect of the Sub-Trust and Wholesale Funds.

The indirect costs component is variable and reflected in the unit price of the Trust as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager.

The indirect costs component in the Fees and Costs Summary above reflects the actual amount incurred for the previous financial year and may include the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS or where the Responsible Entity was unable to determine the exact amount.

> ***Management fees in respect of the Sub-Trust and Wholesale Funds***

As Metrics is the manager of the Sub-Trust and Wholesale Funds it is entitled to receive management fees pursuant to the terms of the trust deeds and management agreements in respect of those funds. These fees form part of the indirect costs disclosed in the Fees and Costs Summary above. These fees are generally payable out of the assets of the Sub-Trust and Wholesale Funds (as applicable).

However, Metrics has agreed that no management fees will be incurred by the Trust in respect of the Sub-Trust (except to the extent that the Sub-Trust invests directly in the assets itself). Management fees charged by Metrics as manager of the Wholesale Funds are generally calculated daily and payable monthly to Metrics.

At the date of the PDS the management fees of the Sub-Trust and Wholesale Funds that will apply for the current financial year are in aggregate estimated to be 0.24% per annum of the Trust's NAV, excluding performance related fees.

Responsible Entity fee

This fee is charged by the Responsible Entity for managing the Trust and making it available to investors and includes amounts payable to the Custodian for its services in holding the assets of the Trust. It is calculated based on the Trust's NAV accrued daily and paid monthly in arrears from the Trust's assets within one month from month end.

Recoverable expenses

These are the ordinary and everyday expenses incurred in operating the Trust and are deducted from the assets of the Trust as and when they are incurred. The expenses normally incurred in the day-to-day operation of the Trust include Unit Registry, administration and audit costs (other than 'transaction' costs described below).

The recoverable expenses component is variable and reflected in the unit price of the Trust as the relevant costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager.

The recoverable expenses component in the Fees and Costs Summary above reflects the actual amount incurred for the previous financial year and may include the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS or where the Responsible Entity was unable to determine the exact amount.

Performance fees

The Responsible Entity does not currently charge a performance fee for the Trust and has not done so since the Trust's inception. However, certain of the Wholesale Funds to which the Trust is exposed by virtue of its investment in the Sub-Trust may charge performance fees.

Performance fees include amounts that are calculated by reference to the performance of the Wholesale Funds in which the Trust indirectly invests. The indirect performance fees for the Trust are 0.11% per annum of the NAV of the Trust.

The interposed vehicle performance fee figure that is disclosed in the Fees and Costs Summary is based on;

(i) the average fee incurred for the previous five financial years;

(ii) if the interposed vehicle was not in operation for the past five financial years, the average fee incurred for all of the financial years in which the interposed vehicle was in operation; or

(iii) if the interposed vehicle was first offered in the current financial year, the Responsible Entity's reasonable estimate of the fee for the current financial year adjusted to reflect a 12 month period.

This performance fee estimate is based upon the Sub Trust's and Wholesale Funds' past performance periods. Future performance fees may vary from year to year and will depend on the future performance of the Sub-Trust and Wholesale Funds. Past performance is not a reliable indicator of future performance.

Transaction costs

Transaction costs are costs related typically to transactions of the Trust (or Sub-Trust or Wholesale Funds) and include transactional brokerage, clearing costs, settlement costs, stamp duty and certain transaction costs associated with derivatives. These costs will differ according to the type of assets in the Trust (or Sub-Trust or Wholesale Funds) and will be paid out of the Trust's (or Sub-Trust's or Wholesale Funds') assets as relevant.

Transaction costs are an additional cost to you (to the extent they are not recovered by a buy/sell spread) and are not included in management costs.

The transaction costs figure disclosed in the Fees and Costs Summary above is shown net of any amount recovered by a buy/sell spread charged by the Responsible Entity and reflects the actual amount incurred for previous financial year and may include the Responsible Entity's reasonable estimates where information was not available as at the date of this PDS or where the Responsible Entity was unable to determine the exact amount. The Responsible Entity does not currently charge any buy/sell spread.

The total gross transaction costs for the Trust for the previous financial year including the Responsible Entity's reasonable estimates of such costs where information was not available as at the date of this PDS or where the Responsible Entity was unable to determine the exact amount, was nil or 0% of the Trust's NAV. This is because such costs are borne by borrowers. This figure includes an estimate of any transactional and operational costs that may be incurred indirectly in the Sub-Trust or any Wholesale Fund in which the Trust may invest.

Borrower fees

Metrics may receive additional fees from the borrowers of the relevant loans of the Sub-Trust and Wholesale Funds. These fees will not be paid from the assets of the Trust but will be paid by the borrower to Metrics. These fees will not be a cost to the Trust and do not affect the returns of the Trust.

Borrowing costs

The Trust, Sub-Trust and Wholesale Funds may from time to time borrow funds. The costs and interest for borrowing these amounts will vary. Interest costs will typically be based on BBSY plus a margin of 150bps up to 500bps.

Costs of the debt facilities can include legal costs, fees (such as for making the facility available) and other amounts which vary in amount from 0 bps to 200 bps of the debt facility value.

Government charges and taxation

Government taxes such as GST will be applied to your account as appropriate. Please refer to section 7 for more information. In addition to the fees and costs described in this section 6, standard government fees, duties and bank charges may also apply such as stamp duties. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate. The fees outlined in this section 6 take into account any RITCs which may be available.

Adviser remuneration

No commissions will be paid by the Responsible Entity to financial advisers in relation to the offer of Units in the Trust. You may incur a fee for the advice provided to you by your adviser, but this does not represent a fee that the Responsible Entity has charged you for investing in the Trust and is not an amount paid out of the assets of the Trust.

The Responsible Entity recommends that you check with your adviser if you will be charged a fee for the provision of their advice.

Can fees be different for different Investors?

The Manager and the Responsible Entity may from time to time negotiate a different fee arrangement (by way of a rebate of fees or reduced fees) with certain 'wholesale' investors or otherwise in accordance with the Corporations Act. Any fee rebates will be paid out of the assets of the Manager and will not be paid from the assets of the Trust. The size of the investment and other relevant factors may be taken into account. The terms of these arrangements are at the discretion of the Manager. For further details please contact the Responsible Entity at the address specified in Corporate Director section of this PDS.

Can the fees change?

All fees in this PDS can change without investor consent. Reasons might include changing economic conditions and changes in regulation. Fees may also change due to an increase in GST payable or a change to RITCs entitled to be claimed by the Trust. Any estimates of fees and costs in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time. The Constitution sets the maximum amount the Responsible Entity can charge for all fees. If the Responsible Entity wishes to raise fees above the amounts allowed for in the Constitution, the Responsible Entity would need to amend the Constitution in accordance with the Corporations Act and the relevant provisions in the Constitution. The Responsible Entity will give Investors at least 30 days' advanced notice of any proposed increase to these fees.

Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Trust on their investment menus. Product access is borne by the Trust.

Maximum fees

The maximum fees payable to the Responsible Entity that can be charged under the Trust's Constitution (exclusive of GST) are 3% per annum of the gross value of the assets of the Trust. This maximum fee is increased on 1 July each year by the greater of 2% and the 'Consumer Price Index (All Groups)' for the city of Sydney, or such other index determined under the Constitution reflective of the fluctuations in the cost of living in Sydney.

7. TAXATION

The information in this PDS and AIB summarises some of the Australian and New Zealand taxation issues you may wish to consider before making an investment in the Trust and assumes that you hold your investment in the Trust on capital account and are not considered to be carrying on a business of investing, trading in investments, or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ. Potential Investors should seek their own professional advice specific to their own circumstances in respect of any taxation implications of an investment in the Trust.

This summary is based on the taxation laws as at the date of this PDS. Investing in a registered managed investment scheme is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Investors concerned. It is recommended that Investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Trust.

> **Additional information is incorporated by reference**

You should read the important information about Taxation of the Trust in section 10 of the AIB available at the Trust Website before making a decision.

8. INVESTMENT RISKS ASSOCIATED WITH INVESTING

> **Additional information is incorporated by reference**
> You should read the important information about risks of investing in the Trust in section 6 of the AIB available at the Trust Website before making a decision.

Investing in the Trust has risks and performance of the Trust is not guaranteed by any party including the Responsible Entity or Metrics.

You should consider the risks set out below and in the AIB carefully and obtain your own advice in deciding whether or not to invest in the Trust.

LIQUIDITY RISK

The investments of the Wholesale Funds and accordingly the Trust and Sub-Trust are generally less liquid investments than other investments (such as exchange traded investments) as the investments that the Trust is exposed to via the Sub-Trust and Wholesale Funds are long dated (up to 10-year terms). The ability of the Trust, the Sub-Trust and Wholesale Funds to dispose of an investment may depend on market liquidity, the terms agreed with the relevant borrower and the maturity date of the loans. The liquidity of the investments to which the Trust (via the Sub-Trust and Wholesale Funds) is exposed will also be dependent on a borrower's ability to repay a loan. The ability of the Trust to provide liquidity to Investors is ultimately dependent upon the liquidity of investments in the Wholesale Funds.

Where the Sub-Trust is unable to redeem or withdraw its holdings in the Wholesale Funds, due to the illiquidity of the Wholesale Funds, the ability of Investors to withdraw from the Trust may be impeded. Where it is necessary for the Wholesale Funds to sell assets in order to meet redemption requests of the Sub-Trust and accordingly, the Trust, the Manager may not be able to sell investments at an attractive valuation. This may impact the redemption price of Units.

In certain instances the Responsible Entity may be required to dispose of assets of the Trust to satisfy Redemption Requests. In these instances Transaction Costs may be indirectly incurred by investors and the Trust may bear similar costs due to redeeming units in the Sub-Trust. This may reduce the amounts payable to Investors on redemption of their Units. Subject to its duties under the Corporations Act, the Responsible Entity may determine that, where assets of the Trust need to be sold to satisfy Redemption Requests, the redemption price of the relevant Units will be equal to the proceeds of those assets being sold. This may cause a loss for redeeming Investors in certain circumstances.

LISTED TRUST PRICING

The trading price of any listed security may change, related to performance and matters inherent to the investment performance of the securities, but also due to external factors such as market sentiment, or a range or other factors including the presence of larger buying or selling interest in the Units. Accordingly, units in the Listed Trust may trade at a discount or premium to their net asset value.

CREDIT AND DEFAULT RISK

Credit risk is the risk that one or more assets to which the Trust is exposed may decline in price or fail to pay interest or principal when due because the credit counterparty or borrower experiences a decline in its financial status. Losses may occur because the value of the asset is affected by the creditworthiness of the borrower or by general economic and specific industry conditions.

While all debt assets are subject to credit risk, to the extent the Trust is exposed to Sub-Investment Grade debt, it will be exposed to a greater amount of credit risk than a fund that is exposed to Investment Grade rated credit assets. The prices of lower grade debt instruments are more sensitive to negative developments, such as a decline in the borrower's cash earnings or a general economic downturn, than are the prices of higher-grade debt instruments. Debt instruments of Sub-Investment Grade quality are higher risk with respect to the counterparty's capacity to pay interest and repay principal when due and therefore involve a greater risk of default.

Default risk is the risk that a borrower defaults on their obligations, for instance by failing to make a payment due or to return the principal.

LEVERAGE RISK

To the extent that the Trust, Sub-Trust or the Wholesale Funds use leverage to fund investments, and the counterparty to an investment was to fail to pay interest or principal when due (a payment default), the Trust, Sub-Trust or the Wholesale Funds are still obliged to service their interest and principal payment obligations. The inability to do so may give rise to the Trust's, Sub-Trust's or underlying Wholesale Fund's loan provider taking action under the relevant facility terms to recover amounts owed. The provider would be Senior to investors from a repayment perspective, and have a first claim over the loans (and associated assets) and cash flows of the Trust, Sub-Trust or the Wholesale Funds.

INVESTMENT STRATEGY RISK

The Trust will invest in the Sub-Trust and the Sub-Trust will invest in and alongside the Wholesale Funds. As such, the Trust may be exposed to the risks that are specific to the Sub-Trust and the Wholesale Funds. This may include operational risks, distribution risks, valuation risks, liquidity risks and tax risks that are specific to the Sub-Trust and the Wholesale Funds.

The Manager may not manage the Trust in a manner that consistently meets the Trust's Investment Objective over time. In addition, either the Manager, or a key employee of the Manager, may cease to manage the Trust, requiring the Responsible Entity to find an alternative replacement manager, which may affect the Trust's success and profitability.

> **Additional information is incorporated by reference**

You should read the important information about ASX risks associated with investing in the Trust in section 6 of the AIB available at the Trust Website before making a decision.

UTILISATION RISK

The Trust will be exposed to (through the Sub-Trust and the Wholesale Funds) both drawn and undrawn loans that may be drawn up and down by the borrower over time. Borrowers will typically pay a margin over a floating benchmark on drawn amounts, and a percentage of that margin on the undrawn amount. Alternatively, a borrower might pay a flat fee based on total availability in advance, and then a margin over a floating benchmark on drawn amounts. Returns will vary depending on the utilisation of such revolving loan facilities.

CONFLICTS OF INTEREST / RELATED PARTY TRANSACTIONS

The Sub-Trustee and its related entities are trustees of each of the funds that the Trust is exposed to. Metrics is also the manager of each of those funds. Situations may arise where Metrics, the Sub-Trustee and the Sub-Trustee's related entities have interests that conflict with those of the Investors. For example, the trustee of a Wholesale Fund may take action that is inconsistent with the interests of the Sub-Trust and the Sub-Trustee has a conflict of interest between pursuing the interests of members of the Sub-Trust versus the Sub-Trustee and the trustee of the relevant Wholesale Fund.

The Manager is also the manager to other funds and accounts not described in the PDS. While the Manager has implemented policies and procedures to identify and mitigate conflicts of interest, it is possible that the Manager 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 and its Investors.

These conflicts could include the Manager having to decide which clients and funds it allocates investment opportunities. In order to manage this conflict, the Manager has a policy of allocating opportunities between those funds and clients for which the opportunity is considered appropriate and among such clients and funds proportional to their available capital for that opportunity.

> **Additional information is incorporated by reference**

You should read the important information about Multiple Exposures Risk in section 6 of the AIB available at the Trust Website before making a decision.

The Trust will only be exposed to investments managed by Metrics and as such Metrics benefits from such investments. Other parties and investors (including investors in the Sub-Trust or Wholesale Funds) may have interests that diverge from that of Metrics, the Trust and Investors, which may have an adverse effect on Investors. The votes of those investors could outweigh the votes referable to the Trust's investment in those funds. Where the Manager is not meeting the Target Return, the Responsible Entity may not be able to remove the Manager from the Sub-Trust and Wholesale Funds.

From time to time the Manager may engage entities related to the Manager. The Manager is a related party of the Trust Administrator. The Trust Administrator is responsible for checking the prices of the Units and the Trust's NAV. The Trust Administrator also acts as the administrator for the Sub-Trust and each of the Wholesale Funds. The prices of Units are dependent on the unit prices of the Sub-Trust which in turn depends on the unit prices in the respective Wholesale Funds. The prices of the investments of the Wholesale Funds are reviewed monthly by one international accounting firm and semi-annually as well as annually by an accounting firm.

GENERAL RISKS

The performance and profitability of the Trust may be affected by many factors including the fact that the value of the portfolio in which the Trust invests may vary over time. This may result in either an increase or decrease in the value of Units and ultimately the value of your investment, which may result in the loss of income and the principal you initially invested.

Other factors which may impact on the value of the Units include asset risk, concentration risk, credit risk, counter-party risk, Manager risk, risks pertaining to the engagement of the Manager, the ability of the Manager to invest in well-managed companies which have the ability to service and repay their loans and retention of key personnel of the Manager risk.

The Responsible Entity, the Manager and Distribution Partner do not guarantee the return of capital, any rate of return in terms of income or capital or the investment performance of the Trust.

MARKET AND ECONOMIC RISK

Certain events may have a negative effect on the price of all types of investments within a particular market in which the Sub-Trust or the Wholesale Funds hold investments. These events may include (but are not limited to) changes in legal, tax, economic, social, technological or political conditions, laws as well as general market sentiment. Industry specific shocks relevant to underlying loan assets and general market disruption can adversely impact the value of Trust assets.

There can be no guarantee given in respect of the future earnings of the Trust or the earnings or any capital appreciation of the Trust's investments.

CORONAVIRUS RISKS

On 30 January 2020 the World Health Organisation declared a global emergency and pandemic with respect to a strain of the coronavirus which is the cause of the COVID-19 virus (**Virus**) following its global spread including to the United States, Europe, the United Kingdom, Japan and Australia. Travel between most countries has been heavily restricted and may be subject to further restrictions with the emergence of new variants of the Virus which cannot be foreseen. Many businesses, including some to which the Trust may have exposure, may rely on third parties in countries adversely affected by the Virus as customers or suppliers. In order to combat the continued spread of the Virus many national governments have instituted social distancing measures which have and continue to cause widespread disruption to business and economic operations. Governments have instituted vaccination programs aimed at reducing the spread and severity of symptoms of the Virus, and begun to ease social distancing measures as vaccination rates have increased. However, it is uncertain whether vaccines will have continued efficacy against the Virus and new variants of the Virus. The continued spread of, or inability to combat, new variants of the Virus may have significant adverse impacts on the global economy which may impact the investees of the Trust. The future of any economic impact caused directly or indirectly by the Virus is uncertain and may affect the ability of borrowers to repay debts, companies to pay dividends and the ability of the Trust to exit investments. Accordingly, the Trust's returns and its ability to pay redemptions may be negatively impacted by the spread or the inability to definitively combat the Virus.

TIMEFRAME FOR INVESTMENT

Investors are strongly advised to regard any investment in the Trust as a medium-term to long-term proposition (one year or more) and to be aware that, as with any investment, substantial fluctuations in the value of their investment may occur over that period and beyond.

REDEMPTION RISK

Where the Trust's investments in the Sub-Trust are required to be realised to fund redemptions of Units the Redemption Price investors receive in respect of such Units may be derived from the actual sale proceeds from those assets rather than the net asset value of the trust at the time of the redemption.

9. CONFLICTS OF INTEREST

> **Additional information is incorporated by reference**
>
> You should read the important information about conflicts of interest and related party interests in section 8.1 and 8.2 of the AIB available at the Trust Website before making a decision.

10. MATERIAL CONTRACTS

> **Additional information is incorporated by reference**
>
> You should read the important information about the Trust's material contracts in section 5 of the AIB available at the Trust Website before making a decision.

11. APPLICATIONS AND WITHDRAWALS

11.1 APPLICATIONS FOR UNITS

Applications for Units may be completed via paper-based Application Forms and emailed to the Unit Registry at metricsapplications@automicgroup.com.au or made via the electronic Application Form accompanying the electronic version of this PDS, available at https://investor.automic.com.au/#/w/MDIF.

Units to which this PDS relates will only be issued on receipt of cleared funds and a completed Application Form in a form acceptable to the Responsible Entity, whether it will be by a printed copy or an electronic Application Form. The Responsible Entity may accept or reject Applications for Units in its absolute discretion.

Should your Application be accepted, Units will be issued to you at the Issue Price on the relevant Issue Date. Your Application Form and Application Monies must be received by the Unit Registry by 5:00pm (Sydney time) on an Application Day for Units to be issued on the relevant Issue Date. Applicants should be aware of their financial institution's cut-off time noting that payments must be made to be processed overnight. Any BPAY® payment must be received by the Unit Registry by 5:00pm (Sydney time) on the Application Day for Units to be issued on the relevant Issue Date.

A minimum initial Application of A$1,000 applies (which may be reduced at the Responsible Entity's discretion).

Investors must provide certain information as required by the Responsible Entity as part of its Know Your Customer (**KYC**) obligations. An Investor's interest in Units cannot be registered without having provided this information and it having been reviewed and accepted by the Responsible Entity (also see Transfer of Units in section 3.15).

The Responsible Entity, Unit Registry, Trust Administrator and Metrics may provide to the Australian Taxation Office, or any other government department or agency, information regarding Investors, investments, income, or any other information requested by those organisations.

11.2 COOLING OFF RIGHT

While the Trust is liquid, a 14-day cooling-off period applies to investments in Units made directly by retail investors (as defined in the Corporations Act).

The cooling-off period will commence when the Trust Administrator receives payment confirmation from the Investor, or on the 5th Business Day after Units are issued (whichever is earlier) and will end on the 14th day after that date. The confirmation statement you receive on Application will state the date on which the Units were issued. During this 14-day period, you may cancel your Application by emailing an authorised instruction to the Unit Registry at metricsapplications@automicgroup.com.au. Your Application Monies will then be repaid after adjustments are made for changes in the value of the Units, reasonable administrative and transaction costs incurred by the Trust and any tax payable. The cooling-off period will end if and when you make an Application for additional Units during the 14-day period.

11.3 WITHDRAWALS

Investors may request a redemption of their Units by submitting a Redemption Request. Redemption Requests may be made by using the electronic Redemption Request form available at https://investor.automic.com.au/#/home, or alternatively, paper Redemption Request forms are available from the Unit Registry.

12. ADDITIONAL INFORMATION

12.1 TRUSTEE AND METRICS INDEMNITY AND LIABILITY

The Responsible Entity is entitled to be indemnified in full out of the assets of the Trust for any liability incurred by it in the proper performance of its duties or powers in relation to the Trust.

Under the Investment Management Agreement, the Responsible Entity indemnifies Metrics for any liability it incurs as manager of the Trust except to the extent that the liability is caused by the negligence, fraud, dishonesty, any breach of the Investment Management Agreement by Metrics or any of its officers, employees or agents or any act or omission of such persons that causes the Responsible Entity to be liable to Investors for which the Responsible Entity has no right of indemnity from the Trust.

Except in the case where the Responsible Entity has failed to properly perform its duties as required under the Constitution, the Responsible Entity is not bound to make any payments to Investors except out of the Trust or to be liable to investors in excess of the assets of the Trust.

12.2 COMPLAINTS RESOLUTION

Equity Trustees has an established complaints handling process and is committed to properly considering and resolving all complaints.

If you have a complaint about your investment, please contact Equity Trustees on:

Phone: 1300 133 472
Post: Equity Trustees Limited
GPO Box 2307, Melbourne VIC 3001
Email: compliance@eqt.com.au

Equity Trustees will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with Equity Trustees' response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA").

Contact details are:

Online: www.afca.org.au
Phone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3, Melbourne VIC 3001.

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you contact us first.

12.3 GOVERNING LAW

This PDS and the contracts that arise from the acceptance of Applications under the Offer are governed by the laws applicable in New South Wales, Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

12.4 OTHER IMPORTANT TRUST INFORMATION

> **Additional information is incorporated by reference**
>
> You should read the important information about consents in respect of this PDS in section 8.3 of the AIB available at the Trust Website before making a decision.

13. GLOSSARY

TERM	DESCRIPTION
A$	means Australian dollars.
Additional Information Booklet or **AIB**	means the additional information booklet in respect of the Trust which is incorporated into and forms part of this PDS, available at the Trust Website.
Administration Services Deed	means the document so named and as amended from time to time between the Trust Administrator and the Responsible Entity.
AFSL	means Australian financial services licence.
Application	means an Investor's request to invest a specified amount into the Trust.
Application Day	means, in relation to an Issue Date, the final Business Day of the preceding month to that of the Issue Date.
Application Form	means the form so entitled and entered into by an Investor under which the Investor makes a binding Application to invest a specified amount into the Trust.
Application Monies	means money submitted by Applicants under the Offer.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning given to that term in the Corporations Act.
ASX	means ASX Limited.
BBSW	means Bank Bill Swap Rate.
BBSY	BBSY means the Australian Bank Bill Swap Reference Rate (Bid).
Bond	means a type of debt product issued by borrowers such as governments and companies. Bonds can have different ranking in a borrower's capital structure (e.g. senior or subordinated).
Business Day	means a day on which banks are open for general banking business in Sydney, Australia.
Constitution	means the constitution of the Trust as amended from time to time.
Custodian	means the entity appointed by the Responsible Entity to hold the assets of the Trust being EQT Australia Limited ACN 111 042 132.
Convertible Note	means a Note that may be converted to Equity in certain circumstances.
Corporations Act	means the *Corporations Act 2001* (Cth).
Daily	means each Business Day.
Derivative	means a financial instrument which derives its value from the performance of an underlying, or reference, asset.
Distributable Income	means income which the Responsible Entity considers is available to be distributed by the Trust to Investors.
Distribution Partner	means Pinnacle Investment Management Limited ACN 109 659 109.

TERM	DESCRIPTION
Distribution Period	means the period in respect of which distributions from the Trust are made, set from time to time by the Responsible Entity.
Distribution Reinvestment Plan or **DRP**	A plan that will provide Investors the option to re-invest the Trust's distributions.
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.
First Closing Date	means the date on which Units are first issued to Investors.
GST	means Goods and Services Tax.
IDPS	means an investor directed portfolio scheme.
Investment Committee	means the sub-committee so named of the Metrics board of directors that is responsible for investment selection and management.
Investment Document	means the Constitution, the Investment Management Agreement and the Application Form.
Investment Management Agreement	means the agreement so named between Metrics and the Responsible Entity and as amended from time to time.
Investment Objective	means the investment objective described in section 1 of this Product Disclosure Statement in the section headed "Investment Objective".
Investment Strategy	means the investment strategy described in section 1 of this Product Disclosure Statement in the section headed "Investment Strategy".
Investment Team	means the persons from time to time that provide the investment management function of the Trust under the Investment Management Agreement and from the date of this document comprise at least Justin Hynes, Andrew Lockhart, Graham McNamara and Andrew Tremain.
Investor	means a person that holds Units in the Trust.
Investment Grade	is a term used to describe a borrower or credit instrument that has a relatively low risk of default and is typically representative of a borrower that has high to medium credit quality.
Issue Date	means the Business Day immediately following the end of the applicable Distribution Period.
Issue Price	means the Unit price calculated in accordance with the application price methodology set out in the Constitution.
Listed Trust or MXT	means Metrics Master Income Trust ARSN 620 465 090.
Listing Rules	means the official Listing Rules of the ASX as amended or waived from time to time.
Metrics or **the Manager**	means Metrics Credit Partners Pty Ltd ACN 150 646 996.
Metrics Website	means www.metrics.com.au.
Net Asset Value or **NAV**	means net asset value of the Trust calculated in accordance with the Constitution.

TERM	DESCRIPTION
Net Unit Value	means in respect of a Unit in a class, the value of the Trust property less any liabilities of the trust, divided by the number of Units, each referable to that class.
Notes	means a type of debt security with rights to payments of interest and principal. Notes can have different ranking in a borrower's capital structure (e.g. senior or subordinated).
Offer	means the offer of Units under this PDS.
Options	means financial contract between an option issuer and an option holder that provides the option holder the right, but not the obligation, to buy or sell an underlying asset at an agreed-upon price during the life of the contract.
Ordinary Shares	means shares in a company that are owned by people who have a right to vote at the company's meetings and to receive part of the company's profits. Also referred to as the Common Equity of a company.
PDS or **Product Disclosure Statement**	means this document and includes the Additional Information Booklet, as amended or replaced from time to time.
Perpetual	means Perpetual Limited ABN 86 000 431 827.
Perpetual Group	Perpetual and its subsidiaries.
PPNSW	means PPNSW Services Pty Limited ACN 608 418 828.
Preference Shares	means shares of a company that have different characteristics to Ordinary Shares. Preference shares have dividend priority and liquidation preference in the return of capital above Ordinary Shares, but typically do not have voting rights. Most Preference Shares have a fixed dividend while Common Equity typically do not.
Redemption Date	means the last Business Day of each month.
Redemption Price	means the Unit price calculated in accordance with the redemption price procedures set out in the Constitution.
Redemption Request	means a request by an Investor to redeem its Units.
Registered Scheme	means a managed investment scheme that is registered under Chapter 5C of the Corporations Act.
Registry Services Agreement	means the agreement so named and as amended from time to time between the Unit Registry and the Responsible Entity.
Responsible Entity/ Equity Trustees	means Equity Trustees Limited ABN 46 004 031 298.
RITC	means reduced input tax credit.
Secured	in the context of debt investments, means that a lender has the ability to gain access to a borrower's assets in the event that the borrower defaults on its obligations to repay its debt.
Senior	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.

TERM	DESCRIPTION
Subordinated	in the context of debt investments, refers to the fact that the relevant investor ranks behind other investors to receive payments of interest and principal.
Sub-Investment Grade	is a term used to describe a borrower or credit instrument that has a relatively higher risk of default and is typically representative of a borrower that has medium to low credit quality. External credit rating agencies view investment grade as equivalent to a rating between AAA and BBB – (Standard & Poor's) or Aaa and Baa3 (Moody's), and Sub-Investment Grade as equivalent to a rating below BBB– (Standard & Poors) or Baa3 (Moody's).
Sub-Trust	means MCP Wholesale Investments Trust.
Sub-Trustee	The Trust Company Limited ACN 004 027 749.
Sub-Trust Investment Management Agreement	means the agreement so named between Sub-Trust and the Sub-Trust Manager and as amended from time to time.
Target Portfolio Construction	means the target asset allocation of the Trust gained through its exposure to the Sub-Trust and Wholesale Funds.
Transaction Costs	means an estimate by the Responsible Entity of the total transaction costs that would be incurred to acquire afresh, or dispose of the assets of the Trust (including such costs which would be incurred due to the issue or disposal of Units), or zero where the Responsible Entity makes no such estimate.
Trust	means Metrics Direct Income Fund ARSN 641 620 331.
Trust Administrator	means MCH Fund Administration Services Pty Ltd ACN 636 286 970.
Trust Website	means www.metrics.com.au/funding-solutions/metrics-direct-income-fund
Unit Registry	means Automic Pty Ltd ACN 152 260 814, trading as Automic Group.
Units	means units in the Trust.
Warrant	means a financial contract directly issued by a company giving the warrant holder the right, but not the obligation, to buy the company's shares at an agreed-upon price during the life of the contract.
Wholesale Funds	means Metrics Credit Partners Diversified Australian Senior Loan Fund, MCP Secured Private Debt Fund II, and MCP Real Estate Debt Fund.

CORPORATE DIRECTORY

MANAGER

Metrics Credit Partners Pty Ltd
ACN:150 646 996

Address:
2 Ridge Street
North Sydney NSW 2060

Mailing Address:
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Sydney NSW 2001
Website: www.metrics.com.au

RESPONSIBLE ENTITY

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ACN 004 031 298

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CUSTODIAN

EQT Australia Limited
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Website: www.eqt.com.au

TAX ADVISER

Pitcher Partners

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201 Sussex Street
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Telephone: 02 9921 2099
Website: www.pitcher.com.au

TRUST AUDITOR

KPMG

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International Towers Sydney
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Sydney NSW 2000

Telephone: 02 9335 7000
Fax: 02 9335 7001
Website: www.kpmg.com.au

LEGAL ADVISER

MinterEllison

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1 Farrer Place
Sydney NSW 2000

Telephone: 02 9921 8888
Website: www.minterellison.com

DISTRIBUTION PARTNER

Pinnacle Investment Management

Address:
Level 35, 60 Margaret Street
Sydney NSW 2000

Telephone: 1300 010 311
Website: www.pinnacleinvestment.com

TRUST ADMINISTRATOR

MCH Fund Administration Services Pty Ltd
ACN 636 286 970

Address:
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North Sydney NSW 2060

Mailing Address:
GPO Box 3491
Sydney NSW 2001

Website: www.metrics.com.au

UNIT REGISTRY

Automic Pty Ltd trading as Automic Group
ACN 152 260 814

Address:
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Mailing Address:
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Phone: 1300 816 157 (within Australia)
+61 2 8072 1417 (International)
Email: metrics@automicgroup.com.au
Website: www.automicgroup.com.au
http://investor.automic.com.au

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METRICS DIRECT INCOME FUND

UPDATED AND REISSUED
ADDITIONAL INFORMATION BOOKLET
Metrics Direct Income Fund
(ARSN 641 620 331; APIR CODE EVO2608AU; ISIN AU60EVO26084)

30 September 2022

ISSUER AND RESPONSIBLE ENTITY
Equity Trustees Limited
(ACN 004 031 298; AFSL 240975)

MANAGER
Metrics Credit Partners Pty Ltd
(ACN 150 646 996; AFSL 416 146)

ABOUT THIS ADDITIONAL INFORMATION BOOKLET

This Additional Information Booklet (**AIB**) has been issued by Equity Trustees Limited ACN 004 031 298; AFSL 240975 (**Responsible Entity**). The information in this document forms part of the updated and reissued product disclosure statement of the Metrics Direct Income Fund ARSN 641 620 331 dated 30 September 2022 (**PDS**) and should be read together with the PDS. The PDS can be obtained at no charge at www.metrics.com.au/funding-solutions/metrics-direct-income-fund or by contacting the Distribution Partner on Ph 1300 010 311. The PDS contains a number of references to additional important information contained in this AIB. The information contained in this AIB is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Before deciding to invest in the Trust, you should read the PDS (including this AIB) in its entirety.

You should take into account all risk factors referred to in the PDS (including those in section 8 of the PDS and in section 6 of this document) and this AIB and consider whether acquiring Units represents an appropriate investment in view of your personal circumstances. You should carefully consider your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and you should seek advice from your professional adviser before deciding whether to invest. You should consider the risk factors that could affect the financial performance of the Trust. Capitalised terms have the meaning given in the PDS unless otherwise defined in this document.

CONTENTS

The information in this booklet forms part of the product disclosure statement of the Metrics Direct Income Fund ARSN 641 620 331 dated 30 September 2022 (**PDS**) and should be read together with the PDS. The PDS contains a number of references to additional important information about the Trust contained in this booklet.

1. ABOUT THE TRUST

1.1 RESPONSIBLE INVESTMENT, ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

Metrics has a formal Responsible Investment, Environmental, Social and Governance (**RIESG**) Policy in place. Metrics' investment process will take RIESG issues into account for the purpose of selecting or realising an investment alongside traditional factors, noting that analysing RIESG issues can assist in identifying business models that may create sustainable value while reducing risk. Metrics does not have a predetermined view about the standards or considerations which it regards as labour standards or environmental, social or ethical considerations. The RIESG issues against which investments will be assessed and benchmarked are identified by reference to a wide range of data sources integrated into Metrics' due diligence process. Metrics may rely on any third party data, research and analytical tools that it considers relevant. Such tools may include the S&P ESG Risk Atlas, the SASB Materiality Maps and other references employed by Metrics from time to time.

Further, Metrics does not have a predetermined view about how far labour standards or environmental, social or ethical considerations will be taken into account in determining which investments to make.

A copy of the RIESG Policy can be found on the Manager's website www.metrics.com.au/wp-content/uploads/2021/09/Metrics-ESG-Policy.pdf.

2. DISTRIBUTIONS

2.1 DISTRIBUTION REINVESTMENT PLAN

The Responsible Entity has established a DRP to provide Investors with the option to re-invest distributions as additional Units in the Trust. Under the DRP income distributions will be reinvested in the Trust on behalf of the Investor and new Units will be issued to that Investor. Units will be issued (and the applicable Issue Price calculated) on the Issue Date following the end of the applicable distribution period. Investors who have not elected to participate in the DRP will be deemed to have elected to receive cash distributions. Unitholders who have not provided the Unit Registry with valid bank account details for the payment of cash distributions will be deemed to have elected to reinvest all of their cash distributions in additional units in the Trust in accordance with the DRP.

An Investor may elect to participate in the DRP by providing written notice to the Unit Registry.

2.2 CAPITAL DISTRIBUTIONS

The net proceeds from the maturity, repayment (part or full) or sale of any Trust assets or the release of amounts from reserves for expected losses will, at the Responsible Entity's discretion, be distributed to Investors or retained in the Trust for further investment.

3. VALUATION OF ASSETS

The trustees of the Wholesale Funds will cause the assets of the Wholesale Funds to be independently valued. The NAV of the Trust is expected to be calculated daily by deducting from the total value of the assets of the Trust all liabilities (which includes declared but unpaid distributions) calculated in accordance with Australian Accounting Standards.

The Responsible Entity's valuation policy requires the assets of the Trust to be valued using methods consistent with the range of ordinary commercial practice for valuing those and represent its assessment of current market value. The trustees of the Wholesale Funds engage one or more international accounting and professional services firms to provide independent assessments of the net asset value of the Wholesale Funds on an ongoing basis.

The valuation of corporate loans reflects that they are not generally available for sale. Credit risk rather than market risk is the key risk reflected in the asset valuation. 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.

The NAV per Unit of the Trust is generally published daily on the website of the Manager. The Sub-Trust and the Wholesale Funds will be valued using the same approach as that outlined above for the Trust.

4. AUSTRALIAN CORPORATE LOAN MARKET

4.1 OVERVIEW

The Australian corporate fixed income market totals approximately $1.2 trillion. Australian companies are highly reliant on bank debt funding in the form of corporate loans. As at March 2022, 79% (approximately $908 billion) of the Australian corporate fixed income market was provided by way of corporate loans (see chart 1). While some larger companies may be able to access local and international Bond markets to diversify sources of funding, such issuances typically supplement bank funding rather than replace it. Other developed markets such as the United States and Europe have more established publicly-traded Bond markets which expand the debt funding alternatives available to corporate borrowers in these markets. In Australia, however, companies remain heavily reliant on banks to provide most of their debt capital.

Approximately 85%[1] of Australian corporate loans are provided by over 100 registered domestic and foreign regulated banks. Lending to companies is highly concentrated amongst the four major Australian banks, which together provide approximately 69% of all Australian corporate loans (see chart 2).

Chart 1 – Corporate fixed income market[2]

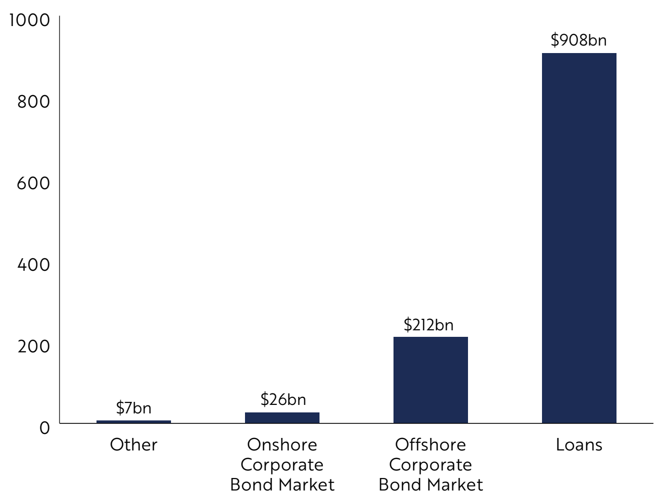
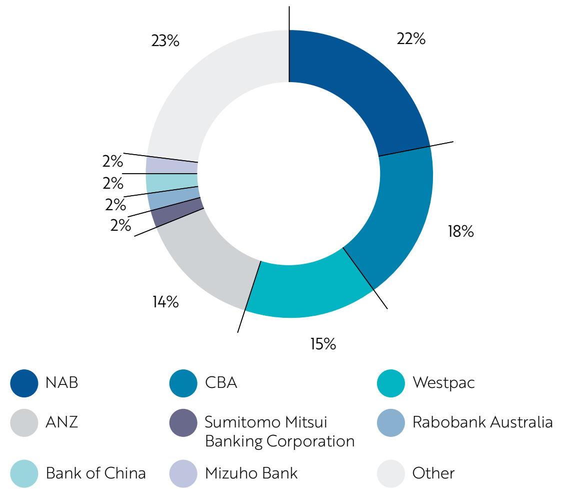


Chart 2 – Corporate loan market bank providers[3]



At its simplest, a loan is an advance of money to a borrower with obligations to make predetermined repayments and pay interest and fees. Borrowers have a contractual obligation to repay capital advanced at a pre-agreed future date.

Financial returns for lenders in the corporate loan market are generated from several sources:

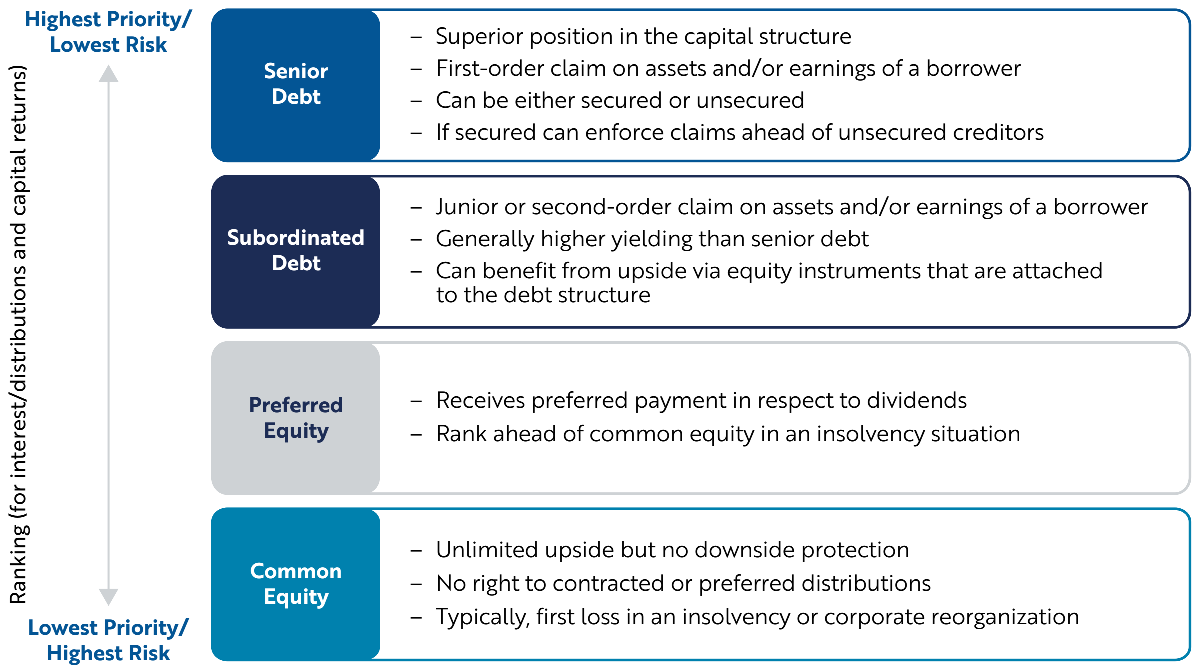
> Interest income is the principal income stream and is typically a margin over a floating rate benchmark, usually the Bank Bill Swap Rate (**BBSW**)[4] which closely tracks the RBA Cash Rate (see Chart 3). Metrics estimates interest charged on variable rate loans in the corporate loan market has averaged approximately 2.1% over BBSW and 2.2% over the RBA Cash Rate (or 4.4% all-in) post the Global Financial Crisis (GFC) (post-December 2008 quarter) across a variety of borrowers, credit qualities, loan types, tenors and business cycles.

> Other fee income may be generated, including various other work or time-based fees, which are typically paid by the borrower. Fee income may enhance the overall return available from investing in loans.

1 Percentage estimated using on-shore debt only.
2 Source: ABS – Australian National Account: Finance and Wealth, Credit Outstanding March 2022.
3 Source: APRA Monthly Banking Statistics, July 2022.
Notes: Loans and advances to non-financial corporations.
4 The floating rate benchmark for corporate loans is typically BBSY; however, this is quoted as a fixed margin of 0.05% above BBSW and is therefore not considered a separate benchmark.

Corporate loans typically pay lenders floating-rate interest, ensuring an investor in corporate loans 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 a greater risk of decline in capital value if benchmark interest rates increase.

Corporate loans generally provide lenders with a high degree of capital stability. Lenders typically have a range of protections to preserve their capital in the form of security, covenants and other controls which impose obligations on borrows and are intended to protect lenders against the risk of loss. The risk of loss is intended to be borne by equity capital which is subordinate to debt in the capital structure.



Source: Metrics

The Australian corporate loan market has historically recorded low loss rates, even in times of market disruption such as the GFC from 2008-2010. Chart 4 demonstrates the net write-offs of capital for corporate loans recorded by Australia's major banks since March 2009. Loan loss rates during this time have averaged approximately 0.26% per annum, peaking at approximately 0.68% in 2010. Net write-offs have since reduced to 0.08% per annum as at March 2022. **Past performance is not a reliable indication of future performance.**

Chart 3: Interest rates, RBA Cash Rate and BBSW[5]

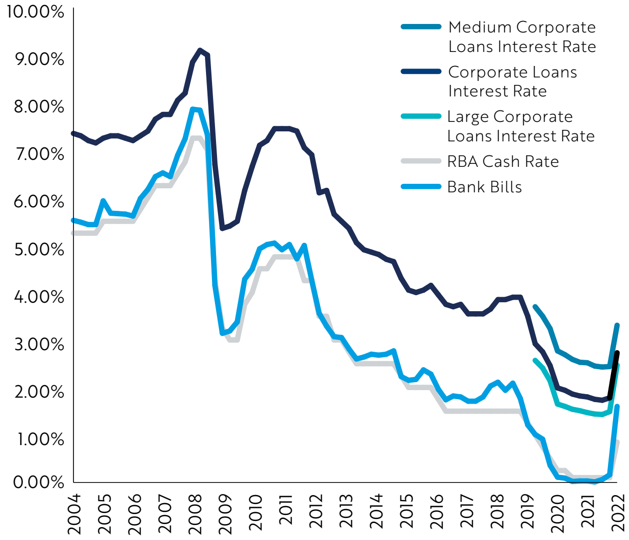
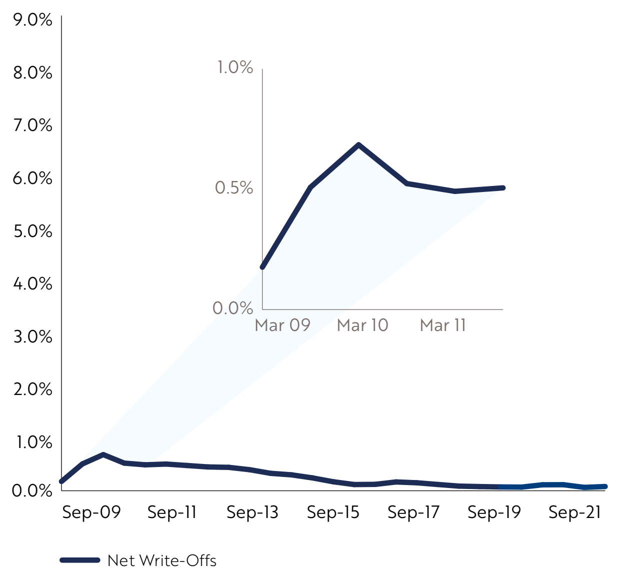


Chart 4: Major banks' historical net write-offs as at 31 March 2022[6]



Note: there is typically a time-lag between financial distress, loan default and then eventual credit loss.

5 Source: RBA
Notes: As at June 2022. From 31/01/2004 to 30/06/2019 Corporate Loans Interest Rate is the weighted average variable interest rate on bank credit provided to businesses with outstanding amounts over $2 million (series discontinued). From 30/09/2019 Corporate Loans Interest Rate is the weighted average interest rate on variable rate business loans to "Large" and "Medium" size borrowers (calculated by Metrics based on RBA data).

6 Source: Metrics analysis.
Notes: As at 31 March 2022, Metrics analysis of the market is based on major banks' APRA APS 330 reports and other publicly available information.

In the Manager's view, the corporate loan market offers attractive risk-adjusted return characteristics compared to other fixed income investment alternatives. In Australia, corporate loans are typically provided to performing companies with credit ratings between 'A' and 'BB' and banks hold these loan assets on balance sheet.

The vast majority of the borrowers in the corporate loan market do not have global credit ratings. Instead, in order to assess the creditworthiness of borrowers, lenders use their own proprietary credit rating models that employ a similar approach to that used by the global credit rating agencies and which are approved by prudential regulators.

In assessing the credit worthiness of a borrower, Metrics applies a rating to reflect the risk of payment default and recovery. Metrics' methodology is similar to that applied by the global credit rating agencies and regulated banks, including the use of the following categories shown in table 1.

Table 1: Metrics' credit ratings overview

	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.

Source: LoanConnector

4.2 MARKET DIVERSITY

The profile of the corporate loan market reflects both the underlying Australian corporate borrower mix, as well as the portfolio risk parameters of the Australian major banks. The corporate loan market has significant diversity in terms of borrowers, industry representation, credit quality and loan tenors:

> the corporate loan market is utilised by a variety of industry sectors (see chart 5);

> based on Metrics' analysis of data published by Australia's four major banks and other publicly available information, the majority of corporate loans are investment grade quality and are diversified across the credit spectrum (see chart 6); and

> banks typically lend for 1, 3 or 5 years, and borrowers may have a combination of revolving (a flexible loan structure that allows a borrower to draw down and to repay the loan on an ongoing basis) and term loans with varying loan terms to maturity.

Chart 5: Market by industry sector[7]

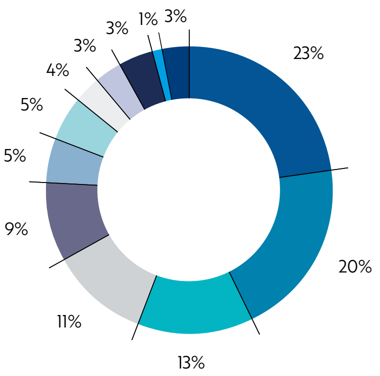
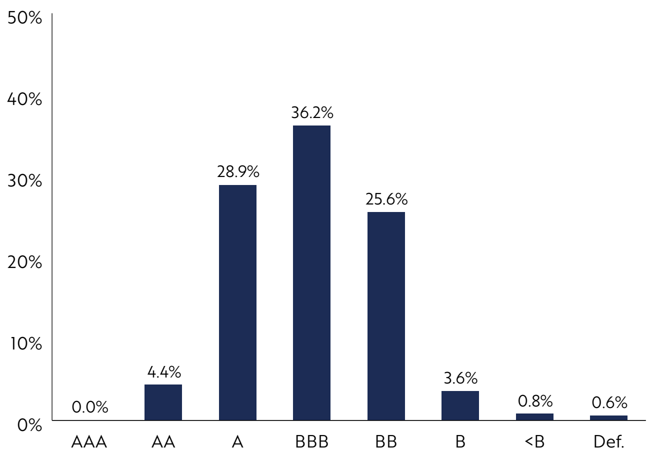


Chart 6: Market by credit quality as at 31 March 2022[8]



Notes: As at 31 March 2022, Metrics analysis of the market is based on major banks' APRA APS 330 reports and other publicly available information.

4.3 BARRIERS TO ENTRY

The corporate loan market has substantial barriers to entry which make it difficult for non-bank investors or lenders to participate:

> significant levels of capital are necessary to:
  – build a diversified portfolio that mitigates individual borrower and industry risk; and
  – meet minimum commitment amounts for participation in a loan syndicate (typically in excess of $10 million);

> a new entrant must initially be able to sustain a high fixed cost base prior to a portfolio achieving a profitable scale;

> Australia's major banks have extensive borrower relationships and offer borrowers comprehensive financial services;

> loans usually contain transfer restrictions including a high minimum lender credit rating and requirements for borrower consent;

> corporate loans are not exchange traded or public securities; and

> loans are privately negotiated transactions and not available to public market investors.

These characteristics have resulted in investors having limited direct fixed income exposure to the majority of Australia's top companies and projects, and the attractive risk-adjusted returns on offer.

4.4 CORPORATE LOAN FEATURES

Overview of corporate loans

Corporate loans are privately negotiated agreements between a lender and a borrower and can incorporate a range of features including:

> number of lenders (single, few or many);

> revolving facilities (a flexible loan structure that allows a borrower to draw down and to repay the loan on an ongoing basis);

> tenor (contracted loan term for repayment) (typically 3-5 years);

> single or multi-currency;

> use of proceeds (e.g. working capital, acquisition, capital expenditure, term funding requirements); and

7 Source: Refinitiv Loan Connector and Metrics' analysis.
8 Source: Metrics analysis.

> lender protections (security, covenants, other controls such as restrictions on leverage or distributions and performance reporting obligations).

Fees and interest charged on corporate loans will also differ for each agreement and will reflect, amongst other things:

> the lender's assessment of the borrower's credit quality (willingness and capacity to repay the loan);

> market conditions; and

> structure and term of the loan.

The majority of corporate loans in the Australian market are structured as fixed term-to-maturity loans, with tailored terms and conditions for specialised finance transactions.

Types of corporate lending

Corporate loans are negotiated and the terms and conditions will vary subject to the borrower's circumstances and lender credit risk policies.

Many of Australia's largest companies and projects utilise corporate loans.

Table 2: Types of Corporate Loans

LOAN TYPE
Corporate loans Corporate loans are issued to public and private companies as a core part of financing their capital requirements and for general working capital purposes. Corporate loans may be secured or unsecured.
Project finance loans Project finance loans are specialised debt facilities provided for the construction and operation of a specific project. Facility drawdowns are controlled and risks are carefully allocated amongst project participants including project delivery. The project sponsor will contribute the equity component before the debt is drawn and either the project sponsor or construction contractor will guarantee any cost overruns
Real estate loans Real estate loans can be for both project development or for single or multiple existing properties. Construction facilities are structured similarly to specialised project finance (described above). Equity investors first contribute a proportion of capital, which suffers losses (first, before lenders) if there is a fall in the price of the underlying asset or the property fails to generate sufficient cashflow to repay the loan.
Acquisition finance loans Acquisition facilities are provided to an acquirer to purchase a target company. These facilities are a form of specialised finance.

Other types of corporate loan structures

Loans can rank as either senior or subordinated ranking claims in the capital structure of the corporate. Loans can be secured over all of the assets of the borrower or the borrower may grant security to a lender over specific assets. These loans are known as specialised finance loans and may include subordinated or mezzanine loans.

Specialised asset-backed loans

Asset backed loans are usually ringfenced against a specific asset of a borrower against which a lender can pursue recovery in the event of non-payment. Often such assets can be taken off balance sheet through a 'sale and leaseback' transaction whereby the company leases the asset rather than owning it.

Subordinated loans

Subordinated or mezzanine loans are loans to which senior ranking debt claims rank in priority from a cashflow and repayment perspective. Subordinated or mezzanine loans generally carry higher interest rates as they carry a higher risk of not being paid where the borrower is insolvent and there is senior debt in place.

5. MATERIAL CONTRACTS

The Responsible Entity considers that certain agreements are material to the Trust or are of such a nature that an investor in the Trust may wish to have particulars of them when making an assessment of whether to apply for Units (**Material Agreements**).

The provisions of the Material Agreements are summarised below. As this section 5 only contains a summary, the provisions of each agreement are not fully described. To understand fully all rights and obligations pertaining to the Material Agreements, it would be necessary to read them in full.

5.1 CONSTITUTION

The Trust is governed by the Constitution and applicable laws. A summary of the key rights and obligations attaching to the Units and a description of the material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the terms of the Constitution. The rights and obligations attaching to ownership of Units are also governed by the Corporations Act, and general law which are not discussed in full.

If you invest in the Trust, you agree to be bound by the terms of this PDS and Constitution. Copies of the Constitution are available, free of charge on request from the Responsible Entity. Please consider the Constitution before investing in the Trust.

(a) Units

The Trust is divided into Units. A Unit confers on the Investor an undivided beneficial interest in the Trust as a whole, subject to trust liabilities and not in parts or single assets. An Investor holds a Unit subject to the rights and obligations attaching to that Unit. Units may be issued at a price determined by the Responsible Entity.

(b) Redemption of Units

Other than when the Trust is liquid, Units are not able to be redeemed, except under a withdrawal offer or buy-back of Units which is at the absolute discretion of the Responsible Entity to offer. Such offers will be made to all Investors and in accordance with the Corporations Act.

(c) Amendments to Constitution

While the Trust is a Registered Scheme, the Constitution may be amended by the Responsible Entity, provided that the Responsible Entity reasonably considers that the amendment will not adversely affect the rights of Investors, or by special resolution of Investors. Any amendment to the Constitution will not be effected until the modification is lodged with ASIC.

(d) Liability of Investors

As is typically the case with Australian managed funds, the liability of each Investor is limited to the amount subscribed, or agreed to be subscribed by the Investor, for Units plus any losses related to their default under the Constitution and taxes related to their Units, although this has not been definitively tested by the courts.

(e) Responsible Entity's powers and duties

The Responsible Entity has within and outside Australia all the powers in relation to the Trust that it is legally possible for a natural person, corporation, trustee or responsible entity to have, including to invest in real or personal property of any nature, to borrow or raise money and to secure by mortgage or otherwise, give guarantees and incur liabilities and obligations of any kind and to fetter its own discretion, as if it were the absolute and beneficial owner of all Trust assets.

The Responsible Entity may appoint delegates or agents to perform any act and to exercise any of its powers, as well as advisers to assist with its duties and functions.

In discharging its duties, the Responsible Entity is required to comply with the Constitution, the Corporations Act and the general law in Australia.

(f) Responsible Entity's indemnity and expense reimbursement

The Responsible Entity is indemnified out of the Trust assets and can be reimbursed for any liability incurred by it, in its own capacity or through an agent, manager, adviser or delegate, in relation to the proper performance of any of its duties in respect of the Trust. The Responsible Entity will incur expenses to maintain the Trust such as the maintenance of the unit register.

(g) Responsible Entity's liability

Under the Constitution the Responsible Entity will not be liable to Investors except in the case of its fraud, negligence or breach of trust or any other amounts required under applicable law.

The Responsible Entity's liability is generally limited to the extent to which it is entitled and does recover through its right of indemnity from the Trust property.

(h) Related parties

The Responsible Entity, the Manager and any related company or Associate of the Responsible Entity or Manager, may, subject always to acting in good faith to Investors:

(i) hold Units including units in the Listed Trust, Sub-Trust and Wholesale Trusts;

(ii) represent or act for, or contract with, individual Investors;

(iii) deal in any capacity with the Responsible Entity, the Manager or with any related body corporate or Associate of the Responsible Entity, the Manager or with any trust;

(iv) invest in and deal in any capacity with the same investments as those of the Trust, on similar or different terms;

(v) recommend that investments be purchased or sold, on behalf of the Trust, regardless of whether at the same time it may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to itself or other clients;

(vi) deal in any investment regardless of whether that dealing is inconsistent with the dealing of the Trust;

(vii) act in any capacity in relation to any other trusts, including subscribing for units in other trusts on behalf of Investors;

(viii) act in various capacities in relation to, or be otherwise involved in (such as by way of investment), other business activities that may be in competition with the interests of Investors;

(ix) acquire or dispose of Trust property to associates of the Responsible Entity or the Manager at the price and in the manner contemplated by this PDS or in the Constitution; or

(x) receive and retain profits or benefits of any nature, in connection with the Trust or otherwise, including buying or selling Trust property from or to itself in another capacity, without being liable to account to the Trust, to the Responsible Entity, to the Manager or to an Investor.

(i) Removal and retirement of the Responsible Entity

Investors do not have a right to remove the Responsible Entity other than the right granted by the Corporations Act which requires Investors with at least 5% of the votes that may be cast on the resolution or at least 100 Investors who are entitled to vote on the resolution to call a meeting to consider a vote on an extraordinary resolution (i.e. passed by 50% of the total votes that may be cast by Investors entitled to vote on the resolution) to remove the Responsible Entity. Under the constitution, at least 3 Investors holding at least 75% of the aggregate Units must be present at a meeting to consider a resolution to remove the Responsible Entity. The Responsible Entity may retire in accordance with the Corporations Act. The Responsible Entity and its associates may vote on a resolution to remove it.

(j) Small holdings

In certain circumstances, the Responsible Entity may redeem any Units held by an Investor which comprise less than the minimum balance as provided in the Constitution.

(k) Meetings

Investors with at least 5% of the votes that may be cast on the resolution or at least 100 Investors who are entitled to vote on the resolution may generally call a meeting to consider a resolution. Resolutions must only be matters that Investors are permitted to vote on under the law or Constitution. Resolutions may be determined by postal ballot if permitted under the law or at a meeting of Investors.

(l) Termination of the Trust

Investors may at any time terminate the Trust by calling a meeting of Investors in accordance with the Corporations Act to consider and vote on an extraordinary resolution directing the Responsible Entity to wind up the Trust. The quorum for such a meeting under the Constitution is at least 3 Investors holding at least 35% of the aggregate Units.

(m) Confidentiality

All information provided to current or former Investors in relation to the Trust must be kept confidential by the Investor except in certain circumstances, including where:

> the prior written consent of the Responsible Entity or Manager is obtained;

> required by an applicable law, government agency of stock exchange, provided prior consultation with the Responsible Entity or Manager (as applicable) about the disclosure occurs; or

> reasonably required by a an Investor to perform its reporting obligations to a custodian, trustee, manager, investors or beneficiaries or similar and their advisers, or a fund for which the investor holds its units, provided it informs those parties of the confidential nature of the information and they have agreed to comply with substantially the same obligations imposed on the Investor.

(n) Accounting principles

To the extent that:

> an amount paid to acquire or upon redemption of a Unit;

> remuneration payable to the Responsible Entity or Manager or their agents;

> a covenant or any other parameter relating to borrowings or an investment of the Trust; or

> an amount of distribution payable to an Investor,

is required to be calculated under generally accepted accounting principles and practices in Australia by reference to the value of Trust property (including property rights and income of the Trust including tax credits attaching to income of the Trust), that amount may instead be calculated by applying generally accepted accounting principles or accounting standards as generally accepted or in force immediately before 1 January 2005 (being the date before which the Australian equivalent to the International Financial Reporting Standards did not apply).

(o) Defaulting investors

An Investor is considered a 'Defaulting Member' in certain circumstances including where the Investor is prohibited by an applicable law from being an investor in the Trust, an Investor has not paid an amount called on it within 10 Business Days of receiving a notice to do so in accordance with the Constitution, if in the reasonable opinion of the Responsible Entity an Investor has made a material misrepresentation in acquiring its Units or if an Investor fails to comply with the reasonable request of the Responsible Entity which may result in the Trust breaching and applicable law.

5.2 INVESTMENT MANAGEMENT AGREEMENT

The Responsible Entity has appointed the Manager on an exclusive basis to be the manager of the Trust and has entered into the Investment Management Agreement. Pursuant to the Investment Management Agreement, the Responsible Entity has agreed to appoint the Manager on an exclusive basis whereby the Responsible Entity will not appoint another manager to the Trust during the term of the Investment Management Agreement. The Manager may from time to time perform similar investment, management and administration services for itself and other persons to the services performed in respect of the Trust.

The Responsible Entity may terminate the Investment Management Agreement at any time by written notice to the Manager but only where there is cause to do so, including if:

a) a receiver, receiver and manager, administrator or similar person is appointed to the Manager;

b) the Manager goes into liquidation other than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Responsible Entity;

c) the Manager ceases to carry on business in relation to its activities as an investment manager;

d) the Manager breaches the Investment Management Agreement and fails to correct such breach within 20 Business Days of receiving notice in writing from the Responsible Entity;

e) relevant law requires the Investment Management Agreement to be terminated.

The Manager may also terminate the Investment Management Agreement at any time on 3 months' notice by giving written notice to the Responsible Entity. The Manager may also terminate the Investment Management Agreement at any time in certain circumstances, including where the Responsible Entity goes into liquidation (other than for purposes of a reconstruction or amalgamation on terms approved by the Manager), ceases to carry on business or where a person other than the Manager or its associates acquires a relevant interest where, due to such acquisition, that person's or another person's voting power in the Trust exceeds 50%.

The Manager may request the Responsible Entity to retire. If the Responsible Entity receives this request it will facilitate its retirement and replacement, each in accordance with the relevant provisions of the Corporations Act. Investors will be entitled to vote on the appointment of the new responsible entity in those circumstances.

Manager indemnity

The Responsible Entity must indemnify the Manager against any direct losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the Manager or any of its officers or agents acting under the Investment Management Agreement except to the extent of the Manager's or any of its officers' or agents' negligence, fraud or dishonesty, or its officers, employees or agents or the Manager's breach of the Investment Management Agreement, or any act or omission of the Manager or any of its officers, employees or agents that causes the Responsible Entity to be liable to Investors for which the Responsible Entity has no right of indemnity from the Trust.

Responsible Entity indemnity

The Manager must indemnify the Responsible Entity against any direct loss or liability reasonably incurred by the Responsible Entity in connection with any negligent, fraudulent or dishonest act or omission of the Manager, its officers, employees or agents, the Manager's breach of the Investment Management Agreement and any act or omission of the Manager or any of its officers, employees or agents that causes the Responsible Entity to be liable to Investors for which the Responsible Entity has no right of indemnity from the Trust.

Expenses

The Responsible Entity must reimburse the Manager from the assets of the Trust all taxes, costs, charges (including negative interest rate charges provided those charges are reasonably incurred) and expenses properly incurred by the Manager in connection with the services provided under the Investment Management Agreement. Any deferral of expense reimbursement by the Manager will not affect its rights to such amounts.

Amendment

The Investment Management Agreement may be amended by the written agreement of the Responsible Entity and the Manager.

5.3 MANAGER TERM FOR THE SUB-TRUST

Consistent with the investment management agreement for the Listed Trust, Metrics has an initial term as manager of the Sub-Trust of ten years from the listing date of the Listed Trust (being 9 October 2017) subject to an automatic extension of the initial term for a further one year, every year from the fifth year of the initial term provided that investors in the Sub-Trust do not vote against the extension. Metrics may also request a meeting of investors in the Sub-Trust to pass an ordinary resolution to extend the initial term for a period of up to ten years.

The Sub-Trustee must terminate the investment management agreement of the Sub-Trust in circumstances where Metrics is removed as manager of the Listed Trust and the responsible entity of the Listed Trust does not redeem the units it holds in the Sub-Trust in accordance with the trust deed for the Sub-Trust within three months of the resolution being passed by the investors in the Listed Trust.

5.4 INVESTMENTS OF THE SUB-TRUST

The Sub-Trust may invest in the Wholesale Funds from time to time and this may be through a variety of different financial instruments in order to obtain an investment exposure.

This may include investing in the Wholesale Funds by way of units, convertible notes, debt facilities and other financial instruments from time to time. The following summary sets out the key terms of the investments of the Sub-Trust in the Wholesale Funds.

(a) Summary of Units

The following summary of units in the Wholesale Funds is provided given that the Sub-Trust may invest in units in the Wholesale Funds.

Redemptions

In respect of the Wholesale Fund known as DASLF, the trustee of DASLF may allow redemptions on the first Business Day of each quarter and or such other days as the trustee may determine, with redemption proceeds payable generally within five Business Days after the relevant redemption date.

The trustee of DASLF may refuse any redemption request. Redemption requests must be received at least 90 days prior to a redemption date otherwise the request will be held over for consideration for the following redemption date. The trustee of DASLF has discretion to apply an amount of transaction costs to redemption proceeds to ensure that investors are not actually or potentially adversely impacted by the actions of other investors.

For the SPDF II and REDF redemption requests are allowed at any time which may be accepted by the trustee in its absolute discretion. The redemptions will be paid from the redeeming unitholder's share of the proceeds received by the trustee from the realisation or repayment of investments (less fees and costs) in the relevant fund as at the redemption date (run-off investments). The redeeming unitholder will still be entitled to their pro rata share of distributable income in respect of their remaining interest in the fund as it runs-off.

The ability of the Sub-Trust to redeem from the Wholesale Funds may affect the ability of Investors to redeem from the Trust.

Retirement of the trustee of a Wholesale Fund

The DASLF is a Registered Scheme under the Corporations Act. As such retirement of the trustee of the DASLF must be in accordance with the Corporations Act. Pursuant to the Corporations Act unitholders may remove the trustee if an extraordinary resolution (50% of votes that may be cast by unitholders) is passed at a meeting of unitholders.

In respect of the REDF and SPDF II the trustee may retire on 90 days' notice. The trustee may be forced to retire if directed to retire by ordinary resolution of unitholders in certain circumstances (e.g. insolvency, if required by law or due to wilful misconduct, fraud or negligence or an unremedied breach of an investment document).

Retirement of the Manager of the Wholesale Funds

Metrics acts as the manager of the Wholesale Funds.

In respect of the DASLF the trustee has various rights under the investment management agreement of DASLF to terminate Metrics' appointment as manager to the fund including:

> if an insolvency event occurs in respect of Metrics;

> if a change in control occurs in respect of Metrics; or

> if Metrics breaches the investment management agreement of DASLF in a way that materially adversely affects the interests of members (and fails to rectify the breach within a reasonable time).

The investment management agreement of the DASLF includes a process for an expert to resolve any disputes between the trustee and Metrics including in relation to whether a breach is material or has been adequately rectified.

In respect of the REDF and SPDF II, Metrics as manager may retire upon 90 days' notice if unitholders approve the retirement by special resolution. Metrics as manager may be forced to retire if directed to retire as manager of REDF and SPDF II by ordinary resolution of unitholders in certain circumstances (e.g. insolvency, if required by law or due to wilful misconduct, fraud or negligence, an unremedied breach of an investment document or if a key person has acted with fraud, dishonesty or wilful misconduct in connection with the relevant Wholesale Fund).

Wholesale Fund Termination

The DASLF may be terminated by an extraordinary resolution of unitholders (50% of votes that may be cast by unitholders), as determined by the trustee (with not less than 60 days prior written notice to investors) or in accordance with the Corporations Act (e.g. if ordered by a court).

The REDF and SPDF II may be terminated by the trustee with approval of unitholders by special resolution.

Voting

As the DASLF is a Registered Scheme each unitholder, on a show of hands has 1 vote and on a poll, has 1 vote for each dollar of the value of the total interests they have in the scheme.

Each unitholder in the REDF and SPDF II has one vote for each dollar of its committed capital on a resolution.

Trustee indemnity

In respect of the DASLF, the trustee is entitled to be indemnified in full out of the assets of the fund for any liability incurred by it in the proper performance of its duties or powers in relation to the fund.

In respect of the REDF and SPDF II, the trustee is entitled to be indemnified out of the property of the relevant fund for any loss incurred by it, excluding overheads, in performing any of its duties or exercising any of its powers in relation to the relevant fund or attempting to do so.

(b) Summary of convertible notes

The following provides a summary of Convertible Notes issued or to be issued by the Wholesale Funds to the Sub-Trust by way of investment in the Wholesale Funds (**Sub-Trust Notes**).

Sub-Trust Notes are unsecured with a term of up to 10 years, and the Sub-Trust is entitled to a return referable to the returns on the underlying investments of the Wholesale Funds after fees.

The Sub-Trust Notes rank behind third party creditors and will rank equally alongside other noteholders and unitholders in the respective Wholesale Funds.

Any losses in the underlying portfolios of the Wholesale Funds will reduce the value of the Sub-Trust Notes.

Distributions on the Sub-Trust Notes are paid monthly or at such other times as the relevant trustee of the Wholesale Fund determines.

The trustee of the relevant Wholesale Fund may choose to terminate the Sub-Trust Notes by not less than 90 days' notice to the relevant noteholder. The redemptions will be paid from the redeeming noteholder's pro rata share of the proceeds received by the trustee of the Wholesale Fund from the realisation or repayment of run-off investments (less fees and costs in the relevant fund). The redeeming noteholder will still be entitled to their pro rata share of distributable income whilst Sub-Trust Notes remain outstanding. There are no covenants or other similar obligations owed by the trustee of the relevant Wholesale Fund in respect of the Sub-Trust Notes.

If the trustee of the Sub-Trust does not choose to terminate the Sub-Trust Notes as set out above for the initial term of the Sub-Trust Notes, the Sub-Trust Notes will automatically roll over for their term.

The Sub-Trust Notes do not carry the right to vote unless required by law such as for DASLF.

The trustee of the relevant Wholesale Fund may repay the Sub-Trust Notes early and must repay early if an event of default occurs. An event of default includes if the trustee of the Wholesale Fund is insolvent or the Wholesale Fund is terminated.

The trustee of a relevant Wholesale Fund may choose to convert the Sub-Trust Notes into units in the relevant Wholesale Fund during the term of the Sub-Trust Notes provided that it does not dilute the Sub-Trust's economic interest in the Wholesale Fund.

5.5 OTHER MATERIAL CONTRACTS

Auditor

The Responsible Entity intends to appoint KPMG as the independent auditor of the Trust's financial statements (**Auditor**).

The Responsible Entity is also required to appoint an auditor of the compliance plan. The auditor is required to conduct an audit of the compliance plan within 3 months of the end of the financial year of the registered scheme and provide a report to the Responsible Entity. PricewaterhouseCoopers ABN 52 78 0 433 757 has been appointed by the Responsible Entity to conduct this audit on the Trust's compliance plan on an annual basis.

Unit Registry

The Responsible Entity has appointed Automic Pty Ltd trading as Automic Group to provide unit registry services for the Trust. Under the Registry Services Agreement, the Unit Registry is responsible for the processing of applications and redemptions as well as investor communications among other services. The Unit Registry is entitled to be paid fees out of the assets of the Trust for its services.

Trust Administrator

The Responsible Entity has appointed MCH Fund Administration Services Pty Ltd (ABN 31 636 286 970) to provide administration and accounting services for the Trust pursuant to the Administration Services Deed. The Administrator and the Manager are both owned by the same parent company.

The Administration Services Deed can be terminated by each party at any time in certain circumstances such as where a party is insolvent. The Trust Administrator may terminate the Administration Services Deed on 45 Business Days' written notice. The Trust Administrator is entitled to be paid fees out of the assets of the Trust for its services.

Custodian

EQT Australia Limited ACN 111 042 132 is the custodian for the Trust. The Custodian is a related party to the Responsible Entity. Under the arrangement with the Custodian, the role of the Custodian is limited to holding and maintaining assets of the Trust on behalf, and as agent, of the Responsible Entity.

6. INVESTMENT RISKS

Investing in the Trust has risks and performance of the Trust is not guaranteed by any party including the Responsible Entity or Metrics.

You should consider the risks set out below and in the PDS carefully and obtain your own advice in deciding whether or not to invest in the Trust.

ASX RISK

Due to undertakings given by each of the responsible entity of the Listed Trust and the Sub-Trustee to the ASX, where the Manager is terminated as manager of the Listed Trust, this may result in the termination of the Manager as manager of the Sub-Trust. If the Manager is removed as manager of the Sub-Trust it will have no ability to execute the Sub-Trust's and accordingly the Trust's Investment Objective. Please refer to section 5.3 above for more information in respect of the Manager's term as manager of the Sub-Trust.

The Listing Rules contain restrictions on the issue of securities of a listed entity to a related party. The ASX may exercise its discretion to determine that the Trust is related to the Listed Trust on the basis that both the Listed Trust and the Trust are managed by the Manager. If the ASX makes such a determination and no waiver is obtained, the ability of the Trust to hold units in the Listed Trust may be curtailed. This may have the effect of reducing the Trust's liquidity and limiting the ability of the Responsible Entity to fulfil Redemption Requests. The responsible entity of the Listed Trust has received in-principle advice from the ASX that the ASX will be unlikely to exercise its discretion to treat the Trust as related to the Listed Trust on the basis that Metrics is the manager of both the Trust and the Listed Trust. However, the ASX is not bound by this advice and it may be reviewed in the future.

If units in the Sub-Trust are redeemed by the Listed Trust, the Trust may become illiquid for a period as Investors in the Sub-Trust (including the Trust) may not be able to withdraw their investments in the Sub-Trust, which will affect the Trust ability to pay redemptions to Investors.

INVESTMENT RISK

The value of an investment in the Trust and/or the Trust's investments may fail in the short or long term for a number of reasons, including the risks set out in this section, which means that you may receive less than your original investment when you sell or redeem your Units in the Trust. The price of individual financial instruments may fluctuate or underperform other asset classes over time.

An investor is exposed to these risks through the life of their holding of Units in the Trust and through the Trust's investment strategies and policies.

INTEREST RATE RISK

The Trust will invest, through the Sub-Trust and the Wholesale Funds, primarily in floating interest rate investments meaning that as the underlying base interest rate of these investments rises and falls, the income and value of the Trust may change.

There is a strong correlation between the RBA Cash Rate and the base rates upon which loans are priced. Absolute returns on loans therefore rise and fall largely in correlation with the RBA Cash Rate.

REDEMPTIONS IN KIND

The terms of the Sub-Trust provide that the Sub-Trustee may satisfy redemption requests it receives by transferring assets it holds to the redeeming investor. If the Sub-Trustee determines to do so in respect of a redemption request from the Trust, the Trust could directly hold any assets held by the Sub-Trust, such as units or Sub-Trust Notes in the Wholesale Funds. The Trust would then need to liquidate those assets to fund Redemption Requests.

LIQUIDITY RISK

Where the Sub-Trust is unable to redeem or withdraw its holdings in the Wholesale Funds, due to the illiquidity of the Wholesale Funds, the ability of Investors to withdraw from the Trust may be impeded. Where it is necessary for the Wholesale Funds to sell assets in order to meet redemption requests of the Sub-Trust and accordingly, the Trust, the Manager may not be able to sell investments at an attractive price. This may impact the redemption price of Units.

In certain instances the Responsible Entity may be required to dispose of assets of the Trust to satisfy Redemption Requests. In these instances Transaction Costs may be incurred by Investors and the Trust may bear similar costs due to redeeming units in the Sub-Trust. This may reduce the amounts payable to Investors on redemption of their Units. Subject to its duties under the Corporations Act, the Responsible Entity may determine that, where assets of the Trust need to be sold to satisfy Redemption Requests, the redemption price of the relevant Units will be equal to the proceeds of those assets being sold. This may cause a loss for redeeming Investors in certain circumstances.

INVESTMENT STRATEGY RISK

The historical performance of the various Wholesale Funds managed by the Manager cannot be relied on as a guide to future performance of those Wholesale Funds, subsequent wholesale funds, the Sub-Trust or the Trust. The investment strategy to be used by the Manager on behalf of the Trust includes inherent risks. These include, but are not limited to the following:

> the Trust's success and profitability is reliant upon the ability of the Manager to devise and maintain a portfolio that achieves the Trust's Investment Objective, Investment Strategy and guidelines within the parameters of the investments in which it is permitted to invest and set out in this PDS and the law;

> the ability of the Manager to continue to manage the Trust's portfolio in accordance with this PDS, its mandate and the law which may be compromised by such events as the loss of its licence or registrations; and

> the Trust's portfolio may not be as diversified as other investment entities.

There is no guarantee that the investment strategy of the Trust will be managed successfully or will meet its objectives. Failure to do so could negatively impact the performance of the Trust.

If the Manager ceases to manage the Trust and the Investment Management Agreement is terminated, the Responsible Entity will need to identify and engage a suitably qualified and experienced manager to manage the Trust and continue to meet the Trust's investment strategy. If the Manager for any reason ceases to be the manager of the Sub-Trust or any of the Wholesale Funds this is likely to impact the Trust's ability to achieve the Investment Objective and implement the Investment Strategy.

PORTFOLIO CONSTRUCTION

Metrics as manager of the Sub-Trust and the Wholesale Funds may cause those funds to invest in a variety of assets in differing proportions so as to best implement the investment objective applicable to those funds. Metrics may allocate capital from the Sub-Trust to the Wholesale Funds and direct assets in proportions as it may determine having regard to a number of factors. These may include (but are not limited to) availability of capital, origination of opportunities, matters specific to the Wholesale Funds and prevailing market conditions. The Manager may not be able to achieve its preferred allocation in seeking to achieve the Trust's Investment Objective.

CREDIT CYCLE RISK

Metrics operates in an industry which is influenced by both domestic and global credit cycles. Credit cycles expand and contract naturally over time in line with macroeconomic variables and are influenced by governments' fiscal and monetary policies.

During the contraction phase, serviceability and liquidity of debt can deteriorate meaning the value of debt assets could decline.

VALUATION RISK

The Trust will be indirectly exposed to investments in the Wholesale Funds which will be exposed to illiquid assets which will require independent valuation. Independent valuations are inherently subjective and in determining value, a valuer will be required to make certain assumptions and such assumptions may prove to be inaccurate. This is particularly so in periods of volatility or where there is limited relevant data against which the valuation of a private credit instrument can be benchmarked.

INTERNATIONAL INVESTMENT AND FOREIGN CURRENCY RISK

The Trust may be exposed to (through the Sub-Trust and the Wholesale Funds) foreign currency denominated assets, although any such foreign currency investments are expected to be funded by foreign currency funding facilities in the Wholesale Funds, limiting any foreign currency exposure.

Investing in international financial instruments poses additional risks. The performance of international financial instruments can be adversely affected by the different political, regulatory and economic environments in countries where the investments are made, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. Potentially adverse political, economic, legal and tax, or social conditions in international markets may affect the value of the Trust's investments. In addition, the laws of foreign jurisdictions may offer less legal rights and protections to holders of financial instruments in foreign entities in such foreign jurisdictions compared to the laws in Australia.

MANAGER AND RESPONSIBLE ENTITY REPLACEMENT

Given the illiquid nature of some of the underlying assets to which the Trust is exposed, the votes required to remove the Responsible Entity as set out in section 5.1.

The Manager may, in certain circumstances, request that the Responsible Entity retire as responsible entity of the Trust. The retirement of the Responsible Entity and its replacement will be governed by the provisions of the Corporations Act. Investors will be entitled to vote on the appointment of a new responsible entity in those circumstances. Please refer to section 5.1 for more information.

Under the Investment Management Agreement, the Manager may only be terminated for cause. These instances include where the Manager is insolvent, in breach of any provisions of the Investment Management Agreement or ceases to hold necessary authorisations to operate as an investment manager.

Certain loan investments and agreements to which the Trust is exposed via its indirect investments in the Wholesale Funds may have change of control rights granted to third parties. These rights can be triggered if there are significant changes in the ultimate owner of the Manager.

Please refer to section 5.2 of this Additional Information Booklet for a summary of the Investment Management Agreement.

DERIVATIVE RISK

It is not anticipated that the Sub-Trust or the Wholesale Funds will use Derivatives, however, the Wholesale Funds do have the ability to use Derivatives if the Manager determines that they are required.

LEGAL AND REGULATORY RISK

Legal and regulatory risk is the risk that a change in government policies, laws and regulations (including taxation and accounting) may adversely affect the value of an investment in the Trust or its underlying assets.

SERVICE PROVIDER RISK

The performance of the Trust's portfolio relies on the successful performance of the Responsible Entity's contracts with service providers, such as the Investment Management Agreement with the Manager, the Unit Registry and the Trust Administrator. Refer to section 5 of this Additional Information Booklet for details on the Material Agreements. The Trust could be exposed to the risk of loss if a counterparty does not meet its obligations, including due to insolvency, financial distress or a dispute over the terms of the contract or the termination of any of the material agreements and there can be no assurance that the Responsible Entity would be successful in enforcing its contractual rights. In the case of a counterparty default, the Trust may also be exposed to adverse market movements while the Responsible Entity sources replacement service providers.

The Responsible Entity is related to the Incoming Custodian. This relationship could conflict with the Responsible Entity's role in operating the Trust. The Responsible Entity maintains detailed conflict of interest procedures to avoid or mitigate conflicts of interest should they be found to arise, including where the Responsible Entity transacts with its related parties. The Responsible Entity's conflicts policy requires the Responsible Entity to identify, report and monitor on an ongoing basis any related party conflicts of interest.

Entities within the Perpetual Group may act in various capacities (such as trustee and custodians) for other funds or accounts. Other roles may conflict with the roles they play in operating and managing the Sub-Trust and the Wholesale Funds.

Perpetual Group have implemented policies and procedures to identify and, where possible, mitigate or avoid conflicts associated with the service providers of the Sub-Trust and Wholesale Funds, including where members of Perpetual Group may act in various capacities in a transaction.
All agreements with related party service providers have been entered into on terms that are similar to those the relevant Perpetual related entity would have negotiated with an unrelated party and that entity, where it acts as a trustee of the Sub-Trust or a Wholesale Fund must still ensure that the appointment of the related party is in the best interests of the members of the relevant trust. Each business carries out the services on behalf of separate legal entities.
All documents and agreements are separately reviewed and signed off by each business unit and different members of the Perpetual Group legal department. Perpetual also has separate supervision protocols applicable to relevant persons or entities whose principal function involves carrying out activities on behalf of, or providing services to parties with potentially conflicting interests.

The Perpetual Group 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 Perpetual 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, Perpetual maintains a register of generic corporate conflicts, including related party conflicts, acting in multiple capacities on the same transaction and 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 compliance plans.

Additionally, the trustee of the Sub-Trust and each Wholesale Fund has a duty at law and under the relevant trust deed to act in the best interest of the members of the relevant trust and where there is conflict between the members' interests and its own to give priority to the members. The Sub-Trustee and the trustees of each Wholesale Fund must follow this duty when making decisions about and managing any potential conflicts of the relevant trust.

RESPONSIBLE ENTITY RISK

The Responsible Entity is required to supervise and monitor the Manager and other service providers to the Trust. The Responsible Entity has put in place policies and procedures to achieve this. These measures may not however be successful or adequate, resulting in such service providers not being adequately supervised and monitored. This could result in the Responsible Entity not being in a position to protect the interests of Investors.

DISTRIBUTION RISK

The Trust's ability to pay a distribution is contingent on the income it receives from the Sub-Trust and the Wholesale Funds. No guarantee can be given concerning the future earnings of the Trust, the earnings or capital appreciation of the Trust's portfolio or the return of your investment. The Manager may make poor investment decisions which may result in the Trust's return being inadequate to pay distributions to Investors. The distribution policy of the Trust will depend on the distribution policy set by the Sub-Trust and the Wholesale Funds. Any delay in distributions being made by the Sub-Trust or the Wholesale Funds may cause delays in distributions made by the Trust to Investors.

MULTIPLE EXPOSURES RISK

The Trust and other clients or funds of Metrics may be exposed to different types of debt investments in respect of the same borrower. This can create a conflict of interest where there is a default by the borrower and there is insufficient money to repay all of the debt. In these situations, the lower ranking debt and the equity may incur a complete loss. The Manager takes a mechanical approach to dealing with these types of situations by engaging a third-party valuer to value the investments and then seeks to recover at least those valuations. To manage any conflict such investment is considered separately and is managed according to its terms so that, for example, the most senior debt is always paid in priority to lower ranking debt.

INFLUENCE RISK

The Trust is exposed to investments in the Sub-Trust and Wholesale Funds which are managed by the Manager. The Responsible Entity does not have the legal right to influence the operations of the Sub-Trust and Wholesale Funds. The Trust is effectively a passive investor in those funds alongside other Investors and due to the long term nature of the Sub-Trust Notes may not be able to effect a redemption of the Trust's exposure to the Wholesale Funds. This means the Responsible Entity may not be able to protect the interests of Investors at the Wholesale Funds level.

REGULATORY APPROVALS

All regulatory approvals for the continued operation of the Trust, including licenses or exemptions from licensing for the Manager have been obtained and the Responsible Entity and Manager are not aware of any circumstances which might give rise to the cancellation or suspension of any of those approvals. If any of the approvals are cancelled or suspended, the Trust may be adversely affected.

LITIGATION RISKS

From time to time, the Responsible Entity, Sub-Trust or Wholesale Funds may be involved in litigation. This litigation may include, but is not limited to, contractual claims. If a claim is pursued against the Responsible Entity, Sub-Trust or Wholesale Funds, the litigation may adversely impact on the profits and financial performance of the Trust. Any claim, whether successful or not, may adversely impact on the Trust's Unit price and/or the return on your investment.

CYBER RISK

There is a risk of fraud, data loss, business disruption or damage to the information of the Trust or to Investors' personal information as a result of a threat or failure to protect this information or data.

7. REPORTING AND DISCLOSURE OBLIGATIONS

If the Trust has 100 or more Investors it will be a disclosing entity under the Corporations Act and subject to regular reporting and disclosure obligations. The Trust is expected to be a disclosing entity. At such time as the Trust becomes a disclosing entity the Responsible Entity will satisfy its continuous disclosure obligations by following ASIC's good practice guidance for website disclosure. Accordingly, annual financial reports, half yearly financial reports, continuous disclosure notices and other relevant information for the Trust will be available at the Trust Website or by contacting the Responsible Entity on +61 3 8623 5000.

8. ADDITIONAL INFORMATION

8.1 CONFLICTS OF INTEREST

The Manager is also the manager of other funds and clients not described in this PDS. While the Manager has implemented policies and procedures to identify and mitigate conflicts of interest, it is possible that the Manager 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 and its Investors. These conflicts could include the Manager having to decide which clients and funds it allocates investment opportunities to. In order to manage this conflict, the Manager has a policy of allocating opportunities between those funds and clients for which the opportunity is considered appropriate and among such clients and funds proportional to their available capital for that opportunity. Please refer to 'Multiple exposures risk' in section 6 above for more information.

The Trust will only be exposed to funds managed by Metrics and as such Metrics, as manager of those funds benefits from such investments through the receipt of management fees and performance fees. Other parties and Investors (including investors in the Sub-Trust or Wholesale Funds) may have interests that diverge from that of Metrics, the Trust and Investors, which may have an adverse effect on Investors. The votes of those Investors could outweigh the votes referable to the Trust's investment in those funds. Where the Manager is not meeting the Target Return, the Responsible Entity may not be able to remove the Manager as manager of the Sub-Trust and Wholesale Funds.

8.2 RELATED PARTY INTERESTS

Other than as set out in this PDS, there are no existing agreements or arrangements relevant to the Trust and there are no currently proposed transactions in which the Responsible Entity was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest.

The Investment Management Agreement and other material contracts have been entered into on arm's length terms between the relevant parties. The Responsible Entity and the Manager may be subject to conflicts of interest when performing their duties in relation to the Trust. Both the Responsible Entity and the Manager have policies and procedures in place to appropriately manage these conflicts of interest.

The Incoming Custodian is a related party of the Responsible Entity. There may be situations where the interests of the Responsible Entity as custodian conflicts with the interests of investors. This risk is managed through the Responsible Entity's conflict of interest policy that governs related party transactions. The Responsible Entity maintains a conflict of interest policy.

The Trust Company Limited (ACN 004 027 749; AFSL 235 148) (**Sub-Trustee**) has been appointed as the trustee of the Sub-Trust and related entities of the Sub-Trustee have been appointed as trustees of each of the Wholesale Funds. Other funds issued by the Responsible Entity, its related entities, the Sub-Trustee or entities related to the Sub-Trustee may also hold units in the Trust. Those persons will therefore be dealing with related parties in relation to the Trust's or the Sub-Trusts (as applicable) investments. The Responsible Entity is required under law to prefer the interests of the Investors over its own or that of Metrics. The Responsible Entity, the Sub-Trustee and its related parties have entered into arm's length agreements with Metrics which give the Responsible Entity, the Sub-Trustee and its related parties the right to terminate Metrics for misconduct or breaches of its agreements. Please refer to section 5 for further details of those agreements.

The Perpetual Group maintains a conflicts of interest policy that applies to all employees across the Perpetual Group. This policy defines a 'corporate conflict' as a conflict between 2 Perpetual entities. Under this policy all employees must identify and consider the impact of conflicts of interest in the course of carrying out their day to day duties. If an employee becomes aware of a corporate conflict the employee is required to notify their manager and the Perpetual Group compliance team. As part of the management of conflicts, Perpetual maintains a register of generic corporate conflicts, including related party conflicts, acting in multiple capacities on the same transaction and 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 compliance plans. Where an employee notifies the Perpetual Group compliance team of a conflict, an assessment of the conflict will be referred to a quorum of 2 conflict officers. The conflict officers will apply a standardised assessment tool to determine the materiality of the conflict and, if material, the controls which may be required to manage the conflict, if it cannot be avoided. Depending on the conflict, there may be a requirement for the development of specific separation protocols for the relevant business unit, in order to appropriately manage the conflict. If the conflict officers determine that a conflict is material, it will be added to the relevant conflicts register of the entity and the conflicts register will be tabled at the next board meeting of that Perpetual entity. The conflicts register includes the controls used to manage the conflict. The board of directors of each Perpetual entity has ultimate responsibility for the management of conflicts, but day to day responsibility has been delegated to the conflicts officers.

8.3 CONSENTS

Each of the parties referred to below:

> does not make the Offer;
> other than as specified in this PDS, does not make, or purport to make, any statement that is included in this PDS, or a statement on which a statement made in this PDS is based, other than as specified in this section 8;
> to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than a reference to its name and a statement included in this PDS with the consent of that party as specified below;
> each of the parties listed below has given and has not, before lodgement of this PDS with ASIC, withdrawn its written consent to the inclusion of the statements in this PDS that are specified below in the form and content in which the statements appear:

a) PPNSW Services has given, and not before the date of this PDS withdrawn, its written consent to be named in the PDS in relation to the tax information in the form and context in which it is named and to the inclusion in this PDS of its tax summary in section 10 and the statements specifically attributed to it in the text of, or by a footnote in, this PDS, in the form and context in which they appear in this PDS.

b) Metrics has given and not before the date of this PDS withdrawn, its written consent to being named as the Manager to the Trust in this PDS, and any electronic version of this PDS, in the form and context in which it is named.

c) MinterEllison has given and not before the date of this PDS withdrawn, its written consent to being named as Australian legal adviser to the Offer in this PDS, and any electronic version of this PDS, in the form and context in which it is named.

d) Automic Pty Ltd has given, and has not before the date of this PDS withdrawn, its written consent to be named as the Unit Registry to the Trust in this PDS and any electronic version of this PDS in the form and context in which it is named.

e) Perpetual Group have given and not before the date of this PDS withdrawn, their written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which they are named.

f) Pinnacle has given and not before the date of this PDS withdrawn, its written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which it is named.

g) KPMG has given and not before the date of this PDS withdrawn, its written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which it is named.

h) Metrics Credit Holdings Pty Ltd has given and not before the date of this PDS withdrawn, its written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which it is named.

i) MCH Fund Administration Services Pty Ltd has given and not before the date of this PDS withdrawn, its written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which it is named.

j) EQT Australia Limited has given and not before the date of this PDS withdrawn, its written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which it is named.

k) PricewaterhouseCoopers ABN 52 780 433 757 has given, and not before the date of the PDS withdrawn, its written consent to being named in this PDS, and any electronic version of this PDS, in the form and context in which it is named.

8.4 LEGAL PROCEEDINGS

The Trust is not engaged in any litigation at the date of this PDS, and as far as the Responsible Entity is aware, no litigation involving the Trust is pending or threatened.

9. MCP WHOLESALE INVESTMENTS TRUST

9.1 TARGET PORTFOLIO CONSTRUCTION OF SUB-TRUST

The Sub-Trust, via its investment in the Wholesale Funds, invests in a portfolio of corporate loans which broadly reflects activity in Australia's corporate loan market, diversified by borrower, industry and credit quality in the following proportions:

> 60-70% of capital invested in DASLF;

> 20-30% of capital invested in SPDF II; and

> 10-20% of capital invested in the REDF.

From time to time the Trust may also hold cash and units in the Listed Trust. These allocations may change from time to time.

9.2 INVESTMENT PIPELINE

The Manager is constantly assessing investment opportunities for the Sub-Trust and the Wholesale Funds. The Manager expects to be able to deploy capital raised from the Offer, via its investment in the Sub-Trust, in investments which are consistent with the Investment Strategy and Target Return of the Trust. **The Target Return is a target only and may not be achieved.**

9.3 VALUATION OF ASSETS

The valuation of corporate loans to which the Trust is indirectly exposed reflects the fact that they are not generally available for sale. Credit risk rather than market risk is the key risk reflected in the asset valuation. Credit risk is assessed in terms of probability that a borrower may default, estimated level of utilisation of a loan at default and the anticipated loss given a default has occurred.

The valuation methods applied by the trustee of the Sub-Trust to value the Sub-Trust's assets and liabilities must be consistent with the range of ordinary commercial practice for valuing them and represent its assessment of current market value.

An international accounting and professional services firm is engaged to provide an independent valuation assessment of the net asset value of the Wholesale Funds on an ongoing basis.

9.4 INVESTMENTS OF THE SUB-TRUST

Metrics is responsible for managing the investments of the Sub-Trust (**Sub-Trust Manager**).

The Sub-Trust invests in the Wholesale Funds. The Sub-Trust Manager anticipates that the Sub-Trust's direct investments and investments in the Wholesale Funds will typically involve long term commitments of 5 to 10 years given the nature of the investments of the Wholesale Funds which can have terms of up to 15 years. The ability of the Sub-Trust to withdraw its investment in the Wholesale Funds will be dependent on a number of factors, which include:

> the terms of the Wholesale Funds which are discussed further below;

> the ability of the Wholesale Funds to liquidate their investments to pay any withdrawal of the Sub-Trust and whether liquidating those investments is in the best interests of investors as a whole in those funds; and

> the volume of other withdrawing investors in the Wholesale Funds.

The Sub-Trust may borrow and may invest directly in loans with other Investors to the extent that the Sub-Trust Manager and the Sub-Trustee deem appropriate.

Subject to the Corporations Act and the Listing Rules, the Sub-Trust may also make investments in the Listed Trust by acquiring units in the Listed Trust where the Manager believes it is financially beneficial (such as where units in the Listed Trust are trading below their underlying value).

9.5 ARRANGEMENTS WITH INVESTORS IN THE SUB-TRUST

The Sub-Trustee and the trustees of the Wholesale Funds and the Manager may enter into arrangements with wholesale investors in the Sub-Trust or Wholesale Funds in certain circumstances to satisfy the wholesale investor's requirements (e.g. to satisfy regulatory requirements specific to the investor or in respect of redemptions, not having exposure to certain investments and the retirement of the Sub-Trustee or Sub-Trust Manager where they have acted wrongfully).

9.6 REDEMPTION FROM THE SUB-TRUST

The Sub-Trustee is not obliged to redeem the Trust's units in the Sub-Trust but may accept a redemption request at its absolute discretion. None of the Sub-Trust or the Wholesale Funds are readily liquid and that is why redemptions are limited.

If the Manager's appointment as manager of the Listed Trust is terminated by ordinary resolution of unitholders in the Listed Trust, the Sub-Trustee may at its discretion compulsorily redeem the Trust's units in the Sub-Trust within three months of the resolution. The timing and funding of such redemptions will be dependent on a number of factors.

9.7 VOTING

Each unitholder of the Sub-Trust is entitled to one vote on a show of hands and one vote, per dollar of the issue price of a unit, held on a poll. The Trust will not always hold units in the Sub-Trust.

9.8 RETIREMENT OF THE SUB-TRUSTEE

The Sub-Trustee may retire as trustee by giving 20 Business Days' notice (unless a shorter notice is agreed by unitholders) to unitholders in the Sub-Trust. The Sub Trustee's retirement will be of effective upon the appointment of a replacement trustee for the Sub-Trust.

The Sub-Trustee must also retire, after the fourth year from the date the Listed Trust commenced trading units on the ASX, if directed to retire by Metrics on three months' notice or by special resolution of unitholders (which requires a resolution passed at a meeting of all Sub-Trust unitholders by at least 85% of votes cast by unitholders).

9.9 INDEMNITY OF SUB-TRUSTEE

The Sub-Trustee is indemnified out of the property of the Sub-Trust for any liability incurred by it, in its own capacity or through an agent, manager, adviser or delegate, in relation to the proper performance of any of its duties in respect of the Sub-Trust.

9.10 SUMMARY OF WHOLESALE FUNDS

Metrics Credit Partners Diversified Australian Senior Loan Fund (DASLF)

Launched in June 2013, DASLF is a registered managed investment scheme ARSN 163 161 591 which invests primarily in Australia's domestic loan market, participating in corporate and institutional loan facilities alongside banks and other lenders in addition to bilateral facilities originated by Metrics. Investments include loans provided to: listed companies; large and medium sized private companies; project finance borrowers including public-private partnerships; property developers and investors, including real estate investment trusts; and acquisition finance facilities. DASLF can invest in corporate facilities that are both term drawn and revolving, multi-currency, secured and unsecured, senior and subordinated.

TERM	DETAIL
Structure	Open ended unit trust, registered managed investment scheme.
Benchmark	90-day BBSW (Bloomberg: BBSW3M).
Target Returns	Benchmark plus additional return from applicable credit margin and lending fees.
Base Management Fee	The management fee for DASLF is a 'recoverable expense' and is calculated and accrues daily at between 0.179% to 0.308% per annum (depending on an investor's unitholding) on adjusted net asset value and is payable monthly. Note that the fee quoted excludes GST.
Outperformance fee attributable to the Trust investor	There are no outperformance fees payable to the Manager by DASLF.
Asset duration	Target weighted average tenor of assets of the fund is 3 to 5 years.
Portfolio Construction	> Investments reflecting Australia's corporate loan market, diversified by borrower, industry, credit quality and debt product. > >90% senior ranking and >80% Australian domiciled borrowers. As at the date of this PDS, DASLF held in excess of 180 loans in its portfolios. The number of loans DASLF holds may vary over time. This is detailed in the monthly performance reporting.
Leverage	DASLF may borrow (up to 30% of DASLF's GAV) for purposes including: > to enable DASLF to undertake its investment activities; > to enable DASLF to participate in revolving credit facilities provided to borrowers; and > to meet working capital requirements of DASLF. This does not apply to Sub-Trust Notes issued by the trustee of DASLF.
Distributions	Net income will generally be distributed to investors on a monthly basis, subject to the responsible entity's discretion to set different distribution periods. Distributions may be reinvested into fund units.

DASLF is an open-ended trust and is open to accept applications only from wholesale clients. DASLF offers liquidity and provides institutional investors with a diversified exposure to Australian corporate debt across borrowers, industries and the credit risk spectrum.

MCP Secured Private Debt Fund II (SPDF II)

SPDF II provides direct exposure to Australian corporate debt across predominantly mid-market borrowers. SPDF II invests primarily in loans to sub investment grade mid-market Australian companies. SPDF II can invest in both term and undrawn and revolving, senior and subordinated debt facilities. SPDF II is an open ended trust and is open to accept applications only from wholesale clients.

TERM	DETAIL
Structure	Unregistered open ended unit trust.
Benchmark	90-day BBSW (Bloomberg: BBSW3M).
Hurdle Return	Benchmark plus 4.00% per annum net of fees.
Base Management Fees	The 'Base Management Fee' is a recoverable expense of SPDF II and is calculated daily at 0.205% pa on the gross value of all SPDF II property (**SPDF II GAV**) (excluding undrawn loan commitments by SPDF II), paid monthly and reflected in the unit price. Note that the fee quoted excludes GST.
Outperformance fee attributable to the Trust investor	'Outperformance Fee' of 15.375% of SPDF II returns above the Hurdle Return up to a maximum Base Management Fee and Outperformance Fee cap of 0.75% pa on the SPDF II GAV (excluding undrawn loan commitments by SPDF II) calculated daily, payable annually in arrears. If the accrued Outperformance Fee as at the date on which the Outperformance Fee is due to be paid is a negative amount, then no Outperformance Fee will be paid and the negative accrual carries forward to the next calculation period.
Asset duration	The fund will invest in loans with a tenor to maturity of 6 months to 10 years.
Portfolio Construction	> A portfolio of Australian corporate loans reflecting activity in Australia's mid-market corporate loan market. > Sub-investment grade loans. > Diversified across borrowers, industries and the capital structure of borrowers. As at the date of this PDS, SPDF II held in excess of 65 loans in its portfolios. The number of loans SPDF II holds may vary over time. This is detailed in the monthly performance reporting.
Leverage	SPDF II may borrow (up to 50% of the SPDF II GAV) for purposes including: > to enable SPDF II to undertake its investment activities; > to enable SPDF II to participate in revolving credit facilities provided to borrowers; and > to meet working capital requirements of SPDF II. This does not apply to Sub-Trust Notes issued by the trustee of SPDF II.
Distributions	> Net income will generally be distributed to investors on a monthly basis, subject to SPDF II's trustee's discretion to set different distribution periods. > Distributions may be reinvested into new units.

MCP Real Estate Debt Fund (REDF)

The REDF seeks to provide direct exposure to a portfolio of Australian commercial real estate debt, providing investors with attractive risk-adjusted returns. REDF can invest in both senior and subordinated debt facilities. REDF is an open ended trust and is open to accept applications direct from wholesale clients only.

TERM	DETAIL
Structure	Unregistered open ended unit trust.
Benchmark	90-day BBSW (Bloomberg: BBSW3M).
Hurdle Return	Benchmark plus 5.00% per annum net of fees.
Base Management Fees	The 'Base Management Fee' is a recoverable expense of REDF and is calculated daily at 0.205% pa on the gross value of all REDF property (**REDF GAV**) (excluding undrawn loan commitments by REDF), paid monthly and reflected in the Unit Price. Note that the fee quoted excludes GST.
Outperformance fee attributable to the Trust investor	'Outperformance Fee' of 15.375% of REDF returns above the Hurdle Return up to a maximum Base Management Fee and Outperformance Fee cap of 0.75% pa on the REDF GAV (excluding undrawn loan commitments by REDF) calculated daily, payable annually in arrears. If the accrued Outperformance Fee as at the date on which the Outperformance Fee is due to be paid is a negative amount, then no Outperformance Fee will be paid and the negative accrual carries forward to the next calculation period.
Asset duration	REDF will invest in loans with a tenor to maturity of 6 months to 10 years.
Portfolio Construction	Build and maintain a diversified portfolio of Australian commercial real estate debt assets, diversified by: > projects and borrowers; > sectors (industrial, retail, residential development and commercial); > geography (across states in both metro and regional); > stage of development (new development and brownfield); and > position in the capital structure. As at the date of the PDS, REDF held in excess of 100 loans in its portfolios. The number of loans REDF holds may vary over time. This will be detailed in the monthly performance reporting.
Leverage	REDF may borrow (up to 50% of the REDF GAV) for purposes including: > to enable REDF to undertake its investment activities; > to enable REDF to participate in revolving credit facilities provided to borrowers; and > to meet working capital requirements of REDF. This does not apply to Sub-Trust Notes issued by the trustee of REDF.
Distributions	Net income will generally be distributed to investors on a monthly basis subject to REDF's trustee's discretion to set different distribution periods. Distributions may be reinvested into fund units.

10. TAXATION

10.1 AUSTRALIAN TAXATION IMPLICATIONS

The comments in this section are based on the Income Tax Assessment Act 1936, the Income *Tax Assessment Act 1997, A New Tax System (Goods and Services Tax) Act 1999* and the relevant Australian stamp duties legislation as at the date of the PDS.

The following information summarises some of the Australian taxation issues you may wish to consider before making an investment in the Trust and assumes that you hold your investment in the Trust on capital account and are not considered to be carrying on a business of investing, trading in investments, or investing for the purpose of profit making by sale. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ.

This summary is based on the taxation laws as at the date of the PDS. Investing in a registered managed investment scheme is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Investors concerned. It is recommended that Investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Trust.

10.2 AUSTRALIAN TAXATION TREATMENT OF THE TRUST

General

The income tax treatment of the Trust and its Investors will depend on whether the Trust is eligible, and the Responsible Entity elects to apply the Attribution Managed Investment Trust (**AMIT**) provisions.

The AMIT provisions are an elective income tax regime for qualifying managed investment trusts (**MIT**) that provide for flow-through taxation to Investors. While the AMIT provisions are not expected to materially change the way in which Investors would be taxed (as compared to the general trust taxation rules), the AMIT provisions are intended to provide greater certainty on tax treatments for beneficiaries of such trusts and simplicity of administration to trustees when compared to the taxation rules that generally apply to trusts.

Where the Trust qualifies as a MIT for income tax purposes, the Responsible Entity is intending to make an irrevocable election to apply the AMIT rules.

If the Responsible Entity elects to enter the AMIT regime and the Trust subsequently ceases to qualify as an AMIT, the general taxation rules on trusts will commence to apply to the Trust at the time. Consequently, the Trust will be treated as a flow-through vehicle provided that the Trust will conduct solely eligible investment business and will not control any trading business as defined in the income tax legislation.

Where the Trust does not qualify as a MIT, it is not eligible to enter the AMIT regime and consequently, AMIT provisions will not apply. The general taxation rules on trusts will then apply to the Trust.

It is intended that Investors will be presently entitled to all of the taxable income of the Trust for each financial year such that no taxation liability will accrue to the Responsible Entity.

AMIT Provisions

On the basis that the Responsible Entity intends to make the irrevocable election to enter into the AMIT regime and that the Trust will continue to meet the AMIT eligibility requirements, the following are the key features of the AMIT regime that will apply to the trust:

Fair and reasonable attribution

Each year, the Responsible Entity of the Trust will determine trust components of assessable income, exempt income, non-assessable non-exempt income, and tax offsets (i.e. credits). This will be attributed to Investors on a 'fair and reasonable' basis, having regard to their income and capital entitlements in accordance with constituent documents.

Unders or Overs adjustments

Where the Trust's determined trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains / losses or expenses), then unders and overs may arise. Unders and overs will generally be carried forward and adjusted in the year of discovery.

Cost base adjustments

Where the distribution made is less than (or more than) certain components attributed to Investors, then the cost base of an Investor's Units may be increased (or decreased) as appropriate. Details of net annual tax cost base adjustments will be included on an Investor's annual tax statement, referred to as an AMIT Member Annual Statement (**AMMA**).

Large redemptions

In certain circumstances, gains may be attributed to a specific Investor, for example, gains on disposal of assets to fund a large redemption being attributed to the redeeming Investor.

Multi-class AMITs

A choice is available to elect to treat separate classes of units as separate AMITs, where applicable. The purpose of this election is to quarantine the income tax calculation on a class-by-class basis. This can allow income, deductions and tax losses referable to a class of Units to be quarantined in that class, so that they are not spread to Investors holding other classes of Units. In the absence of the Trust being an AMIT and having made the multi-class election, the tax treatment of each Investor may differ significantly (see below).

AMMA statement

Investors are subject to tax on trust components attributed to them under the AMIT regime.

The AMMA statement will show the trust components attributed to the investors in the year the AMMA statement relates to, even if distributions are received or reinvested after the end of the income year.

Penalties

In certain circumstances, such as the failure to comply with certain AMIT rules, specific penalties may be imposed.

The AMIT regime is intended to reduce complexity, increase certainty, and reduce compliance costs for MITs and their unitholders.

Non-AMIT provisions

On the basis that Investors are presently entitled to all of the Trust's distributable income (which is the Responsible Entity's intention) and the Trust is not a public trading trust, the Trust should be treated as a flow-through trust for income tax purposes. This means that Investors should be taxed on their share of the Trust's net taxable income, and the Trust should not be subject to Australian income tax.

Multi-class non-AMITs

In the absence of an AMIT multi-class election being made, the Trust is treated as a single taxpayer. As the classes are not treated as separate taxpayers, it is possible under the current non-AMIT trust taxation regime that the income tax character of distributions made to a particular class may be impacted by transactions associated with another class.

Other taxation considerations

Public trading trust rules

A unit trust is subject to income tax at the corporate tax rate if it is classified as a "public trading trust". A public trading trust cannot be an AMIT and is not a flow-through vehicle for income tax purposes and is instead taxed like a company at the current corporate tax rate.

The Trust does not intend to derive income other than from an 'eligible investment business'. Accordingly, it should not be subject to income tax as a public trading trust. Further, the Responsible Entity will seek to ensure it does not control entities that carry on trading activities.

Losses

In the case where the Trust makes a tax loss for Australian income tax purposes, the Trust cannot distribute these tax losses to Investors. However, the tax losses may be carried forward by the Trust for offset against taxable income of the Trust in subsequent years, subject to the operation of the trust loss rules.

Taxation of Financial Arrangements (TOFA)

The TOFA rules may apply to financial arrangements held by the Trust when calculating its assessable income. Broadly, the TOFA rules may impact the timing of the recognition of gains and losses in the Trust for income tax purposes and will also treat relevant gains and losses as being on revenue account.

10.3 AUSTRALIAN TAXATION OF AUSTRALIAN RESIDENT INVESTORS

Distributions – AMIT

The AMIT provisions require the taxable income of the Trust to be attributed to Investors on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. The Responsible Entity will seek to allocate taxable income having regard to the Units held by Investors, entitlements to income and capital, as well as cash distributions made to such Investors during the relevant period. Under the AMIT provisions, an Investor may be taxable on their share of the Trust's taxable income prior to receiving distributions from the Trust.

Distributions – Non-AMIT

Provided that the Trust is treated as a flow-through vehicle, Investors will be assessed on the taxable income derived by the Trust, based on their proportionate share of the annual income of the Trust that is distributed to them in that income year. The Trust's Investors will be required to include their share of taxable income in their tax return.

Foreign Income

The Trust may derive foreign sourced income that might be subject to foreign tax. Australian resident Investors should include their share of both the foreign income and the amount of any foreign tax withheld in their assessable income. In such circumstances, Investors may be entitled to a Foreign Income Tax Offset (**FITO**) for the foreign tax paid, against the Australian tax payable on the foreign sourced income. FITOs that are not utilised cannot be carried forward to a future income year.

Capital Gains

If an Investor's share of the taxable income of the Trust includes an amount that consists of discount capital gains derived by the Trust, the Investor needs to first 'gross up' the discount capital gain (by multiplying it by 2). However, (after grossing up any discount capital gains) Investors may be able to reduce the capital gains distributed by the Trust by any capital losses which are available to them. Furthermore, after applying any loss, individual, trust, and complying superannuation fund Investors may then be entitled, in determining the net capital gain that is to be included in their assessable income, to discount that capital gain by 50% for individuals and trusts, and 33 1/3% for complying superannuation funds.

Non-assessable distribution payments – AMIT

Under the AMIT provisions, an Investor's cost base in their Units held is increased where taxable income is allocated to them (inclusive of any tax-free component of a discount capital gain). The cost base is decreased where cash distribution entitlements are made to the Investor in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital. Additional reductions are made for certain tax offsets (such as the franking credit tax offset and foreign income tax offset).

The net annual tax cost base adjustment amount will be detailed in an AMMA tax statement, which will be sent annually to Investors after year-end.

Non-assessable distribution payments – Non-AMIT

Tax-deferred distributions may occur where the Trust distributes an amount of cash that exceeds the taxable income allocated to an Investor. Certain tax-deferred distributions that are not assessable to an Investor result in a reduction in the cost base of the Units held by the Investor. A capital gain will arise where those tax-deferred distributions exceed the cost base of the Units.

Disposal of Units by Australian Resident Investors

If an Australian resident Investor transfers or redeems their units in the Trust, this will constitute a disposal for income tax purposes.

Where an Investor holds their units in the Trust on capital account, a capital gain or loss on the disposal may arise and each Investor should calculate their capital gain or loss according to their own particular facts and circumstances.

Investors would derive a taxable capital gain where the capital proceeds received as a result of the disposal of their Units exceed the cost base of the unit at the time of disposal. Likewise, Investors would incur a capital loss where the reduced cost base of the Units disposed of exceeds the capital proceeds.

Generally, the capital proceeds received by Investors from the disposal of their units will be equal to the consideration received on disposal. The cost base of units will generally be equal to the amount paid to acquire the units plus brokerage (if any) and any other incidental costs. The cost base of units will also need to include relevant cost base adjustments since acquisition (such as tax deferred components as outlined above).

As noted above, proceeds on disposal may include a component of distributable income. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts, or 33 1/3% for complying Australian superannuation funds may be allowed where the units in the Trust have been held for 12 months or more. No Capital Gains Tax (**CGT**) discount is available to corporate Investors.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the Investor may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income. For corporate Investors, net capital losses carried forward and sought to be utilised in future income years will be subject to the tax loss recoupment rules under the Australian income tax law.

Goods and Services Tax (GST)

The Trust is registered for GST. The acquisition and disposal of units in the Trust by Investors should not be subject to GST. Similarly, the distributions paid by the Trust should not be subject to GST. GST is payable on some ongoing expenses, however the Trust may be able to claim a reduced input tax credit, depending on the precise nature of the expenses incurred. All fees and expenses are quoted inclusive of GST net of RITCs.

Duty

The issue or redemption of Units should not attract any duty. Duty may be payable on the transfer of units. Investors should confirm the duty consequences of transferring units with their taxation adviser.

Tax File Number (TFN) and Australian Business Number (ABN)

As the Trust is an investment body for income tax purposes, the Trust will be required to obtain a TFN or ABN in certain cases from its Investors.

It is not compulsory for an Investor to quote their TFN or ABN. If an Investor is making this investment in the course of a business or enterprise, the Investor may quote an ABN instead of a TFN. Failure by an Investor to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus levies, on gross payments including distributions of income to the Investor. The Investor may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

Foreign Account Tax Compliance Act (FATCA)

In compliance with the U.S. income tax laws commonly referred to as FATCA and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Trust will be required to provide information to the ATO in relation to: (a) Investors that are US citizens or residents; (b) entities controlled by US persons; and (c) financial institutions that do not comply with FATCA.

The Trust is intending to conduct its appropriate due diligence (as required). Where the Trust's Investors do not provide appropriate information to the Trust, the Trust will also be required to report those accounts to the ATO.

Common Reporting Standard (CRS)

The CRS is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Responsible Entity will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

Annual Investment Income Report (AIIR)

The Responsible Entity is required to lodge annually an AIIR to the ATO containing Investor identity details and details of unit disposals and investment income paid or attributed to Investors for the relevant income year.

10.4 TAXATION IMPLICATIONS FOR NEW ZEALAND RESIDENT INVESTORS

As the Trust is a unit trust, it is considered to be a company for New Zealand income tax purposes. It follows that any units held in the Trust are treated as a direct income interest in a foreign company, and therefore an attributing interest in a foreign investment fund (**FIF**) for New Zealand income tax purposes.

Therefore, New Zealand tax resident Investors (each a **New Zealand Investor**) will need to apply the FIF rules to establish the New Zealand income tax treatment that will apply to the Units they hold.

If a New Zealand Investor's Units are an 'attributing interest' under the FIF rules, depending on the method available or used, the Investor will be required to pay New Zealand income tax on the unrealised gains and distributions capped at a deemed amount of 5% per annum. Any realised amounts they actually receive in relation to their Units (including cash distributions and proceeds from the sale of their Units) will not be separately taxed.

For many New Zealand Investors their Units are likely to be an attributing interest for the purposes of the FIF rules. There are, however, various legislative exclusions where FIF interests are expressly excluded from being attributing interests under the FIF rules. In particular, a de minimis exclusion can be applied for individuals or trustees of certain family trusts where the total cost of all attributing FIF interests is not more than NZ$50,000. New Zealand Investors will need to consider these exclusions carefully. Different income tax rules will apply if a New Zealand Investor's Units are not an attributing interest.

If a New Zealand Investor's Units are not an attributing interest under the FIF rules, the Investor will be taxed on a realisation basis. Any ongoing distributions they receive in relation to their Units will generally be taxable as dividends when they are received. However, as New Zealand does not have a formal capital gains tax, any amounts a New Zealand Investor receives from disposing of their Units will generally not be subject to New Zealand income tax unless the Investor holds their Units on 'revenue account'. A New Zealand Investor will hold their Units on revenue account if they hold their Units as part of a business of dealing in securities, the Units were acquired for the purpose of disposal, or the Units are being disposed of as part of a profit-making undertaking or scheme.

New Zealand resident Investors will not be subject to Australian CGT on a capital gain (or loss) on the disposal of Units in the Trust unless:

> The New Zealand resident holds more than 10% of the Units in the Trust or has held more than 10% for at least 12 months in the prior two years; and

> Broadly, more than 50% of the Trust's assets (by market value) are represented by 'taxable Australian real property'.

Income distributions (i.e. Australian dividends, interest, or royalty income) received by New Zealand resident Investors from the Trust would be subject to Australian withholding tax.

New Zealand Investors should seek their own professional advice regarding the taxation implications of investing in the Trust.

11. OTHER IMPORTANT TRUST INFORMATION

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of this AIB and the PDS, the Trust Deed and the Investment Management Agreement, together with the most recent audited accounts and annual report of the Trust (if any) may be inspected at Metrics' offices during usual business hours. Copies of these documents may also be obtained from Metrics or the Responsible Entity on request.

PRIVACY GENERALLY

The Australian Privacy Principles contained in the *Privacy Act 1988* (Cth) ("Privacy Act") regulate the way in which Equity Trustees collects, uses, discloses, and otherwise handles your personal information. Equity Trustees is committed to respecting and protecting the privacy of your personal information, and its Privacy Policy details how Equity Trustees does this.

It is important to be aware that, in order to provide its products and services to you, Equity Trustees may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with Equity Trustees' legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). If you do not provide the information requested, Equity Trustees may not be able to process your application, administer, manage, invest, pay or transfer your investment(s).

You must therefore ensure that any personal information you provide to Equity Trustees is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise Equity Trustees of the changes in writing. While Equity Trustees will generally collect your personal information from you, your broker or adviser or the Investment Manager and Administrator directly, Equity Trustees may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how Equity Trustees deals with your personal information, Equity Trustees will use it for the purpose of providing you with its products and services and complying with its regulatory obligations. Equity Trustees may also disclose it to other members of Equity Trustees' corporate group, or to third parties who Equity Trustees works with or engages for these same purposes. Such third parties may be situated in Australia or offshore, however Equity Trustees take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

The types of third parties that Equity Trustees may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian; Unit Registry and Trust Administrator, auditors, or those that provide mailing or printing services;
- Equity Trustees' other service providers;
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to Equity Trustees' disclosing your information to, or to whom Equity Trustees are required or permitted by law to disclose information to.

Equity Trustees may from time to time provide you with direct marketing and/or educational material about products and services it believes may be of interest to you. You have the right to "opt out" of such communications by contacting Equity Trustees using the contact details below.

In addition to the above information, Equity Trustees' Privacy Policy contains further information about how Equity Trustees handles your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

Full details of Equity Trustees' Privacy Policy are available at www.eqt.com.au. You can also request a copy by contacting Equity Trustees' Privacy Officer on +61 3 8623 5000 or by email to privacy@eqt.com.au.

PRIVACY AND COLLECTION AND DISCLOSURE OF PERSONAL INFORMATION

The *Privacy Act 1998* (Cth) (**Privacy Act**) regulates, among other things, the collection, disclosure and access to personal information.

Certain laws require us to collect, store and disclose information about you (including personal information), for example, The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (**AML/CTF Law**), the Foreign Account Tax Compliance Act (**FATCA**) and the *Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016* (Cth) (**CRS**). We may be required under the AML/CTF Law to provide information about you (including personal information) to the Australian Transaction Reports and Analysis Centre (**AUSTRAC**), the body responsible for regulating the AML/CTF Law. In respect of Investors who are ordinarily resident in a country other than Australia, both FATCA and CRS may require us to collect and disclose to the Australian Taxation Office information about you (including personal information) obtained from you.

If you do not provide the information requested in our application form, we will not be able to process your application (including any application for additional units) and your application may be delayed or rejected, or where Units have been issued they may be cancelled or compulsorily redeemed. In these circumstances, where applications are delayed or refused or where Units are cancelled or compulsorily redeemed, we are not liable for any loss you suffer (including consequential loss) as a result. Alternatively, if we accept your application to the Trust when you have not provided all of the requested information, we may provide information about you to the relevant regulator.

We will be required to share information about you (including personal information) with service providers to the Responsible Entity in respect of the Trust (including the Manager) to ensure you receive the appropriate information and assistance in respect of your holding in the Trust.

By applying to invest in the Trust, you consent to your information (including your personal information) being collected, used and disclosed by the Responsible Entity for the purposes disclosed above and in our Privacy Policy.

You are entitled to access, correct and update all personal information we hold about you. You can contact us to find out what personal information we hold about you or if you have any concerns about the completeness or accuracy of the information we hold. If you want us to correct any personal information we hold, please contact us using the details in this PDS.

The privacy statement of the Responsible Entity is publicly available on its website at https://www.eqt.com.au/global/privacystatement

The Manager, Unity Registry, Trust Administrator, and the Distribution Partner may also collect, use and disclose your personal information, including personal information provided to the Manager by the Responsible Entity, for investor relations purposes in accordance with its privacy policy. A copy of the Manager's and Trust Administrator's privacy policy is publicly available at www.metrics.com.au/privacy/. A copy of the Unit Registry's policy is publicly available at https://www.automicgroup.com.au/privacy-policy/.

ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING ("AML/CTF")

Australia's AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees must hold up-to-date information about Investors (including beneficial owner information) in the Fund.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing investors until such time as the information is provided.

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

Equity Trustees and the Investment Manager shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

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