

FY23 Modern Slavery Statement

For the Financial Year ending 30 June 2023

Reporting Entity

This statement is submitted under section 13 of the Modern Slavery Act 2018 (Cth) (the “**Act**”) for the MCP Real Estate Debt Fund, APIR PER7697AU (the “**Trust**”). This Statement has been prepared by Perpetual Trust Services Limited, ABN 48 000 142 049 (“**Trustee**”) and approved by the Board of Directors of the Trustee (the ‘principal governing body’ under the Act) on 15 December 2023. The Trustee is a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827 and a part of the Perpetual Group (comprising Perpetual Limited and its subsidiaries, including the Trustee).

This statement has been approved by a resolution of the Perpetual Trust Services Limited Board and signed by Phillip Blackmore as the Director for Perpetual Trust Services Limited.



Phillip Blackmore

Director

Perpetual Trust Services Limited

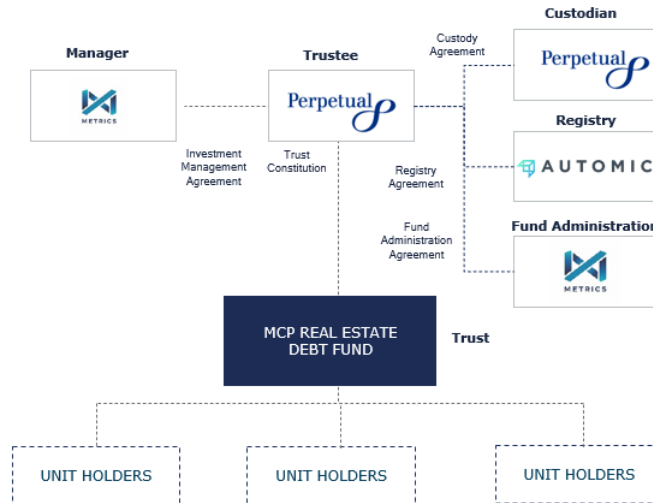
Consultation

There are no subsidiaries or entities that are owned or controlled by the Trust which the Trustee is required to consult with to prepare this Statement. This statement was developed in consultation with the Investment Manager, Metrics Credit Partners Pty Ltd (ABN 27 150 646 996) (“**Investment Manager**”) for the Trust, a leading Australian non-bank lender and alternative asset manager specialising in fixed income, private credit, equity and capital markets.

Structure, operations and supply chain

Structure

The Trust is domiciled in Australia. It was constituted on 20 September 2017 and has been in operation since 5 October 2017. The Trust owns no real property and has no employees. The investment strategy of the Trust is to invest in diversified investments broadly reflecting the types of lending activity in Australia’s commercial real estate debt market, diversified by borrower, project, sector, geography, stage of development and position in the capital structure. A diagram showing the legal structure of the Trust is set out below.



Operations

The Trust is an unregistered open-ended unit trust that invests in a portfolio of Australian Commercial Real Estate (CRE) loans. Perpetual Limited’s subsidiary, Perpetual Trust Services Limited is the Trustee for the Trust. The Trustee has appointed Metrics Credit Partners as the Investment Manager, Metrics Fund Administration Services as the fund administrator and Automic as the fund administrator. Perpetual Corporate Trust is the fund custodian.

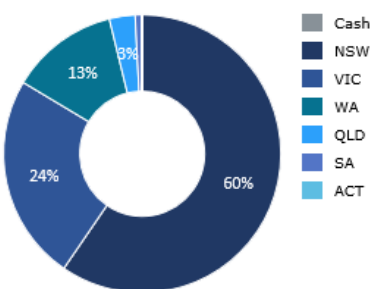
Perpetual Corporate Trust (PCT)

The Trustee sits within PCT, which is a division of Perpetual Limited and forms part of the Perpetual Group. PCT provides a broad range of fiduciary, agency and digital products to the debt capital markets and managed funds industries both domestically and internationally. Debt Market Services includes trustee, document custodian, agency, trust management, accounting, standby servicing, and reporting solutions. Perpetual Digital provides data services, industry roundtables, and our new Perpetual Intelligence platform-as-a-service products supporting the banking and financial services industry. Managed Funds Services provides services including independent responsible entity, wholesale trustee, custodian, investment management and accounting (such as those provided to the Trust by the Trustee).

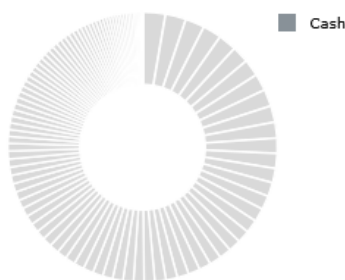
Investments

As at 30 June 2023, the Trust’s assets under management were \$2.5bn. Trust offers investors direct exposure to Australia’s bank dominated CRE loan market by lending to Australian CRE borrowers and projects including office, retail, industrial, residential development and specialised real estate assets (hotels, healthcare, etc). The Trust held a portfolio of 99 assets.

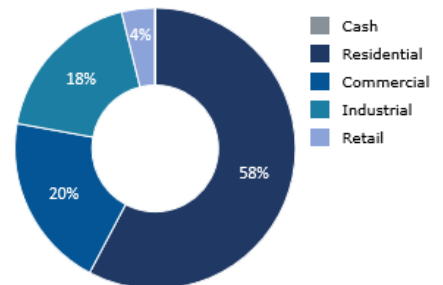
Geographic Diversification⁽³⁾



Borrower Diversification



Sector Diversification



Source: Metrics, Reserve Bank of Australia, Capital IQ and Bloomberg

Supply chain

The Trust's supply chain consists of three direct service providers in the procurement categories listed below. These service providers are all located in Australia and are also part of multinational corporate groups that have offices in many other countries worldwide.

Procurement categories for service providers engaged both directly and indirectly are:

- Administrator
- Custodian
- Registry provider
- Professional services including audit, legal and tax

Modern slavery risks

The Trustee understands that modern slavery risk can occur in operations and supply chains. The Trustee consider risk assessment a critical process to identifying the inherent risk of modern slavery across the Trust. As Trustee, we conduct an annual risk assessment on the supply chain of all trusts for which we act as Trustee that meet the Act's reporting threshold. The risk assessment is done separately to Perpetual Group's corporate modern slavery supply chain risk assessment and is in addition to any routine due diligence activities undertaken for management of the Trust by the Investment Manager.

Defining modern slavery risks

Modern slavery is serious exploitation that undermines a person's freedom. In a situation where modern slavery occurs, a person cannot refuse or leave due to threats, violence, coercion, abuse of power, or deception¹.

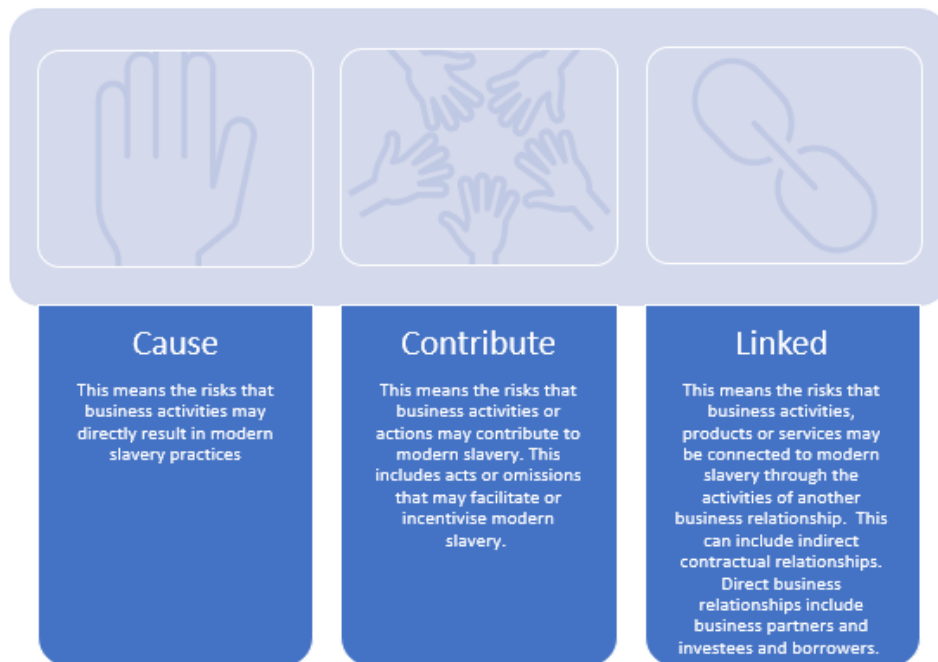
Modern slavery occurs in a variety of forms, there are eight types including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services and the worst forms of child labour².

Modern slavery risk means the potential for the Trust to cause, contribute to, or be directly linked to modern slavery through their operation or supply chain. This means looking at risks to people rather than risk to the company (such as reputational or financial damage), although often these risks are connected. The Trust recognises that COVID-19, conflict and climate change driving migration has exacerbated modern slavery risks for people in vulnerable situations³.

¹ International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), 2022. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage, 13.

² As defined in the Australian Modern Slavery Act 2018 (Cth)

³ International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), 2022. Global Estimates of Modern Slavery: Forced Labour and Forced Marriage



Risk assessment methodology

In FY23, the Trustee collected information on the Trust's supply chain to include in a modern slavery risk assessment. Specifically, the Trustee investigated the service providers of the Trust that we have a direct relationship with. The service providers were then assessed for inherent modern slavery risks and an inherent risk profile was determined for each entity. Inherent risk is the level of risk before any actions are taken to manage the risk's impact or likelihood.

Additional due diligence is conducted by the Investment Manager on investments in the Trust (as described below).

Risk assessment results

The risk assessment for the underlying investment holdings for the Trust is undertaken by the Investment Manager in accordance with their Responsible Investment, Environmental, Social and Governance Policy. See the due diligence section of this Statement below for further details of their approach.

The Trust's investment footprint is concentrated as all their assets are held in within the Trust.

Supply Chain

The Trustee's FY23 risk assessment of suppliers did not identify any high-risk service providers. All service providers are categorised as low risk. This is because, the service providers are all professional or diversified financial services organisations who operate in Australia, which is identified as a low-risk country location by the Perpetual Group's ESG data provider, or have low risk exposure where they operate internationally as well.

Sector/product	Inherent risk profile
Professional Services and Diversified Financial Services	There is generally a low risk of modern slavery in the professional services and diversified financial services industries in Australia, due to the general absence of factors concerning workers that might be vulnerable to exploitation, and the nature of the work itself. There may be risks in the operations and supply chains of these businesses such as through their procurement of cleaning services and merchandising and other equipment for offices which may be linked to higher risks of modern slavery.

Actions to address modern slavery risks

As a Trust, addressing modern slavery risks is necessarily different to the approach that can be undertaken by a company which has direct oversight and control of its own operations and supply chains. That is because the Trust itself has limited operations and supply chains and can have influence, but not direct control, over its investments.

As a trust within the Investment Manager's portfolio, the Trust is subject to the Investment Manager's group wide ESG policies and controls, including its Responsible Investment, Environmental, Social and Governance Policy (RIESG Policy), which outlines in more detail the Investment Manager's approach to incorporating responsible investment, environmental, social and governance factors into investment management activities. The RIESG Policy incorporates the following key policies:

- Environment Policy
- Social Policy
- Governance Policy
- Diversity and Inclusion Policy
- Modern Slavery Policy
- Responsible Investment Policy

The **Responsible Investment Policy** (RI Policy) applies to all of the Investment Manager's investments and provides the framework for its approach to responsible investment in all of its investment management activities. The specific approach to ESG integration employed in relation to a particular investment vehicle of the Investment Manager may be tailored according to factors including the type of investment vehicle, its investment objectives, its investment strategy – including its permitted investments, its investment time horizon, the portfolio construction, and any non-financial key performance indicators relevant to the vehicle.

In the **Modern Slavery Policy**, the Investment Manager acknowledges that modern slavery can occur in every industry and geography and has severe consequences for victims. Modern slavery also distorts global markets, undercuts responsible business, and can pose significant legal and reputational risks to entities. The Investment Manager also acknowledges that they have a responsibility to respect human rights in their operations and supply chains, and that this includes taking steps to assess and address modern slavery risks.

The Investment Manager has also adopted the following relevant policies:

- **Anti-discrimination and Harassment Policy:** The purpose of this policy is to affirm the Investment Manager's commitment to providing a safe, respectful, fair and equitable work environment for all of its employees, suppliers, investors and clients free from all forms of discrimination, bullying, sexual harassment and victimisation.
- **Mental Health and Wellbeing Policy:** The Investment Manager believes that the mental health and wellbeing of its team is key to organisational success and sustainability. The purpose of this policy is for the Investment Manager to establish, promote and maintain the mental health and wellbeing of all team members through workplace practices, and encourage team members to take responsibility for their own mental health and wellbeing.
- **Anti-bullying Policy:** The purpose of this policy is to affirm the Investment Manager's commitment to providing a workplace free from bullying. The Investment Manager is committed to protecting all team members who may feel bullied by another team member, or a supplier, investor, client, or member of the public.
- **Diversity and Inclusion Policy:** The purpose of this policy is to set out the Investment Manager's commitment to diversity and inclusion, which it considers to be key to attracting, retaining, developing and engaging people in rewarding careers that achieve outcomes for both investors and investee clients.
- **Employee Privacy Policy:** This policy describes how the Investment Manager collects, handles and protects the privacy of personal information of its employees and former employees.

Finally, where possible, the Investment Manager will collaborate with organisations and engage with other stakeholders to encourage greater transparency on material ESG issues and standardisation of reporting requirements on ESG issues from corporations and other entities.

The Investment Manager is a PRI signatory and an endorser of its 'Advance' program. Advance is a stewardship initiative where institutional investors work together to take action on human rights and social issues.

The Investment Manager is also a member of the Responsible Investment Association Australasia (RIAA). During the reporting period, members of Metrics' sustainable finance team participated in RIAA's working group on Human Rights. This working group was formed in order to allow members to come together in the interests of building stronger stewardship capabilities through more deeply understanding human rights, being able to identify and comment on due diligence processes and understand investor and company roles in remedying human rights abuses and violations.

Due Diligence

Risk assessment

The Trustee's annual risk assessment was conducted by the Trustee to assess the Trust's inherent modern slavery risks in its supply chain. Additional due diligence is conducted by the Investment Manager on investments as part of their RI Policy (as described below).

Investments (due diligence by the Investment Manager)

The Investment Manager is committed to incorporating ESG considerations into its investment analysis and decision-making process.

The Investment Manager includes detailed ESG risk analysis (including modern slavery) in its Investment Submissions and rates each potential investment on several key ESG factors during the initial investment process. Material ESG issues are discussed by the Investment Committee and are an important input for the final investment decision.

Investment analysts are asked to consider a company's potential failure to maintain responsible and transparent supply chains, or to potentially directly or indirectly contribute to issues of modern slavery or the use of child or forced labour, as part of their assessment when completing an investment submission to the Investment Manager's Investment Committee during the origination process. In addition, ESG considerations are systematically integrated into monitoring and engagement activities by way of an annual ESG review, during which each company's ESG performance is formally reviewed applying the same risk assessment methodology as during the initial investment process to ensure timely identification of any emerging ESG risks and continued compliance with the Investment Manager's RI Policy. Analysis of ESG considerations is explicitly confirmed as part of the Investment Decision Checklist signed by Investment Committee Members when investments are approved. Certain ESG issues may be flagged to be reviewed during the ongoing investment monitoring process.

The Investment Manager has developed and rolled out industry-specific ESG & Sustainability Questionnaires for its portfolio containing questions on ESG topics that are considered material to the industry in which each entity operates. This proprietary ESG & Sustainability assessment methodology allows the Investment Manager to monitor the performance of individual investments and portfolios over time. Social factors are incorporated in all questionnaires and questions may touch on supply chain issues, the existence of human rights policies as well as various diversity indicators.

The due diligence process includes reviewing material provided by borrowers directly or in its public disclosures, issuing questionnaires, conducting interviews with management and independent research using publicly available data (such as the Modern Slavery Statement Register) and third-party commercial tools (such as CAP IQ+).

The Investment Manager may not invest in a company where they conclude ESG-related risks may have an outside negative impact on the company's future cash flows and value or where the company's management is unaware or unprepared to mitigate ESG-related risks. Alternatively, the Investment Manager may engage with the company's management team to encourage awareness and preparedness as well as transparency and reporting of ESG issues.

Additionally, they assess the company's impact on society and the environment, more broadly and do not invest in companies which they conclude are not aligned with the broader objectives of a fair, equitable, and sustainable society. Thus, they may exclude investments in companies that operate in certain industries, that disregard local laws or regulations or are disrespectful of their communities, that are connected to modern slavery in their value chains, or that do not provide safe and equitable workspaces, among other factors.

Finally, on an annual basis, at the end each financial year, the Investment Manager undertakes an analysis of its portfolio as well as of its suppliers, to identify any entities operating in high-risk industries and geographies.

ESG considerations are systematically integrated into their monitoring and engagement activities by way of an annual ESG review, during which each company's ESG rating will be formally reviewed applying the same risk assessment methodology as during the initial investment process to ensure early identification of any emerging ESG risks and continued compliance with the Investment Manager's ESG Policy. An entity's ESG rating may be updated if the Investment Manager becomes aware of new or elevated ESG-related risks.

The Investment Manager has established a Modern Slavery Working Group, which is responsible for developing and overseeing its approach to identifying, managing and reporting on modern slavery risks. The Modern Slavery Working Group has been tasked with identifying actions and setting forward a plan to enhance the Investment Manager's approach to:

- Internal and external reporting on modern slavery
- Supplier and borrower risks assessments
- Policy enhancements
- Identifying appropriate training opportunities for the Investment Manager's employees
- Measuring the effectiveness of their actions
- Developing and implementing appropriate grievance and remediation mechanisms.

Supply Chain

As the Trustee for the Trust, Perpetual Trust Services Limited owns the relationships with the direct service providers which are used by the Trust. As part of the Perpetual Group, The Trustee is subject to the same policies, due diligence and remediation process to address modern slavery as the Perpetual Group. This includes adherence to the Perpetual Group's Modern Slavery Framework which sets out the programs, processes and tools in place to ensure compliance with the Modern Slavery Act.

Procurement processes including provisions focused on modern slavery are included within contractual terms with new suppliers to ensure our suppliers understand we require them to assess and manage modern slavery risk in their business. We reviewed and updated these clauses in FY23. Over the last year, we have noted increased negotiation on our modern slavery clauses. In order to manage this risk, and to provide greater oversight of any deviations from our terms, we have implemented a register that records any deviation or omission from our standard modern slavery clause.

New and existing employees of the Trustee take part in our online modern slavery training and employees have access to Perpetual Group's grievance mechanism.

Remediation

As a Trustee, Perpetual Group may be linked directly to modern slavery through our business relationships with other entities via their own investments and supply chains.

Perpetual Group's remediation approach is outlined in our Modern Slavery Framework. Should an incident of modern slavery occur in a Trust for which we act as Trustee which we have 'caused or contributed' to, we would engage with the Investment Manager and act in accordance with our remediation principles.

The purpose of remediation is to ensure Perpetual Group takes reasonable steps to:

- Address the underlying root causes driving the existence of modern slavery if possible;
- Prevent the modern slavery impact from re-occurring by collaborating, supporting remediation and monitoring the implementation of remedial measures taken by another party; and
- Ensure compliance with national and international labour and human rights standards.

Perpetual Group's remediation process has been approved by the Executive Committee and has been captured in our Modern Slavery Framework. The process details specific steps that we will take if the Perpetual Group, or our controlled entities, has 'caused or contributed' to modern slavery.

Our approach to remediation is led by a set of guiding principles. These include ensuring that our actions are in the best

interest of the suspected victim or victims and responding in a way that is appropriate to the circumstances of the situation.

The principles also articulate that we will take steps to prevent further harm to achieve the best possible outcome for the victim or victims and consider whether there is any action that Perpetual can take that may address the underlying structural factors that have contributed to the exploitation.

Our Modern Slavery Framework, including the remediation process, is available to our employees on our intranet.

Grievance mechanism

Modern slavery is a form of reportable misconduct under Perpetual Group's Whistleblower Policy. Through this mechanism, employees in the Perpetual Group including the Trustee can report any concerns to a Whistleblower Protection Officer or anonymously through our third-party whistle-blower hotline. Training on how to access and report through this grievance mechanism are provided in our employee-wide modern slavery training program.

Measuring the effectiveness of actions

Outlined below is the key progress made by the Trustee on behalf of the Trust in FY23 and the actions for FY24.

FY23 progress:

- Continued to map out the Trust's supply chain to identify the different sectors our service providers are from.
- Conducted an annual risk assessment to determine inherent modern slavery risks.
- Reviewed and updated the Perpetual Group process for assessing and reporting on modern slavery in Funds.

Actions for FY24

- Monitor emerging global trends in modern slavery and include anything relevant for the FY24 risk assessment.
- Commitment to have trust statement reporting process reviewed internally on an annual basis.
- Conduct modern slavery training for trust managers including for the Trustee.

Appendix

Appendix 1: Australian Modern Slavery Act – Mandatory Reporting Criteria

The following table describes the location of each mandatory reporting criteria within the FY23 Modern Slavery Statement.

Mandatory Reporting Criteria	Location in Statement
Identify the reporting entity	Reporting Entity, Page 1
Describe the reporting entity's structure, operations, and supply chains	Structure, Operations and Supply Chain, Page 1
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Modern Slavery Risks, Page 3
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	Actions to Address Modern Slavery Risks, Page 5
Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Measuring the Effectiveness of Actions, Page 8
Describe the process of consultation and any entities the reporting entity owns or controls	Consultation, Page 1