

Emerging Markets

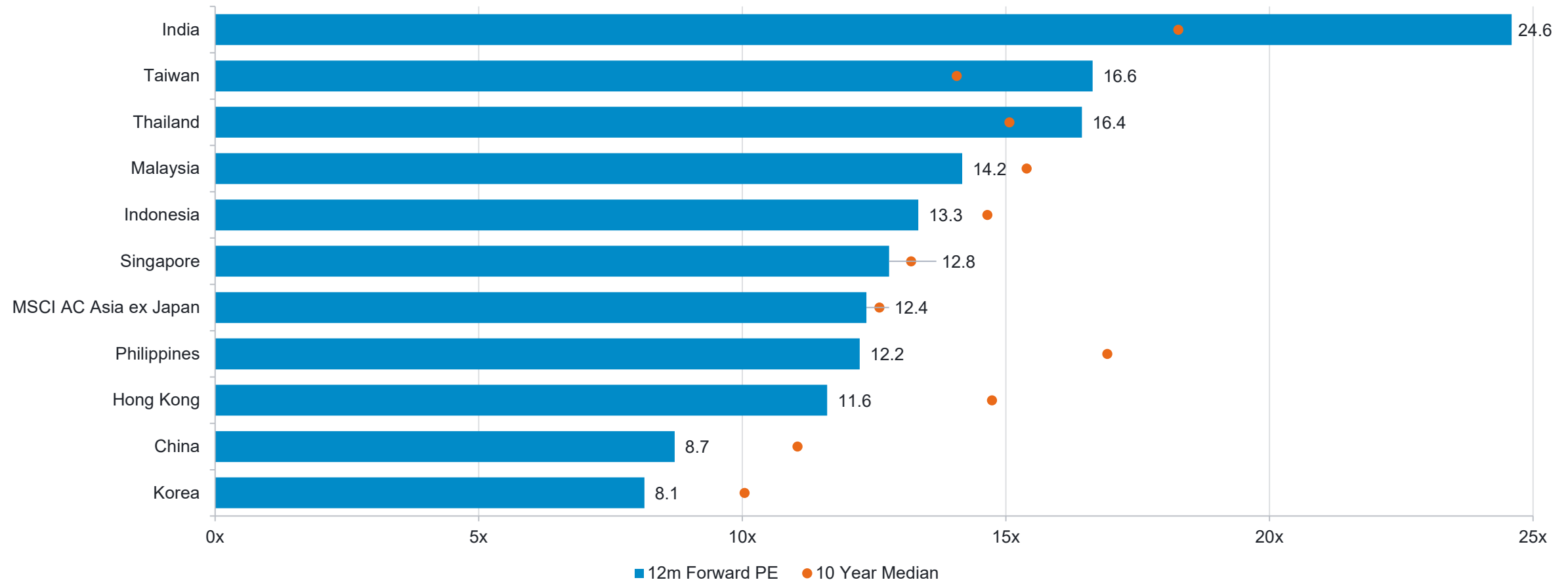
Opportunities in periods of market dispersion

Lukasz de Pourbaix
Global Cross Asset Specialist

MSCI Country Valuations

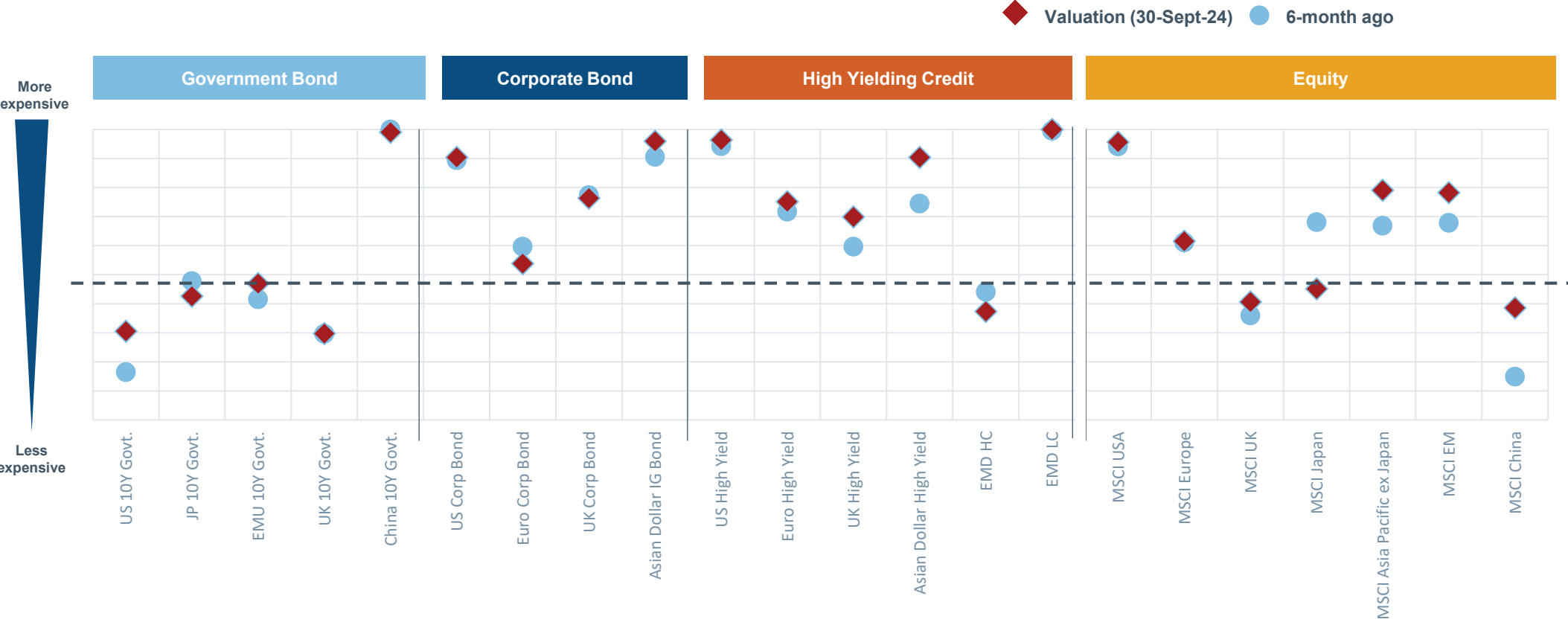
China and Hong Kong trading below 10-year average; India and Taiwan above 10-year average

12m forward P/E vis-à-vis historical median



Source: Fidelity International, IBES, LSEG Datastream, based on MSCI indices, 31 August 2024.

Valuation across major asset classes

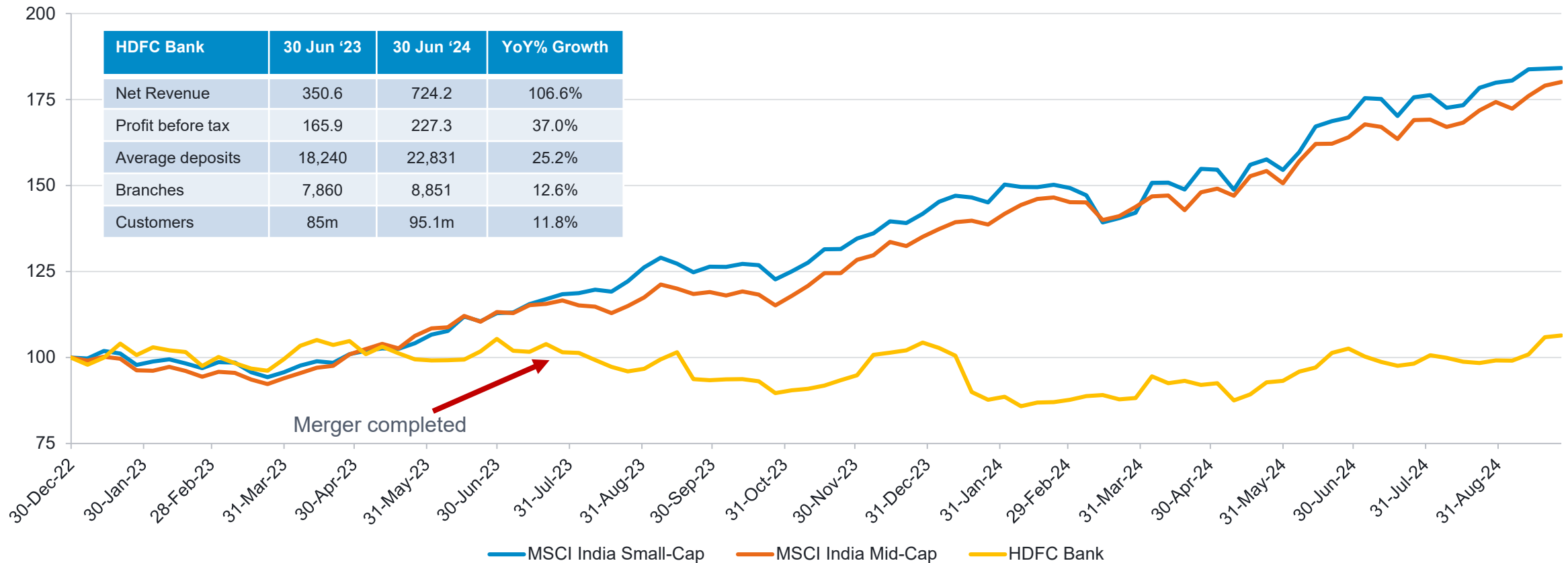


Source: Refinitiv DataStream, as at 30 September 2024. ICE BofA Merrill Lynch, Corporate, IG Bond and High Yield indices – OAS, Government bond indices – redemption yields. JPM EMD indices – yield (local currency), spread (hard currency). MSCI equity indices – forward PE. Data since January 2014. EM Corporate Bond data since September 2004 and China 10 Year Government Bond data since July 2007.

Indian Small and mid-caps trading over 40x PE, but large caps offer glimpse of value

HDFC Bank – India’s largest privately managed bank; now completed merger with HDFC Ltd (mortgage firm)

HDFC’s merger came with post-merger wrinkles, but fundamentals still strong; banks are key to India’s economic development

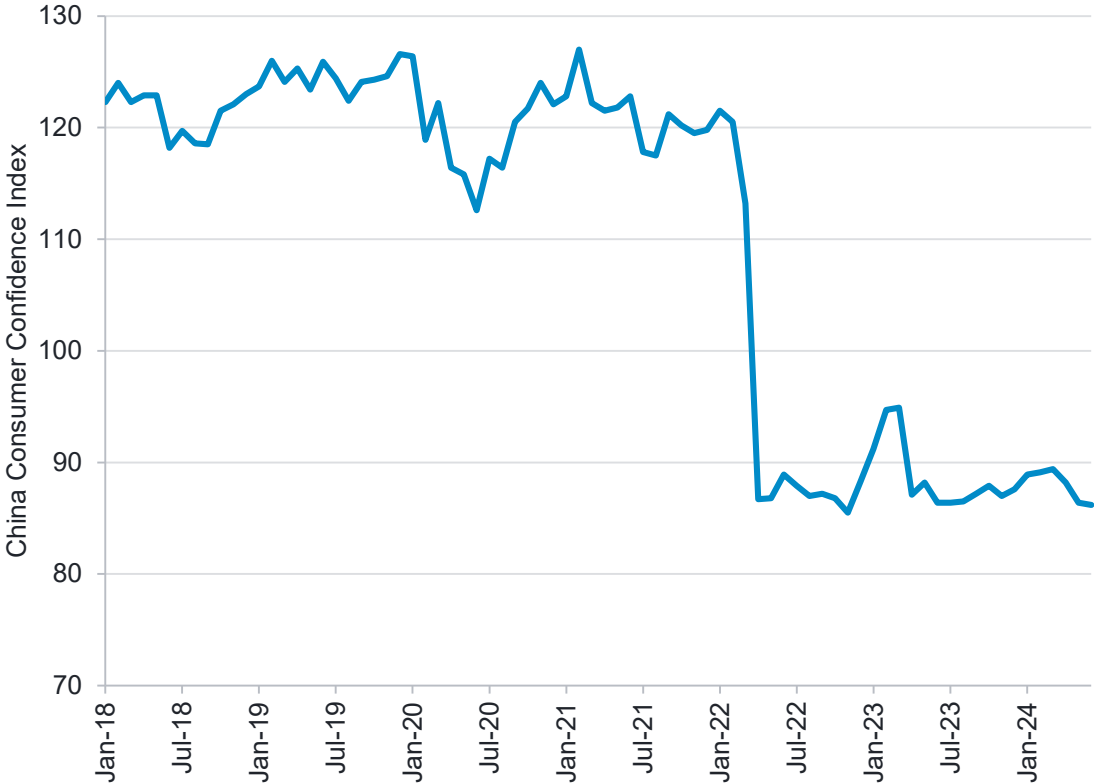


Source: LSEG, company data, 29 September 2024. Revenue, profit and deposit numbers in crore billions.

A unique consumer problem: Chinese consumers have the money, but not the willingness to spend

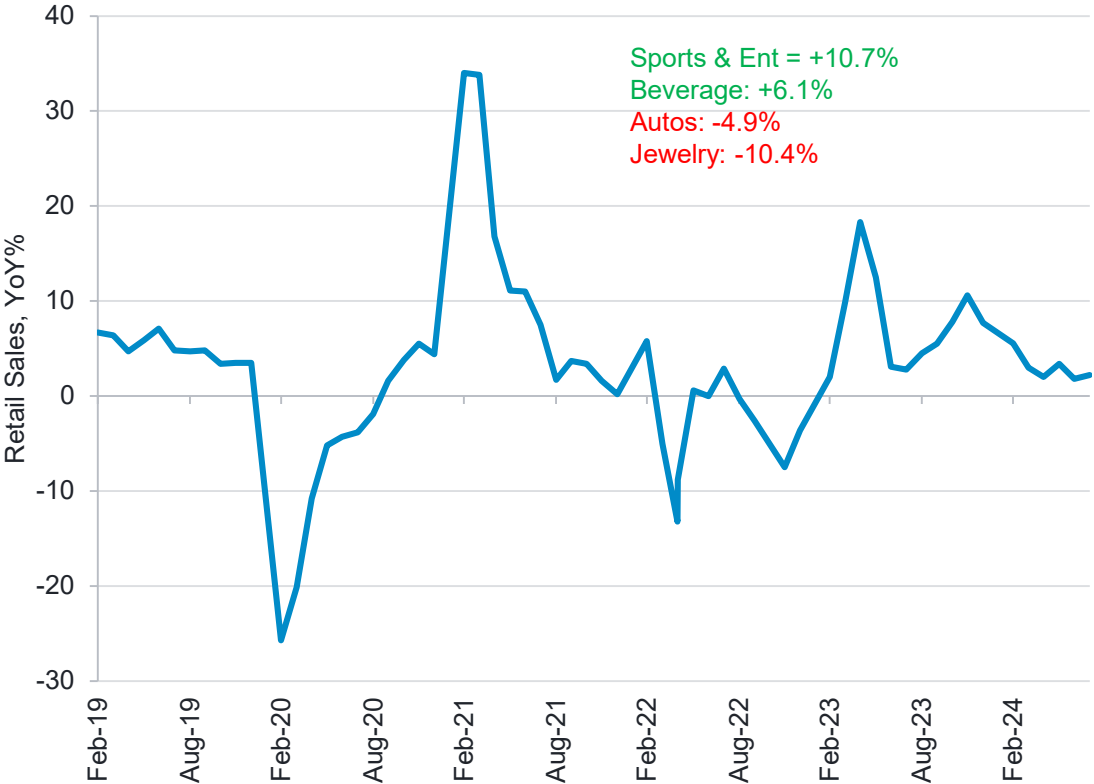
Confidence needs to improve; retail sales suggests 'trading down'

Consumer confidence needs to improve



Source: National Bureau of Statistics, Bloomberg, July 2024

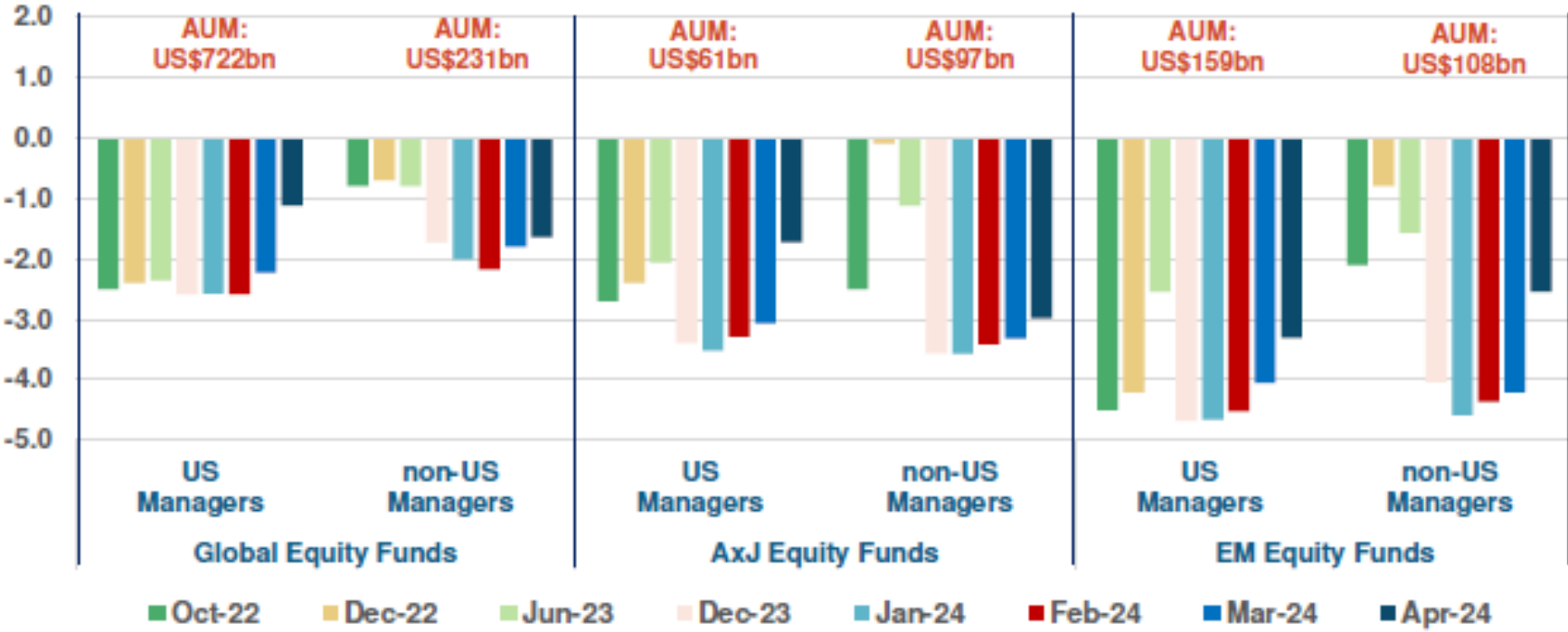
Retail sales are a mixed bag; low ticket items holding up



Source: National Bureau of Statistics, Bloomberg, August 2024

Negative sentiment means many are underweight China, but investors are starting to cover their positions

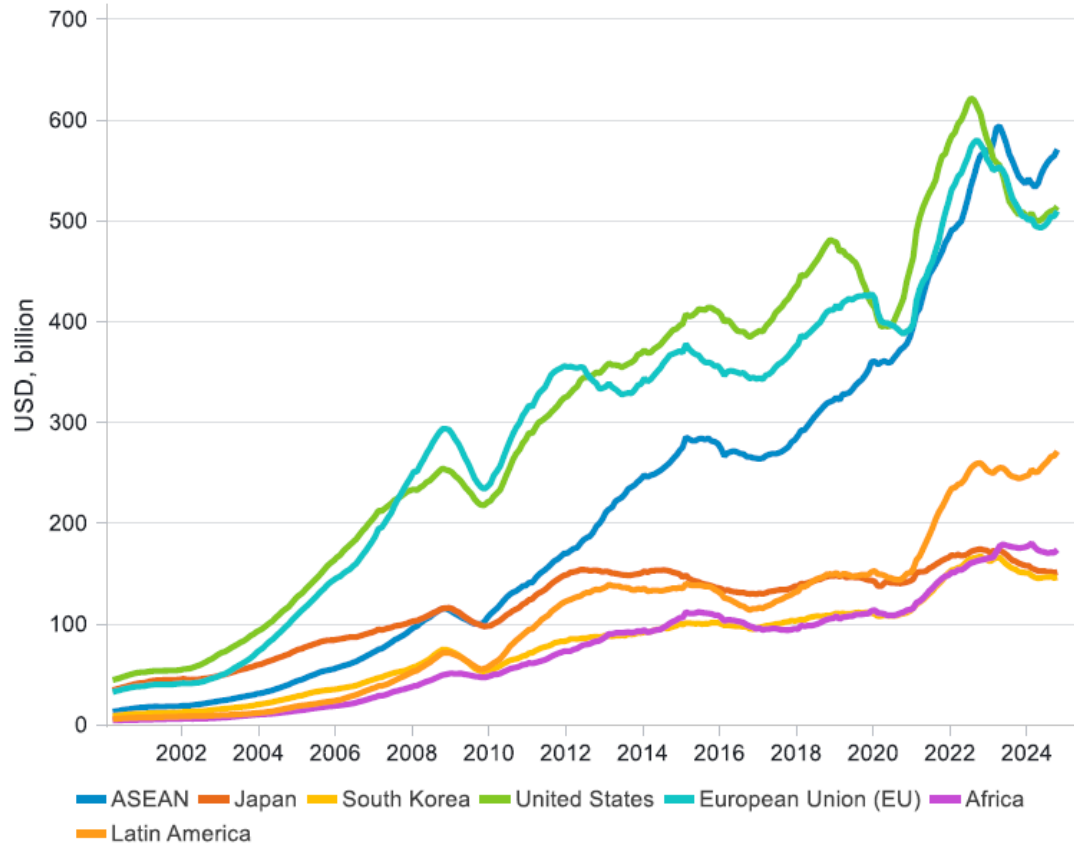
Active weights of China/HK equities by regional fund category and manager domicile



Source: MorningStar, FactSet, EPFR, Morgan Stanley Research; data as of April 30, 2024. Notes: fund universe of each category is formed by the largest 30 active mutual funds under MorningStar regional category. Funds under "non-US Managers" are mostly domiciled in Europe. ESG funds, income funds, and systematic funds are excluded. All the covered funds are benchmarking to either MSCI or FTSE standard regional indices of All Country World, Asia ex Japan, or Emerging Markets.

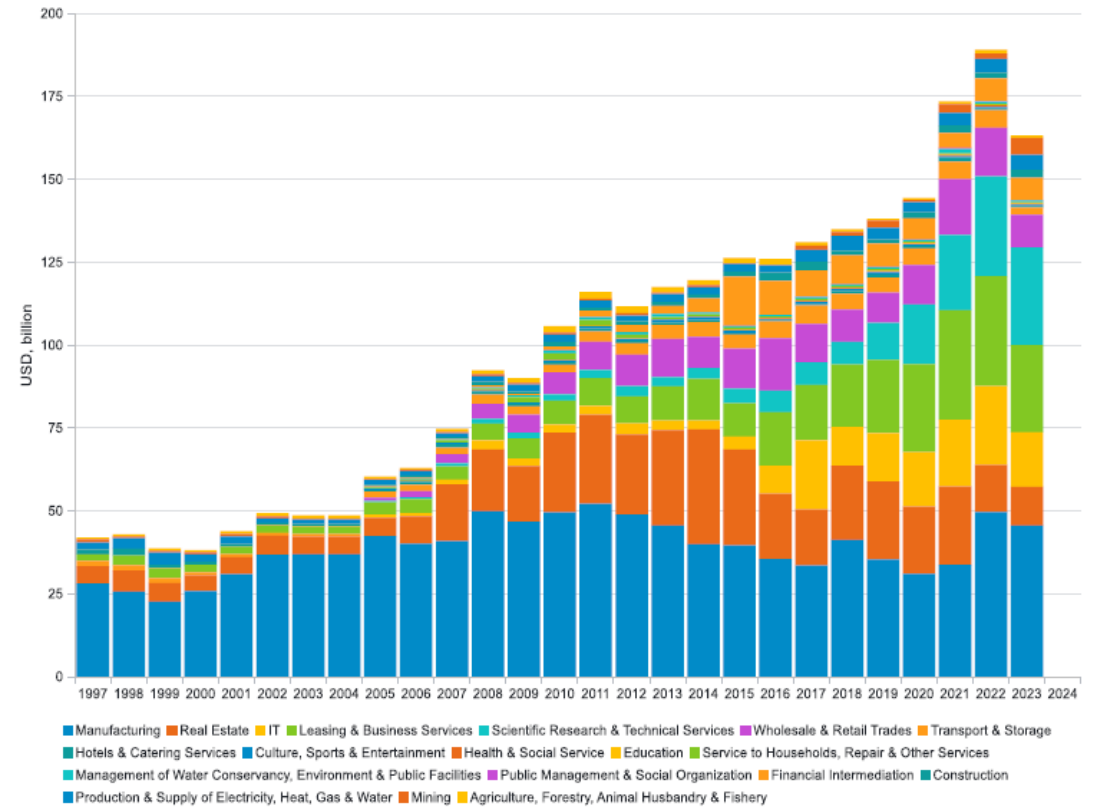
US Trade Tariffs Trump 2.0

China exports by destination



Source: Fidelity International, GAC, Macrobond, November 2024.

China FDI by sector



Source: Fidelity International, Macrobond, NBS, China National Bureau of Statistics (NBS), November 2024.

Three scenarios for China in 2024

	Growth	Inflation	Monetary policy	Fiscal policy
Scenario 1: Controlled stabilisation 55%	The pace of recovery gradually gains momentum as consumption improves. The property sector stabilises on stronger stimulus. Industrial activities remain resilient as developed markets slow gradually. Real GDP growth stabilises around the government's target.	CPI and PPI rebound softly on the back of a gradual recovery in domestic demand. Inflation stabilises slightly below target over the medium term.	The PBoC cuts rates marginally to support growth. It also manages liquidity by buying and selling government bonds in the secondary market as MLF operates fade.	Policymakers accelerate the fiscal easing by bond issuance to fund infrastructure projects. It will continue with gradual de-risking plans to resolve structural issues in local government, property and banking sectors.
Scenario 2: Serious slowdown 35%	The economy faces stronger headwinds from domestic structural issues and a developed market slowdown. Potentially rising geopolitical tensions (such as steep tariffs increase on Chinese exports) could be another major shock to growth and may lead to a severe slowdown in the broader economy.	Both CPI and PPI gradually fall into deflation well below government targets.	The PBoC delivers limited or no rate cuts as it prioritizes currency stability over domestic easing.	Policymakers are slow to introduce sufficient fiscal support for growth due to limited fiscal policy room and rigid fiscal framework.
Scenario 3: Reflation 10%	The recovery becomes more broad-based and gains momentum with a more dovish policy setting. The property sector takes the lead from a strong monetary policy push. The initial impulse is strong, but it creates more debt problems in future. Growth may rebound above target.	Both CPI and PPI recover and gain momentum with the strong domestic demand rebounding to match or beat the government target.	The PBoC eases monetary policy more aggressively with consecutive benchmark rate and reserve requirement ratio cuts. The system is flushed with liquidity to accommodate broad-based re-leveraging.	Policymakers explicitly bail out stressed local governments and property sector companies, leading to renewed optimism in re-leveraging. They also aggressively expand fiscal deficits to support domestic demand.

Note: The numbers in the brackets represent previous probabilities. Source: Fidelity International, October 2024.

China's September policy announcements

Policy package signals a pivotal change in urgency to stabilize growth momentum

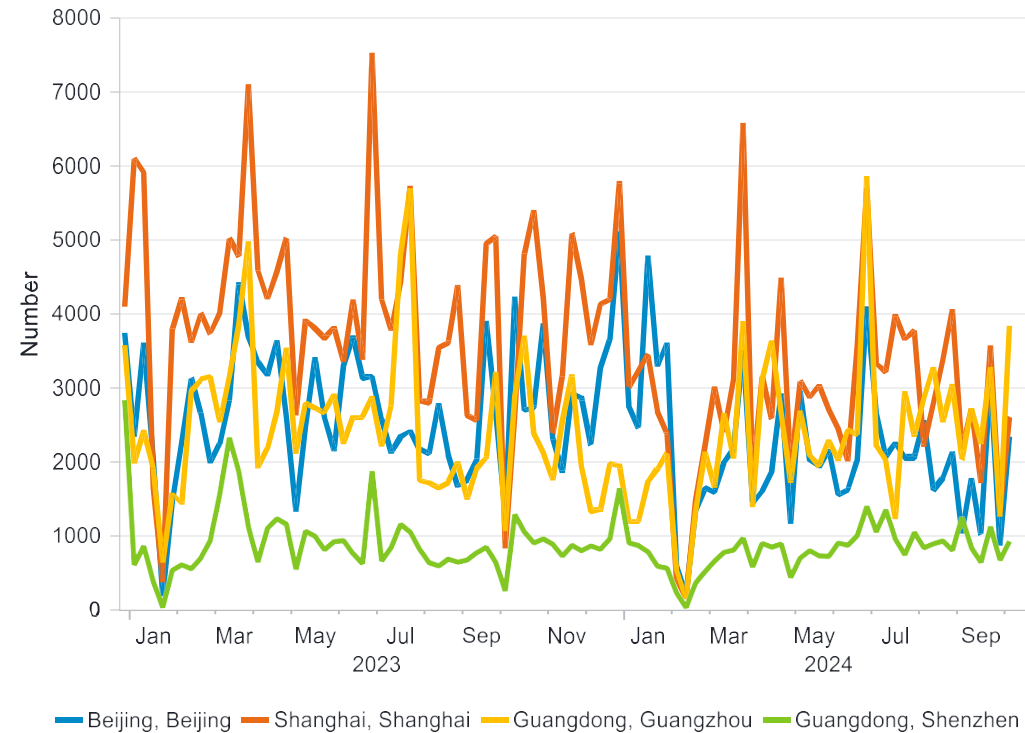
Category	Policy measure	Implementation date	Remarks
Monetary policy	50bps RRR cut	27 th September	Forward guidance given for another possible cut in Q4 2024.
	20bps benchmark rate cut	27 th September	Forward guidance for more possible easing.
	Outstanding mortgage rate cut by average 50bps	By 31 st October	Estimate to save interest cost by RMB150bn annually.
Structural monetary policy	New swap facility with NBFIs to support long term equity investment	Announced on 26 th September, no details on implementation.	RMB500bn quota was given by the PBoC
	New relending facility for to facilitate listed companies' share buybacks	Announced on 26 th September, no details on implementation	RMB300bn quota was given by the PBoC
	Adjustment to relending for property repurchase funding quota from 60% to 100% to lower financing costs for local governments	Announced and implemented on 26 th September	Estimate to save interest cost by around 50bps on average
Property policy	Politburo statement to "stop property market from declining further and ensure stabilization"		An important political tone change signals more policies forthcoming to stabilize the property market.
	More credit support for "white list" property developer for project completion	Announced on 29 th September	Utilization of earlier RMB300bn relending quota may accelerate.
	Easing property purchase restrictions	Announced on 29 th September, implementation varies across cities	All Tier 1 cities relaxed purchase limit as of 1 st October
Fiscal policy	Issue and use the bond proceeds more efficiently	Accelerating implementation of budgeted spending from NPC in March 2024	~75% of ultralong bond; ~93% of local government special bond has been issued by end-September
	Ensure necessary fiscal expenditures	Accelerating implementation of budgeted spending from NPC in March 2024	Fiscal deficit target remains unchanged at 3% of GDP as of end-September

Source: Gov.cn, State Council, Xinhua News, Fidelity International

High frequency activity data indicates improvement at the margin

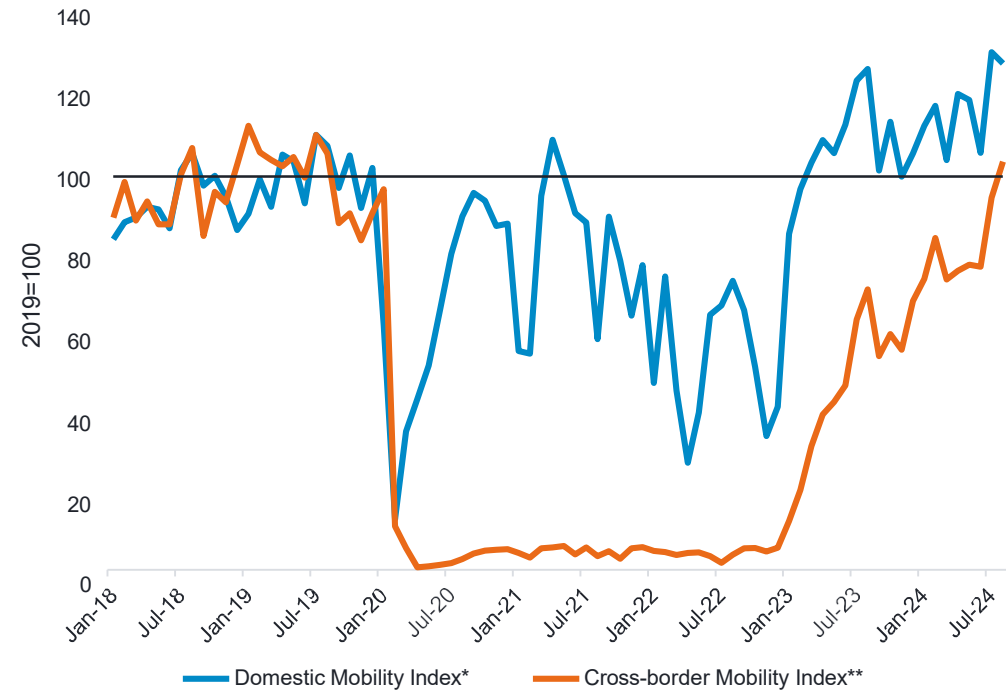
Property transactions in Tier 1 cities and mobility index signal growing economic activity in recent weeks

Daily property transaction (Tier 1 cities resale volume)



Source: Fidelity International, Macrobond, CREIS, SouFun-CREIS, October 2024

China Mobility Index



Source: Wind, Fidelity International, October 2024

Accessing exposure to emerging markets

Fidelity Global Emerging Markets Active ETF (FEMX)

Fund description

Invests in a portfolio of 30 to 50 emerging markets securities that we believe are positioned to generate returns through market cycles and have demonstrated a track record of strong corporate governance.

Fund facts

Portfolio manager: Amit Goel

Benchmark: MSCI Emerging Markets Index NR

ETF Inception date: 29/10/2018

Fund size: AU\$196.85M

Number of stocks: 30 to 50

Management cost: 0.99% p.a.

Portfolio guidelines

Stocks: Max 8% at initiation of position

Sector: Unconstrained

Region: Unconstrained

Country: Unconstrained

Frontier Markets: Up to 20% maximum

Cash: Target range between 0-10%

Top 10 holdings (%)

	Fund	B'mark
Taiwan Semiconductor MFG Co Ltd	8.0	9.0
Naspers Ltd	5.6	0.5
HDFC Bank Ltd	5.0	1.1
AIA Group Ltd	4.4	0.0
China Mengniu Dairy Co	3.9	0.1
Samsung Electronics Co Ltd	3.5	3.1
Meituan	3.5	1.3
ICICI Bank Ltd	3.4	1.0
Bank Central Asia Tbk Pt	3.0	0.5
Grupo Mexico Sab De Cv	3.0	0.2

Accessing exposure to Asia

Fidelity Asia Active ETF (FASI)

Fund description

A concentrated high conviction portfolio, typically investing in 20-35 holdings across developed and emerging Asia (ex-Japan) and draws on the research capabilities of Fidelity's analysts based on the ground in Asia.

Fund facts

Portfolio manager: Anthony Srom

Benchmark: MSCI All Country Asia ex-Japan Index NR

Inception date: 28/05/2024

Fund size: AU\$1.81M

Number of stocks: Typically 20-35

Management cost: 1.16% p.a.

Portfolio guidelines

Stocks: +10% overweight

Sector: +/-20% from benchmark

Country: +/-20% from benchmark

Cash: Target range between 0% and 10%

Top 10 holdings (%)

	Fund	B'mark
Taiwan Semiconductor MFG Co Ltd	11.2	10.2
HDFC Bank Ltd	11.1	1.2
Focus Media Information Technology Co Ltd	8.1	0.0
Techtronic Industries Co Ltd	7.4	0.3
AIA Group Ltd	6.3	1.4
Yum China Holdings Inc	5.8	0.2
Kweichow Moutai Co Ltd	5.0	0.3
Naver Corp	4.3	0.2
Galaxy Ent Group Ltd	3.6	0.2
Cp All Pcl	3.2	0.2

Source: Fidelity International 30 September 2024

Source: Fidelity International 30 September 2024

Important information

All information is current as at 21 October 2024 unless otherwise stated.

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The 3rd Lever in Fixed Income

Pure Relative Value

ASX Investor Day 2024

Important Information

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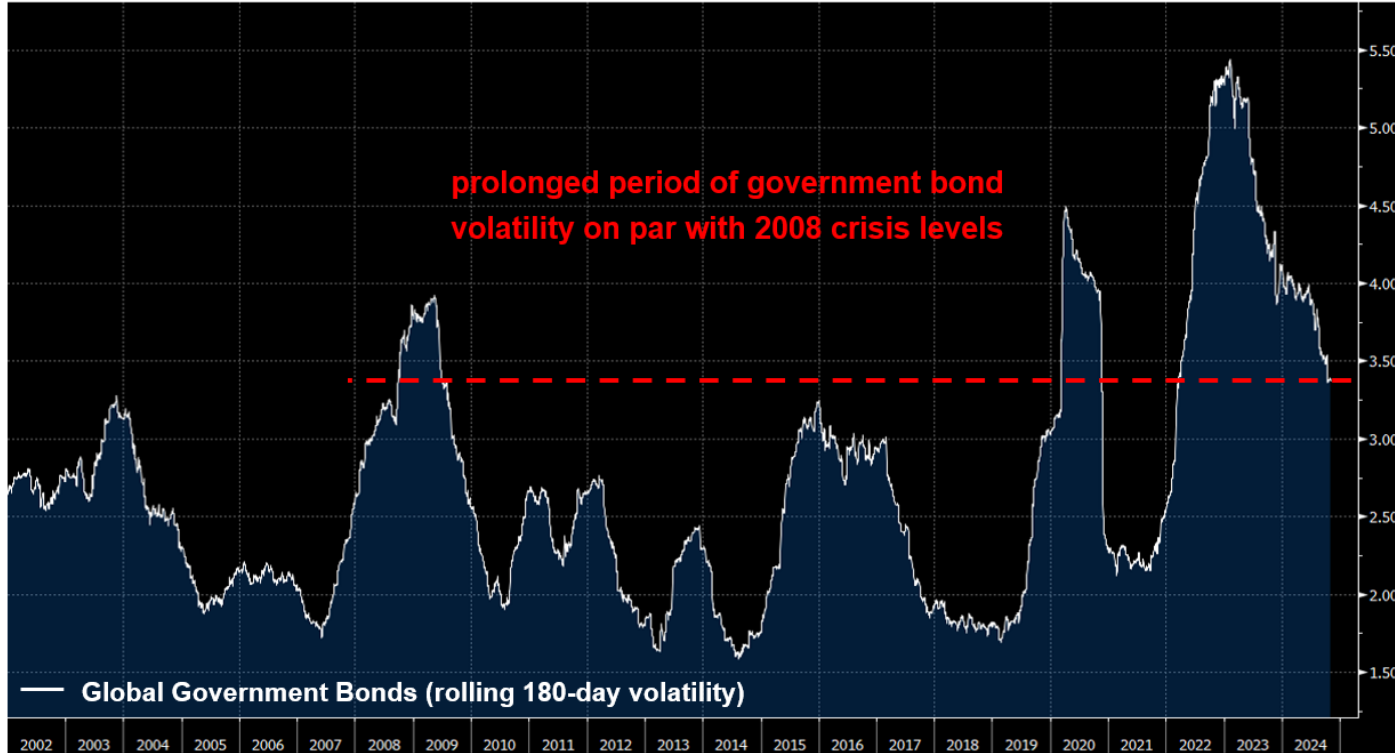
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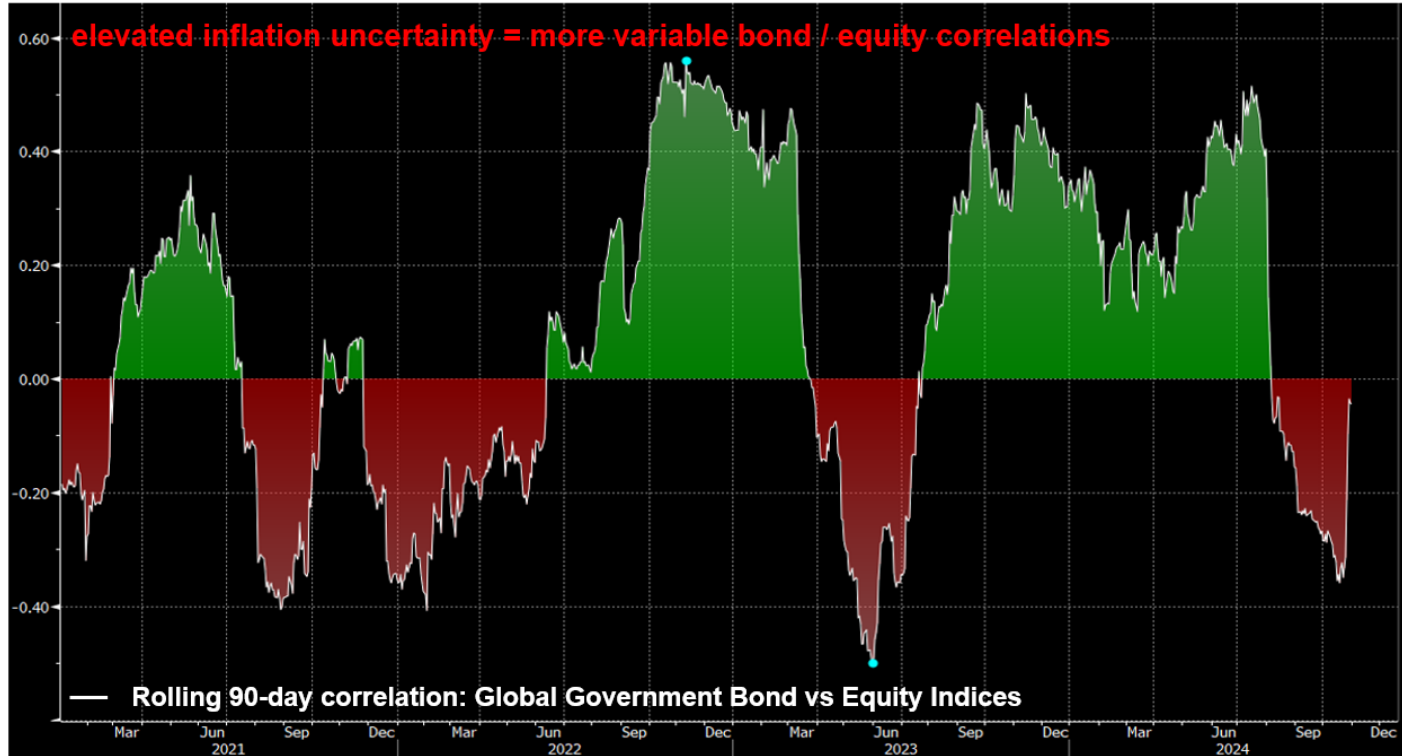
Market Backdrop

New Regime – structurally higher bond market volatility



Data as at 31-Oct-2024. Source: Ardea Investment Management, Bloomberg. Global Government Bonds = Bloomberg Global Aggregate Treasuries Index (USD Hedged).

New Regime – bond vs equity correlation more unstable



Data as at 31-Oct-2024. Source: Ardea Investment Management, Bloomberg. Global Government Bonds = Bloomberg Global Aggregate Treasuries Index; Global Equities = MSCI World Index.

Pure Relative Value – The 3rd lever in fixed income

Conventional Fixed Income

*conventional fixed income is highly sensitive to macro conditions ...
but macro forecasting is unreliable*

**accumulate bonds
to harvest yield**

**duration lever
(interest rate risk)**

**credit lever
(spread / default
risk)**

Conventional Fixed Income

Conventional Fixed Income (FI) investments are all variations of the same thing

- Returns largely driven by just 2 levers → **duration** and **credit**
- Different labels but little genuine risk diversification in one vs another

Govt or Core Bond Fund
(duration)

Core+ Bond Fund
(mostly duration + some credit)

Enhanced Bond Fund
(mostly duration + some credit)

Dynamic Bond Fund
(varying mix of duration + credit)

Total/ Absolute Return Bond Fund
(varying mix of duration + credit)

Diversified Bond Fund
(duration + credit)

Composite Bond Fund
(duration + credit)

Credit Income Fund
(mostly credit + little duration)

Conventional Fixed Income

The traditional 2 levers in fixed income are no longer enough

- **Duration** lever offers yield + equity/ credit risk diversification in classic recession scenario... but has higher volatility, unstable correlation versus equities, tail risk of rising government debt levels
- **Credit** lever offers yield + stable income... but is highly correlated with equities on the downside and has material illiquidity risk in market stress scenarios

Pure Relative Value is the 3rd lever in fixed income

- **Independent** of the risk/ return drivers that dominate conventional fixed income investments (i.e. level and direction of interest rates/ bond yields, macro factors)
- Returns have **low volatility, minimal correlation** vs bond/ equity market performance and are **strongly biased to outperform** when bond/ equity markets incur losses

Pure RV – The 3rd lever in fixed income

For portfolio **diversification**, both **size** and **timing** of losses matters

- The riskiness of an investment is characterised by how much it can lose (size) and when those losses are likely to occur relative to other investments in the portfolio (timing)

Ideal attributes for a **defensive** and **risk diversifying** investment

- **Low volatility** vs conventional bond/ equity market exposure
- **Minimal correlation** vs bond/ equity market performance
- **Strong defensive bias** to outperform when bond/ equity markets incur losses

Pure RV – The 3rd lever in fixed income

Pure RV has evidenced low volatility versus conventional bond market exposure

Performance Volatility						
	1Y	2Y	3Y	5Y	10Y	SI
Pure RV	3.1%	4.4%	3.8%	3.1%	2.6%	2.5%
Global Government Bonds	4.9%	5.5%	5.1%	4.5%	3.8%	3.6%
Global Investment Grade Credit	6.9%	8.1%	7.7%	7.5%	5.8%	5.5%
Global High Yield Credit	6.0%	7.5%	8.4%	9.9%	7.9%	7.7%

Data as at 30-Jun-2024. Source: Ardea Investment Management, Bloomberg. Pure RV = Ardea Real Outcome Fund; Global Government Bonds = Bloomberg Global Aggregate Treasuries Index (USD hedged); Global Investment Grade Credit = Bloomberg Global Aggregate Corporate Index (USD hedged); Global High Yield Credit = Bloomberg Global High Yield Index. Performance volatility = annualised SD of monthly returns. Since inception data from 20-Jul-2012. Performance is before fees and assumes reinvestment of distributions. Past performance is not a guide to future performance. Future returns are not guaranteed, and a loss of original capital may be incurred.

Pure RV – The 3rd lever in fixed income

Pure RV has evidenced minimal correlation versus bond and equity market performance

Performance Correlation				
	Past 3 Years		Since Inception	
	All Months	Negative Months	All Months	Negative Months
Global Government Bonds	-0.4	-0.4	-0.1	-0.3
Global Investment Grade Credit	-0.5	-0.5	-0.1	-0.1
Global High Yield Credit	-0.5	-0.4	-0.1	0.1
Global Equities	-0.4	-0.5	-0.1	-0.1

Low correlation is maintained even when bond and equity markets incur losses.

Data as at 30-Jun-2024. Source: Ardea Investment Management, Bloomberg. Pure RV = Ardea Real Outcome Fund; Global Government Bonds = Bloomberg Global Aggregate Treasuries Index (USD hedged); Global Investment Grade Credit = Bloomberg Global Aggregate Corporate Index (USD hedged); Global High Yield Credit = Bloomberg Global High Yield Index. Since inception data from 20-Jul-2012. Performance is before fees and assumes reinvestment of distributions. Past performance is not a guide to future performance. Future returns are not guaranteed, and a loss of original capital may be incurred.

Pure RV – The 3rd lever in fixed income

Pure RV has evidenced a **strong defensive bias** to outperform when markets incur losses

Worst Bond Market Drawdowns		
	Global Bonds	Pure RV
Nov-2021 to Jun-2022	-16.2%	+2.4%
Aug-2022 to Oct-2022	-11.8%	+4.3%
Sep-2016 to Dec-2016	-8.6%	+1.4%
Oct-2014 to Mar-2015	-6.2%	+3.6%
Feb-2023 to Mar-2023	-5.1%	+1.6%

Worst Equity Market Drawdowns		
	Global Equities	Pure RV
Feb-2020 to Mar-2020	-34.0%	+1.6%
Jan 2022 to Jun-2022	-22.8%	+1.8%
Sep-2018 to Dec-2018	-18.1%	+1.2%
May-2015 to Feb-2016	-17.9%	-2.3%
Aug-2022 to Oct-2022	-16.2%	+2.8%

Data as at 30-Jun-2024. Source: Ardea Investment Management, Bloomberg. Pure RV = Ardea Real Outcome Fund; Global Bonds = Bloomberg Global Aggregate Bond Index; Global Equities = MSCI World Index (USD hedged). Drawdown performance = peak to trough return. Since inception data from 20-Jul-2012. Performance is before fees and assumes reinvestment of distributions. Past performance is not a guide to future performance. Future returns are not guaranteed, and a loss of original capital may be incurred.

Pure Relative Value – How it works

Pure RV – Introduction

Pure Relative Value (RV) investing starts with the familiar

- Conventional investment universe
- Investments restricted to ‘vanilla’ securities
- Market neutral investing style → analogous in principle to long/short equity investing

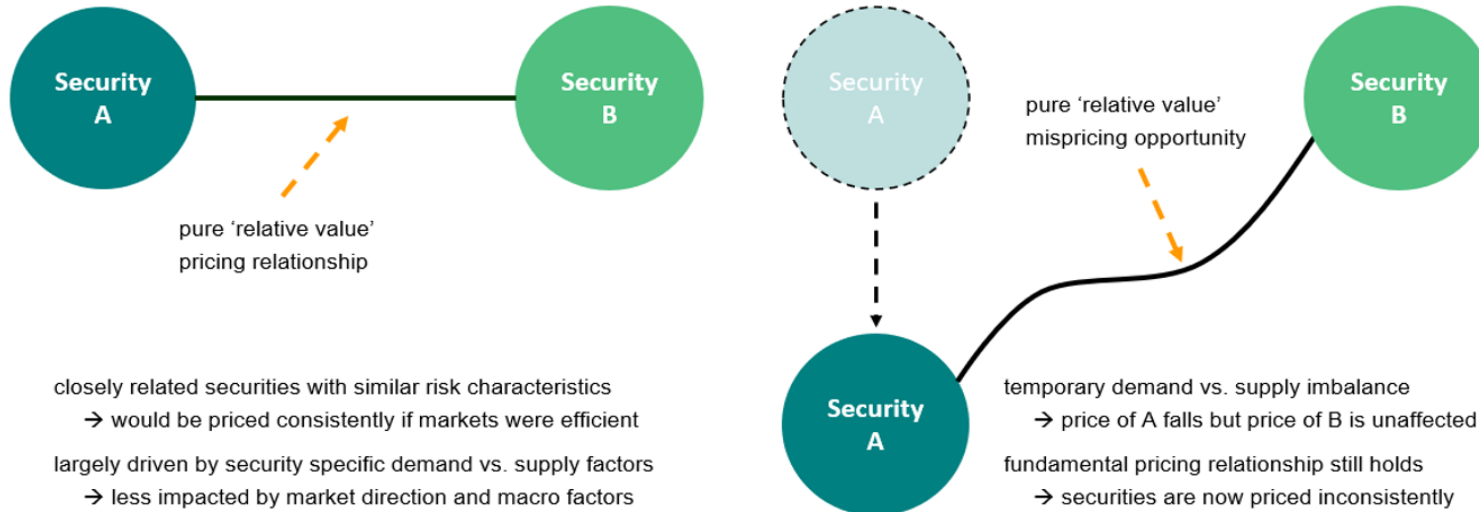
... but ends with a unique risk/ return profile

- Pure RV is independent of the risk/ return drivers that dominate conventional fixed income investments
- Portfolio is duration neutral, excludes all credit securities and is reliably liquid
- Returns have low volatility, minimal correlation vs bond/ equity market performance and are strongly biased to outperform when bond/ equity markets incur losses

Pure RV – How it works

Pure RV is conceptually simple

- Analogous to long/ short equity investing → buy cheap security vs selling expensive security
- Pure RV is a more structural alpha source versus long/ short equity investing because securities are more closely related/ fungible with each other → pricing relationships are better defined, more constrained and inherently lower volatility



ActiveX Ardea Real Outcome Bond Fund (Managed Fund) (ASX: XARO)

ActiveX Ardea Real Outcome Bond Fund (Managed Fund) (ASX: XARO)

Can be used as the 3rd lever in fixed income allocations

- Unlock powerful risk **diversification benefits** + access entirely different return sources
- **Highly complementary** to conventional fixed income and equity investments

Offers a unique combination of risk/ return attributes that align to playing the role of a defensive and risk diversifying investment

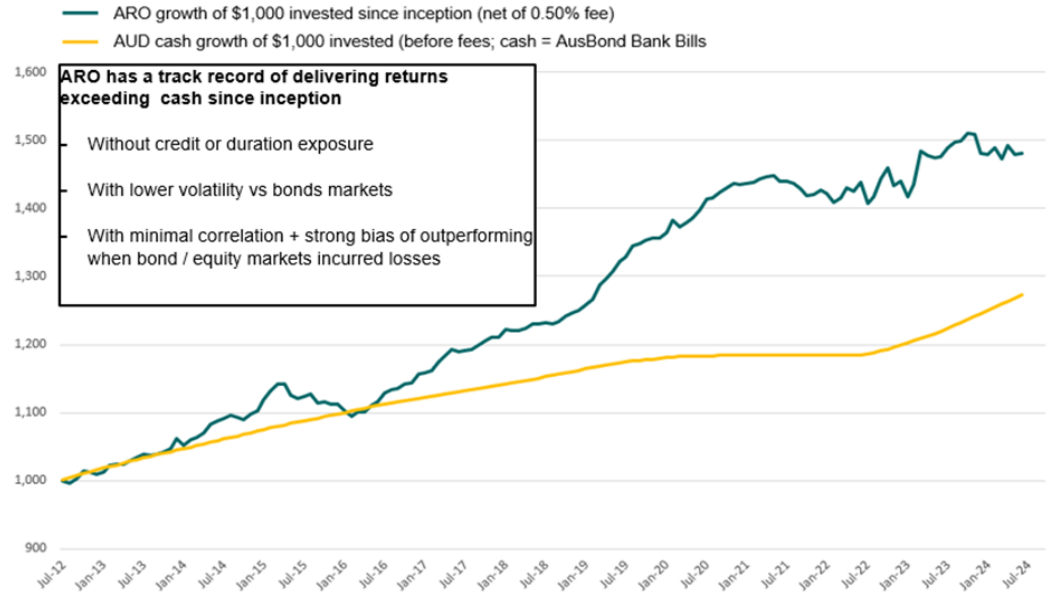
- Risk/ return profile is **independent** of the drivers that dominate conventional fixed income investments → level and direction of interest rates/ bond yields, macro factors
- Portfolio is **duration neutral**, **excludes all credit** securities and is **reliably liquid**
- Returns have **low volatility**, **minimal correlation** vs bond/ equity market performance and are **strongly biased to outperform** when bond/ equity markets incur losses

*The Fund gains its exposure by investing in the Ardea Real Outcome Fund (ARO or Underlying Fund). The performance of ActiveX Ardea Real Outcome Bond Fund (Managed Fund) (ASX: XARO) will not exactly replicate that of the Underlying Fund.

Performance Context

ARO targets returns that exceed cash while reliably playing a defensive risk diversification role

- **Focusing only on size of return**
 - Aim to outperform cash (passively hold higher yielding bonds)
- **Size + style of return**
 - Rare to outperform cash + remain genuinely defensive & risk diversifying



Source: Ardea Investment Management. Ardea Real Outcome Fund (ARO or Underlying Fund) inception Jul-2012. Data as at 30-Jun-2024. Performance is shown after fees and assumes distributions have been reinvested. Past performance is not a reliable indicator of future performance. Future returns are not guaranteed, and a loss of original capital may be incurred. The performance of ActiveX Ardea Real Outcome Bond Fund (Managed Fund) (ASX: XARO) will not exactly replicate that of the Underlying Fund.

Key Takeaways

- Fixed income markets are now in a **new regime**
 - Structurally higher volatility + more variable bond/ equity correlations
- The composition of fixed income allocations now matters a lot more
 - **Traditional 2 levers** (duration and credit) are **no longer enough**
- There is a **3rd lever** for optimising fixed income allocations

Pure Relative Value (RV)



Unlock powerful risk diversification
benefits

Access entirely different
return sources

Complements conventional bond
and equity investments



Metrics Credit Partners

Andrew Lockhart, Managing Partner

October 2024



Metrics is a leading Australian Private Markets Manager



> \$20bn AUM



>150 Investment Professionals



~11 Year Track Record*



Diversified Investor Base

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

Corporate



Leveraged Finance



Commercial Real Estate



Project Finance



Metrics Investment Approach

Outperformance through direct origination and active risk management.

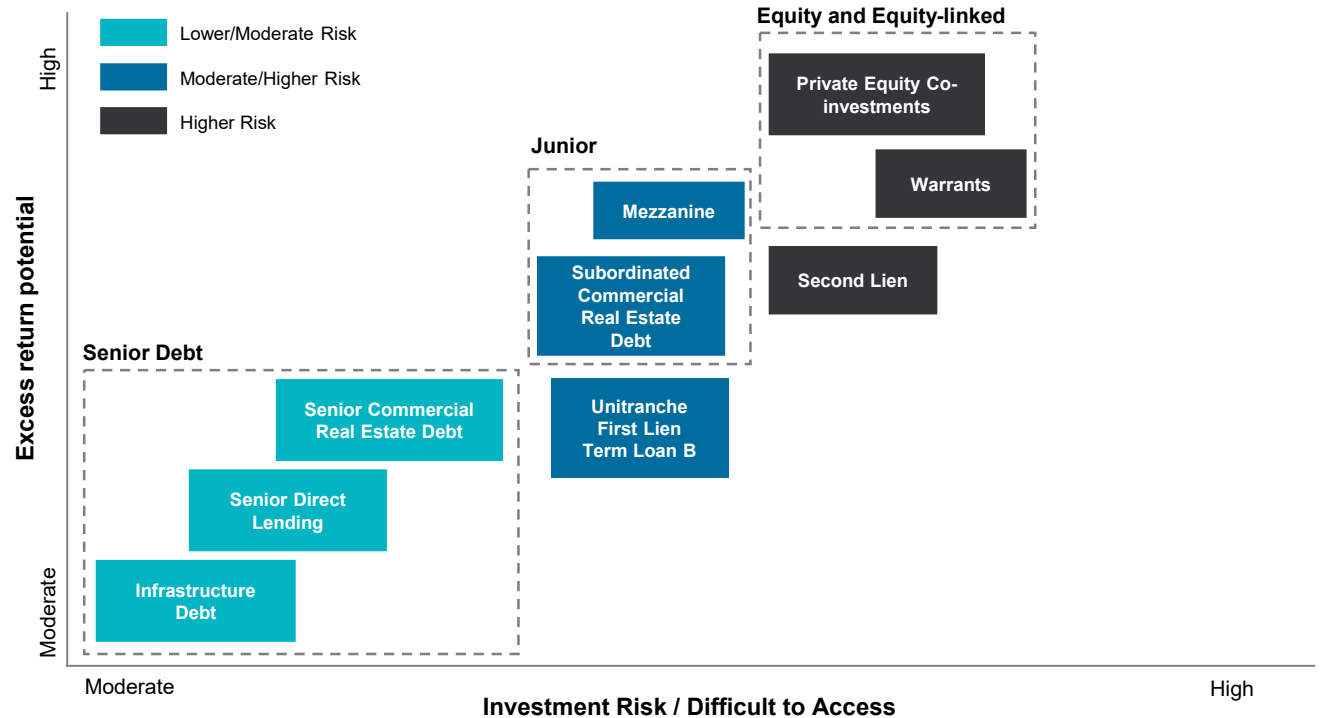


Past performance is not an indicator of future performance.

Private Markets: Metrics invests across the capital structure

RBA Cash Rate plus 15%+ p.a.

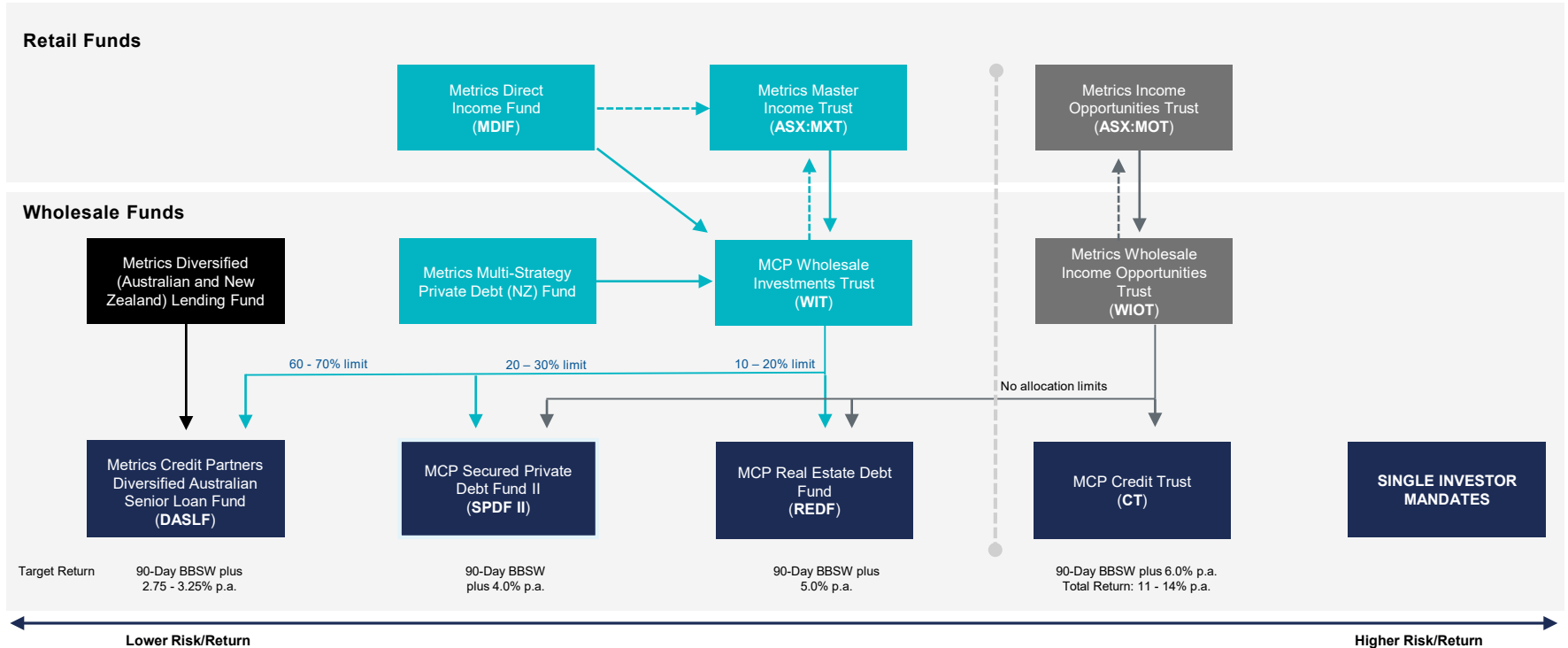
RBA Cash plus 2 - 6% p.a.



Source: Mercer, Metrics.

Metrics Private Debt Investment Funds

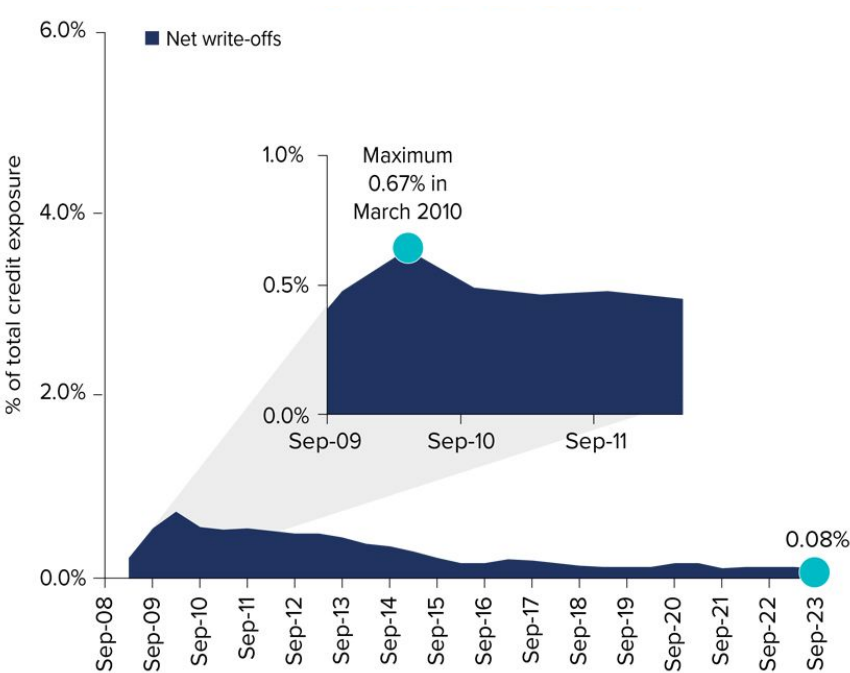
Providing investors unique access to private debt across the risk spectrum.



Source: Metrics.

Counter to Macro-Economic Risk

Major Banks' Historical Net Write-offs

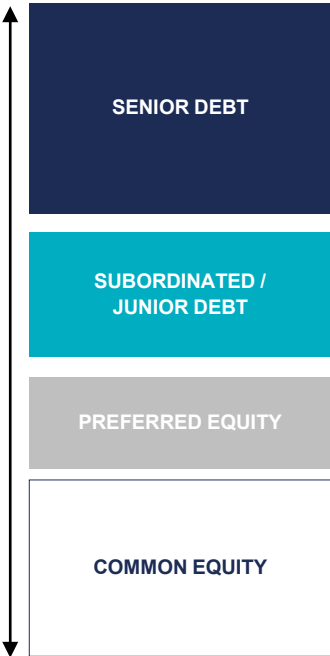


Source: APRA APS 330, Metrics. As at September 2023. Past performance is not a reliable indicator of future performance.

Capital Ranking

(for interests / distributions & capital returns)

HIGHEST PRIORITY
Lowest Risk



LOWEST PRIORITY
Highest Risk

Source: Metrics



Private Debt for Reduced Capital Volatility

In Australia, private lenders benefit from a range of protections



Structural Protections in Australia

Australian corporate insolvency regime assists lenders to protect capital.



Relationships with Borrowers

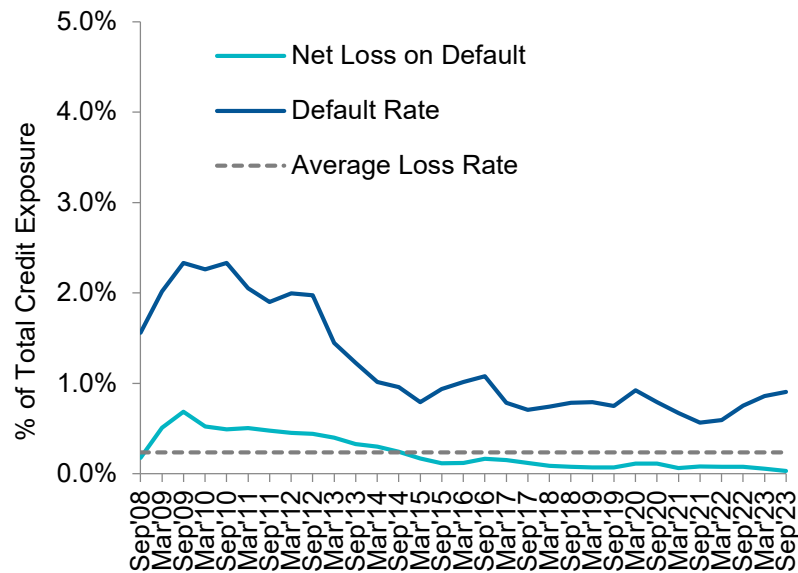
Regular communication with borrowers ensures the private debt manager can more effectively manage risk.



Financial Contracts

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


Australian Corporate Lending – Default Rate vs Net Losses



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

Private Debt for Income

Private debt aims to provide regular income¹ that moves in line with inflation



Inflation Hedge

Corporate loans are typically floating rate, unlike the largely fixed corporate bond market



Income Generating Assets

Regular income received from interest payments made by borrowers



Opportunity and Diversity

Australian private loan market is diversified over industries, sectors and credit quality

PRIVATE DEBT FLOATING / FIXED RATE SPLIT

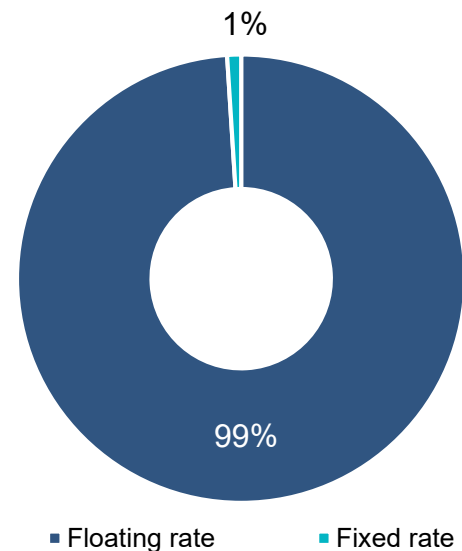
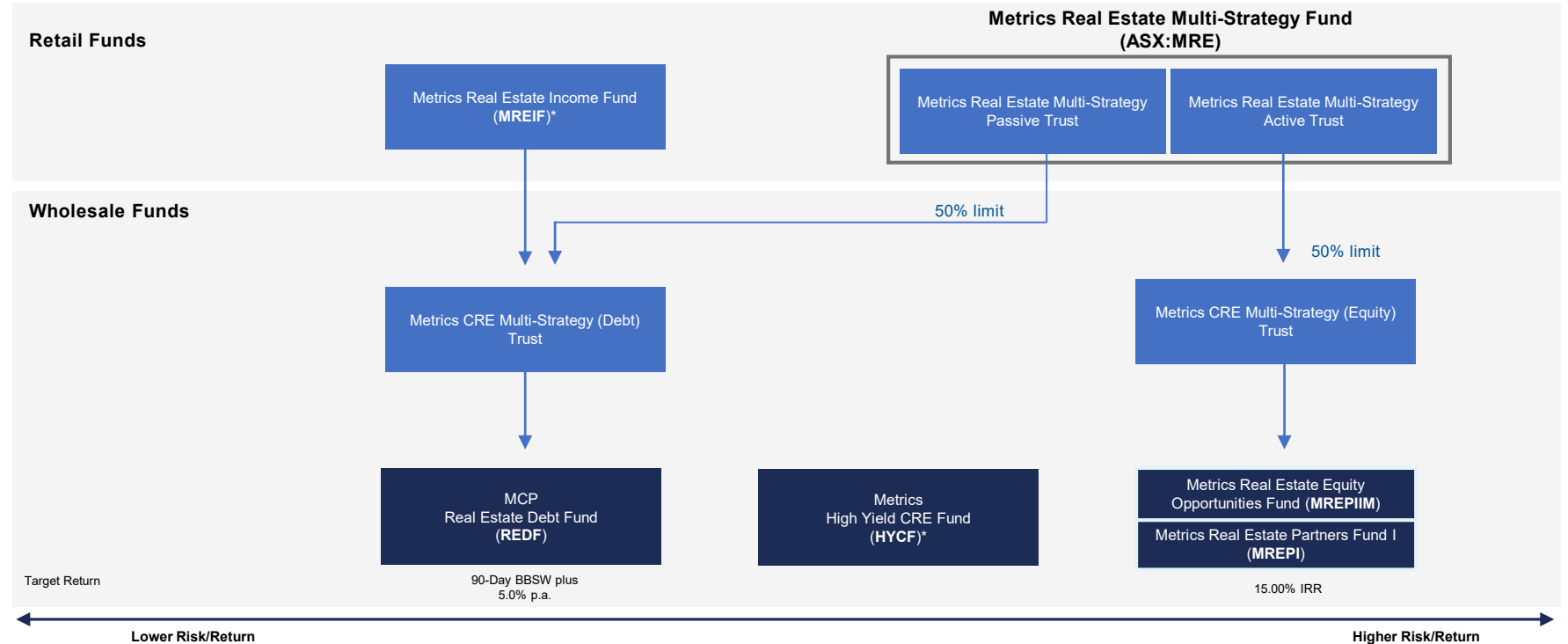


Chart is representative of a portfolio of >95% Australian senior private debt. Source: Metrics. This chart uses the MCP Wholesale Investments Trust as an example of a portfolio of Australian private debt. As at 30 September 2024, the Trust contains a diversified portfolio of 316 loans.

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

Metrics Private CRE Investment Funds

Providing investors unique access to commercial real estate investment opportunities



Source: Metrics. Notes: *Launching in 2024.

Case Study



CRE Equity

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

Metrics the equity partner with an experienced property developer.

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



MREPIIM Portfolio⁵

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

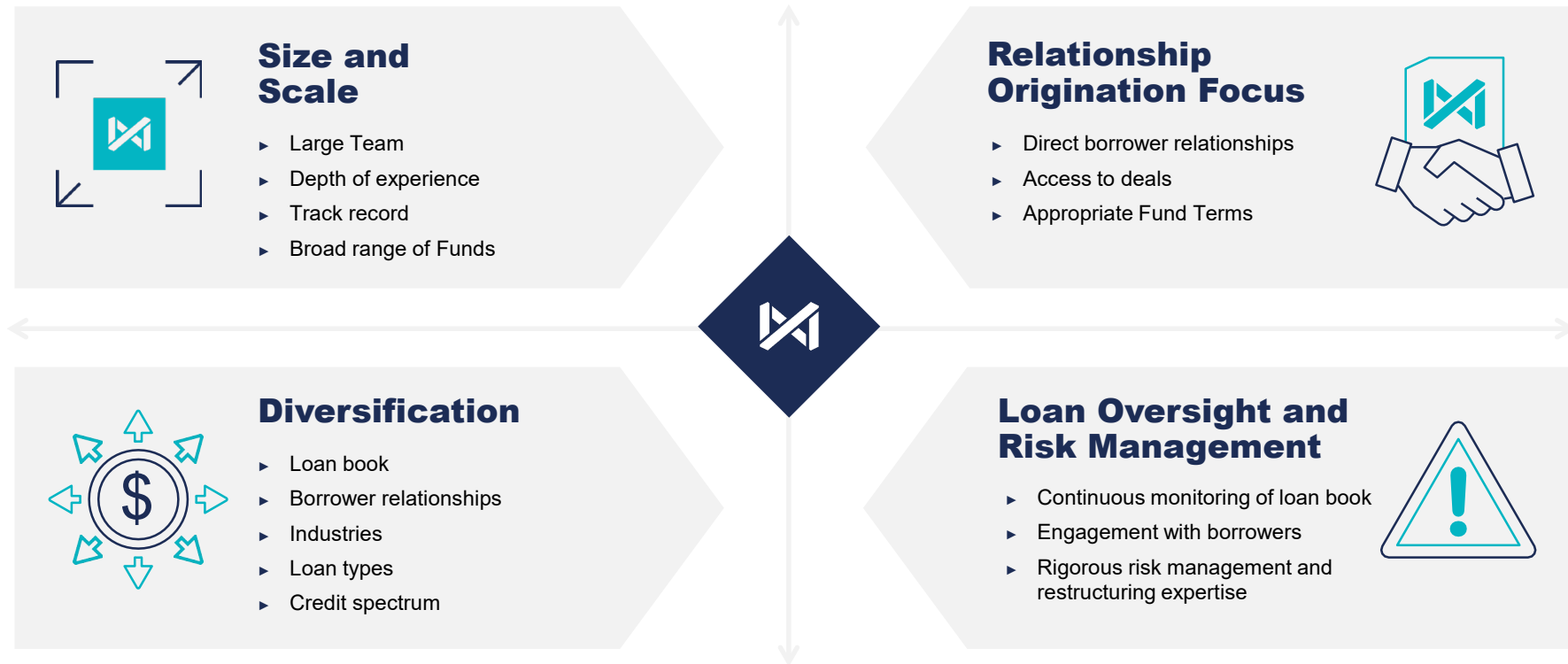
Notes: Data as at 31 July 2024. Any forecast returns are the current expectation of Metrics; however the returns may not be realised. No person guarantees any return out of the Fund, Sub-Trusts or any Wholesale Fund. The forecast returns are based on certain assumptions and contingencies that may not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

How to Access Private Markets with Metrics

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

Notes: As at 30 September 2024 (1) Annualised (2) IPO October 2017 (4) IPO April 2019 [^]This is a target return and may not be achieved. Past performance is not a reliable indicator of future performance. Assumes participation in Distribution Reinvestment Plan (DRP). *Subject to market liquidity. See the Research Ratings Terms and Conditions under the 'Ratings Disclaimer' at the end of the presentation.

Manager Selection Matters



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Units in the Metrics Income Opportunities Trust, Metrics Master

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Independent Investment Research

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