

# CORPORATE GOVERNANCE STATEMENT

Metrics Real Estate Multi-Strategy Active Trust ARSN 679 413 695

Metrics Real Estate Multi-Strategy Passive Trust ARSN 679 413 293

As at 02 September 2024

## BACKGROUND

The Trust Company (RE Services) Limited (Responsible Entity) is the responsible entity for the Metrics Real Estate Multi-Strategy Fund (Stapled Structure), a registered managed investment scheme that is listed on the Australian Securities Exchange (ASX).

The Responsible Entity is a wholly owned subsidiary of Perpetual Limited (ASX: PPT) (**Perpetual**).

The Responsible Entity is reliant on Perpetual for access to adequate resources including directors, management, staff, functional support (such as company secretarial, responsible managers, legal, compliance, risk and finance) and financial resources. As at the date of this Corporate Governance Statement, Perpetual has at all times made such resources available to the Responsible Entity.

In operating the Fund, the Responsible Entity's overarching principle is to always act in good faith and in the best interests of the Fund's Unitholders, in accordance with its fiduciary duty. The Responsible Entity's duties and obligations in relation to the Fund principally arise from: the Constitution of each Trust; the compliance plan for the Fund; the Corporations Act; the Listing Rules; the Responsible Entity's AFSL; relevant regulatory guidance; relevant contractual arrangements; and other applicable laws and regulations.

## CORPORATE GOVERNANCE

At Perpetual, good corporate governance includes a genuine commitment to the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (4th Edition) (**Principles**).

The Responsible Entity operates under the Perpetual Group governance structure which applies to all its subsidiaries and controlled entities within the Perpetual Group. Perpetual's corporate governance arrangements set the foundation for the key role for the Perpetual Group in communicating principles and obligations to guide decision making and to set standards for expected employee behaviour in particular situations.

The directors of the Responsible Entity are committed to implementing high standards of corporate governance in operating the Fund and, to the extent applicable to registered managed investment schemes, are guided by the values and principles set out in Perpetual's Corporate Governance Statement and lodged with the ASX each year. To the extent the Principles are applicable to registered managed investment schemes, its practices are largely consistent with the Principles.

As a leading responsible entity, the Responsible Entity operates a number of registered managed investment schemes. The schemes include the Fund as well as other schemes that are listed on the ASX. The Responsible

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Entity's approach in relation to corporate governance in operating the Fund is consistent with its approach in relation to the schemes generally.

The Responsible Entity addresses each of the Principles that are applicable to externally managed listed entities in relation to the Fund.

Please refer to Perpetual's Corporate Governance Statement for its application to the Responsible Entity and also for any further information. A full copy of Perpetual's Corporate Governance Statement is available on Perpetual's website:

*(<https://www.perpetual.com.au/about/corporate-governance-and-policies>)*

## ASX Corporate Governance Principles

The Responsible Entity has evaluated the Fund's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations. A brief summary of the approach currently adopted by the Fund is set out below.

### Principle 1 - Lay Solid Foundations for Management and Oversight

The role of the Responsible Entity's Board is generally to set objectives and goals for the operation of the Responsible Entity and the Fund, to oversee the Responsible Entity's management, to regularly review performance and to monitor the Responsible Entity's affairs and act in the best interests of the Unitholders of the Fund. The Responsible Entity's Board is accountable to the Unitholders of the Fund, and is responsible for approving the Responsible Entity's overall objectives and overseeing their implementation in discharging their duties and obligations and operating the Fund.

Directors, management and staff are guided by Perpetual's Code of Conduct and Perpetual's Risk Appetite Statement which is designed to assist them in making ethical business decisions.

The role of the Responsible Entity's management is to manage the business of the Responsible Entity in operating the Fund. The Responsible Entity Board delegates to management all matters not reserved to the Responsible Entity's Board, including the day-to-day management of the Responsible Entity and the operation of the Fund.

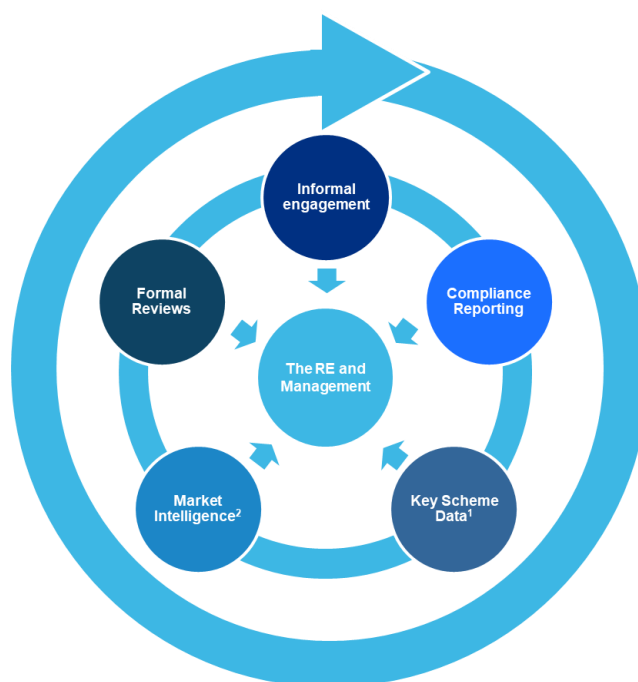
The Responsible Entity appoints service providers (**Service Providers**) to manage the key operations of the Fund which include investment management, administration, custody and other specialist services and functions as required depending on the nature of the Fund. The Responsible Entity obtains relevant services from third party service providers under outsourcing agreements.

Effective processes for monitoring Service Providers are integral to the Responsible Entity's operations, given that substantial operational activities are outsourced to third parties. The Management of the Responsible Entity ensures a systematic and rigorous approach is applied with respect to monitoring the performance of outsourced Service Providers to the Fund.

The Responsible Entity views all interactions with Service Providers as a monitoring opportunity, from the informal discussions that regularly occur with Service Providers, to more formalised monitoring reviews. The outcomes of all interactions with Service Providers inform the Responsible Entity's view as to the extent to which the Service Provider is complying with their operational obligations to the Responsible Entity.

Prior to appointment, all Service Providers are subject to operational due diligence, to verify that the Service Provider can deliver the outsourced services in an efficient, effective and compliant manner. All Service Providers are assigned an initial operational risk rating.

The Responsible Entity's approach to Service Provider monitoring is outlined in the diagram below. In addition to the continuous monitoring that occurs through day-to-day interactions with Service Providers in the regular course of business, all Service Providers are required to periodically report to the Responsible Entity as to the extent to which they have met their obligations. Periodically, the Service Provider's risk rating is reviewed by the stakeholders within the business, based on the outcomes of all interactions that have occurred with the Service Provider during the review period.



1. Includes information regarding investment performance, actual versus strategic asset allocation, liquidity where applicable and complaints, incidents and issues arising with respect to the operation of the Fund.
2. Information from secondary sources, including the media and analysts and rating house reports.

The Responsible Entity maintains policy, procedure and program documents that determine the nature and scope of formal reviews on service providers.

The Service Provider risk rating dictates any additional monitoring measures required to be put in place - for example a Service Provider assessed as 'low to medium risk' will be subject to the standard monitoring measures the Responsible Entity utilises under the Service Provider Monitoring Framework. Service Providers risk rated 'high to very high' may be subject to additional oversight measures to deal with the factors that caused the Service Providers risk rating to be high or very high. In addition, management and stakeholders utilise the risk assessment rating in determining if any action is required when considering information and the outcomes of all interactions that have occurred with the Service Provider during the review period.

## Principle 2 - Structure the Board to be Effective and Add Value

As at the date of this Corporate Governance Statement, the Responsible Entity Board consists of two non-executive directors, one executive director and one alternate executive director. The names of the directors and year of appointment are provided below:

### The Trust Company (RE Services) Limited

Name of Director	Year of Appointment
Glenn Foster (Non-executive Director)	2021
Vicki Riggio (Executive Director)	2018
Phillip Blackmore (Alternate Executive Director for Vicki Riggio)	2018
Alexis Dodwell (Non-executive Director)	2023 (appointed 1 November 2023)

The non-executive directors of the Responsible Entity are independent and receive remuneration. In respect of any other interests, the directors of the Responsible Entity are required to maintain a register of interests, which is disclosed to the company secretary on an ongoing basis given this is a standing agenda item at each Board meeting. Holdings are assessed in respect of their potential for conflicts. The Responsible Entity elected not to disclose these interests publicly as this is an externally managed entity.

### Principle 3 - Instil a Culture of Acting Lawfully, Ethically and Responsibly

The Responsible Entity relies on a variety of mechanisms to monitor and maintain a culture of acting lawfully, ethically and responsibly:

- policies and procedures: a Code of Conduct which articulates and discloses Perpetual's values, cyclical mandatory training, a Whistleblowing Policy and an Anti-Bribery and Corruption Policy (further details noted below);
- Perpetual's Enterprise Behaviours framework, and risk ratings that are intertwined into its annual performance, remuneration and hiring processes; and
- a regular feedback mechanism in place to assess employee sentiment, with actions implemented in response to results.

These apply to all directors and employees of Perpetual, and the Responsible Entity. The Code of Conduct, Perpetual's Enterprise Behaviours and core values supports all aspects of the way the Responsible Entity conducts its business and is embedded into Perpetual's performance management process.

The Code of Conduct draws from and expands on Perpetual's Core Values of integrity, partnership and excellence. The Code of Conduct underpins Perpetual's culture. The Responsible Entity Board are informed of material breaches of the Code of Conduct which relate to the Fund and the Responsible Entity.

Additional policies deal with a range of issues such as the obligation to maintain client confidentiality and to protect confidential information, the need to make full and timely disclosure of any price sensitive information and to provide a safe workplace for employees, which is free from discrimination. Compliance with Perpetual's Code of Conduct is mandatory for all employees. A breach is considered to be a serious matter that may impact an employee's performance and reward outcomes and may result in disciplinary action, including dismissal.

A full copy of the Code of Conduct is available on Perpetual's website at:

*(<https://www.perpetual.com.au/about/corporate-governance-and-policies>)*

Perpetual also has a Whistleblowing Policy to protect directors, executives, employees (including current and former), contractors and suppliers (and relatives and dependants of any of these people) who report misconduct, including:

- conduct that breaches any law, regulation, regulatory licence or code that applies to Perpetual;
- fraud, corrupt practices or unethical behaviour;
- bribery;
- unethical behaviour which breaches Perpetual's Code of Conduct or policies;
- inappropriate accounting, control or audit activity; including the irregular use of Perpetual or client monies;
- any conduct that amounts to modern slavery, such as debt bondage and human trafficking of employees; and
- any other conduct which could cause loss to, or be detrimental to the interests or reputation of, Perpetual or its clients.

As part of Perpetual's Whistleblowing Policy, a third party has been engaged to provide an independent and confidential hotline for whistle-blowers who prefer to raise their concern with an external organisation.

A full copy of the Whistleblowing Policy is available on Perpetual's website at:

*<https://www.perpetual.com.au/about/corporate-governance-and-policies>.*

As part of Perpetual's commitment to promoting good corporate conduct and to conducting business in accordance with the highest ethical and legal standards, bribery and corrupt practices will not be tolerated by Perpetual under any circumstances. Perpetual's Anti-Bribery and Corruption Policy supports Perpetual's commitment by:

- prohibiting the payment of political donations by Perpetual;
- instituting proper procedures regarding the exchange of gifts with public officials;
- clearly outlining Perpetual's zero tolerance for bribery and corruption; and
- including avenues where concerns may be raised.

Material breaches of the Code of Conduct or the Anti-Bribery and Corruption Policy are managed in accordance with Perpetual's usual issues management process which would include reporting to the Responsible Entity Board and where the breach relates to a product or service offered by the Responsible Entity.

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A full copy of the Anti-Bribery and Corruption Policy is available on Perpetual's website at:  
<https://www.perpetual.com.au/about/corporate-governance-and-policies>.

Mechanisms are in place to ensure the Responsible Entity Board are informed of material breaches which impact the Fund and the Responsible Entity which would include material breaches of the Code of Conduct and material incidences reported under the Whistleblowing Policy.

## Principle 4 - Safeguard the Integrity of Corporate Reports

As noted in principle 2, the Responsible Entity, which is a subsidiary of Perpetual, operates under the Perpetual Group governance structure. This structure applies to all subsidiaries and controlled entities. In addition to the broader arrangements discussed in the Perpetual Corporate Governance Statement, the Board of the Responsible Entity has delegated certain responsibilities to an Audit and Finance Committee (**AFC**). The AFC is chaired by a non-executive director and is responsible for the review of the financial statements and notes, Director's declaration, auditor reports and representation letters. Where appropriate the AFC will recommend to the Responsible Entity Board approval of financial statements and accompanying materials.

Supporting the AFC and the Board, the Responsible Entity has policies and procedures designed to ensure that the Fund's:

- financial reports are true and fair and meet high standards of disclosure and audit integrity; and
- other reports released on ASX are materially accurate and balanced.

This includes policies relating to the preparation, review and sign off process required for the Fund's financial reports, the engagement of the Fund's independent auditors and the review and release of certain reports on the ASX.

The declarations under section 295A of the Corporations Act provide formal statements to the Responsible Entity Board in relation to the Fund (refer to Principle 7). The declarations confirm the matters required by the Corporations Act in connection with financial reporting. The Responsible Entity receives confirmations from the service providers involved in financial reporting and management of the Fund, including Metrics. These confirmations together with the Responsible Entity's Risk and Compliance Framework which includes the service provider oversight framework, assist its staff in making the declarations provided under section 295A of the Corporations Act. The Responsible Entity manages the engagement and monitoring of independent 'external' auditors for the Fund. The Responsible Entity Board receives periodic reports from the external auditors in relation to financial reporting and the compliance plans for the Trusts.

The AFC is not comprised of a majority of independent members as the nature of our listed entity role is that of an externally managed entity. The experience and independence of the chair and depth of experience of the Responsible Entity's counterparties, respective Directors and senior management provides sufficient breadth of skills and oversight to the integrity of said reports.

## Principle 5 - Make Timely and Balanced Disclosure

The Responsible Entity has a continuous disclosure policy to ensure compliance with the continuous disclosure requirements of the Corporations Act and the Listing Rules in relation to the Fund. This policy sets out the processes to review and authorise market announcements and is periodically reviewed to ensure that it is operating effectively. The Responsible Entity requires service providers, including Metrics, to comply with its policy in relation to continuous disclosure for the Fund.

The Responsible Entity has in place Designated Officers to assist it in meeting its Continuous Disclosure obligations. The "Designated Officers" are the Company Secretary of the Responsible Entity and one of either the General Manager, Managed Fund Services and Senior Manager, Client Management Team (Responsible Entity team). The Responsible Entity's and Perpetual's employees are required to notify the Company Secretary of the Responsible Entity of any information a reasonable person would expect to have a material effect on the unit price or would influence an investment decision in relation to the Fund, to determine if immediate disclosure to the ASX is required.

The Responsible Entity Board also considers its continuous disclosure obligations as a standing item at each scheduled board meeting.

## Principle 6 - Respect the Rights of Unitholders

The Responsible Entity is committed to ensuring timely and accurate information about the Fund is available to security holders via the Fund's website at [www.metrics.com.au/mre](http://www.metrics.com.au/mre). All ASX announcements are promptly posted on the Fund's website. The annual and half year results financial statements and other communication materials are also published on the website.

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In addition to the continuous disclosure obligations, the Responsible Entity receives and responds to formal and informal communications from unitholders and convenes formal and informal meetings of unitholders as requested or required. The meetings are held in accordance with the requirements of the Corporations Act that apply to a registered managed investment scheme.

The Responsible Entity is ultimately responsible for ensuring that any complaints received from unitholders are handled in accordance with its policy settings and regulatory requirements. The Responsible Entity has adopted Perpetual's Complaints Handling Policy, which is available at [Making a complaint | Perpetual](#).

The Responsible Entity is a member of the Australian Financial Complaints Authority (AFCA) external dispute resolution scheme. If unitholders are dissatisfied with the Responsible Entity's handling of their complaint, AFCA may be able to assist unitholders achieve resolution to their complaint.

The Responsible Entity is also committed to communicating with Unitholders electronically in relation to communications from the unit registry. Unitholders may elect to receive information from the Fund's unit registry electronically.

## Principle 7 - Recognise and Manage Risk

As at the date of this PDS, the Responsible Entity's Board consists of a majority of non-executive directors and a Compliance Committee is not required in accordance with section 601JA of the Corporations Act. A Governance, Risk & Compliance Committee (GRCC) has been established and comprises of a non-executive director, two executive directors and a senior employee from Compliance.

The GRCC meets at least quarterly. The GRCC Terms of Reference sets out its role and responsibilities, which is available upon request. The GRCC is responsible for, among other things, monitoring compliance by the Responsible Entity of the compliance plan for the Fund, the Fund's Constitution and the Corporations Act. It is also responsible for assessing the adequacy of the compliance plan for the Fund and making recommendations to the Responsible Entity Board.

The Responsible Entity values the importance of robust risk and compliance management. The Responsible Entity operates under the Perpetual Risk Management Framework (RMF) which applies to all the activities Perpetual undertakes as Responsible Entity. The RMF aligns to International Standard ISO 31000:2018 'Risk Management Guidelines' and consists of supporting frameworks, programs and policies which have been developed, implemented and are regularly assessed for effectiveness to support the management of specific risks considered material to Perpetual defined within the following risk categories: Strategy and Execution, Management of Change, People, Financial, Market & Treasury, Investment, Product & Distribution, Business Resilience, Operational & Fraud, Information Technology, Cyber / Data Security, Outsourcing, Sustainability & Responsible Investing, Compliance & Legal and Conduct Risk.

At Perpetual a current risk register is maintained as part of its formal risk management program. The systems supporting the business have been designed to ensure risks are managed within the boundaries of the Perpetual Risk Appetite Statement (RAS) which articulates the expected behaviours, measures and tolerances that management are to take into account when setting and implementing strategy and running their day-to-day areas of responsibility.

Perpetual's RMF is reviewed at least annually. Additionally, other programs and policies supporting the RMF regularly reviewed to ensure they remain fit-for purpose and effective.

The Perpetual Board sets a clear tone from the top regarding its commitment to effective risk management by promoting an effective risk culture where all Group Executives are accountable for managing risk, embedding risk management into business processes within their area of responsibility and creating an environment of risk awareness, ownership and responsiveness by all Perpetual employees. The Perpetual Board's commitment is reflected through the establishment of, and investment in the Perpetual Risk, Compliance and Internal Audit functions, led by the Chief Risk and Sustainability Officer (CRSO).

The RMF is underpinned by the "Three Lines of Accountability" model to implement best practice risk management. This model sees the first line, being business unit management, accountable for the day-to-day identification, ownership and management of risks. Perpetual's Risk, Compliance and Client Advocacy functions represent the second line who provide the risk and compliance governing documents, systems, tools, advice and assistance to enable management to effectively identify, assess, manage and monitor risk and meet their compliance obligations, and are responsible for reviewing and challenging first line activities. Internal Audit provides independent assurance, representing the third line, and reports to the Perpetual Audit, Risk and Compliance Committee (ARCC) and GRCC.

Internal Audit is an integral part of Perpetual's governance and risk management culture and aims to protect Perpetual's earnings, reputation and customers. Perpetual's Internal Audit function reports functionality to the Perpetual ARCC, and for administrative purposes, through the Perpetual CRSO and is independent from the External Auditor and from Perpetual Executive Management. Internal Audit provides independent and objective assurance, a disciplined approach to the assessment and improvement of risk management and monitoring and reporting on audit findings and recommendations. The Internal Audit Plan (Plan) is approved formally by the

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Perpetual ARCC each year and re-assessed quarterly to ensure it is dynamic and continues to address the key risks faced by the Perpetual Group. Progress against the Plan, changes to the Plan and results of audit activity are reported quarterly to the Perpetual ARCC.

The Perpetual ARCC is responsible for oversight and monitoring of Perpetual's RAS, Compliance and Risk Management Frameworks and internal control systems, and risk culture. The Perpetual ARCC is also responsible for monitoring overall legal and regulatory compliance across Perpetual including the Responsible Entity. The Perpetual ARCC is comprised of Ian Hammond (Chair), Nancy Fox, Kathryn Matthews and Gregory Cooper. The Perpetual ARCC Terms of Reference sets out its role and responsibilities. This can be obtained on the Perpetual website.

In respect of social and ethical considerations, Metrics believes that ESG and Sustainability issues present both risk and opportunity and can affect, positively and negatively, the performance of the Fund and the long-term, risk-adjusted returns it delivers. Metrics is, therefore, committed to incorporating ESG and Sustainability factors into its pre-investment decision making process, with the aim to improve risk-adjusted returns, as well as its post-investment monitoring of and engagement with borrowers. For more information please see Section **Error! Reference source not found.** of this PDS.

Please refer to Perpetual's Corporate Governance Statement for its application to the Responsible Entity and also for any further information. A full copy of Perpetual's Corporate Governance Statement is available on Perpetual's website:

*(<https://www.perpetual.com.au/about/corporate-governance-and-policies>)*

## Principle 8 - Remunerate Fairly and Responsibly

The Responsible Entity does not have a Remuneration Committee. The fees and expenses which the Responsible Entity is permitted to pay out of the assets of the Trusts are set out in the Constitution of each Trust. The Fund financial statements provide details of all fees and expenses paid by the Fund during a financial period.