

PRESS RELEASE

Sydney, 24th June 2022– FORESIGHT ASSIGNS ‘STRONG’ OPERATIONAL DUE DILIGENCE (ODD) RATING TO PAYTON CAPITAL.

Foresight Analytics has assigned a ‘STRONG’ Operational Due Diligence (ODD) Rating to Melbourne-based Payton Capital Limited.

Payton Capital Ltd (Payton) specialises in the provision of wholesale debt to businesses and real estate developers, and investment products for wholesale investors, SMSFs, family offices and institutional investors. Payton was originally founded in 1966 as an accounting practice and has become a reputable funds management business. Payton underwent a restructure to become an investment manager in 2010 and entered the Australian private real estate debt market. Payton manages two investment vehicles – Payton Select Investment Fund and the Payton Pooled Investment Fund. The firm has funded over \$1.5BN of loans since inception and currently has \$839M in assets under management.

Payton’s overall rating is driven by its track record of consistently delivering target returns, its highly experienced management team, and its continued investment in resources to support scalability and sustainable future growth in the business.

Foresight Analytics’ ODD Rating assesses the capacity of an asset manager to effectively undertake its defined role of managing the operational risks relating to a pool of financial or physical assets. The overall ODD Rating is underpinned by 7 risk factors – Ownership, Management talent, Governance, Risk & Compliance, Asset & Data security, Systems & Technology and Financial agility.

A ‘STRONG’ rating reflects the strong capability of an operational party to perform its operational role and assist the issuer or fund in meeting financial obligations in a timely manner. Furthermore, it reflects the strong and reliable operational abilities and some very strong qualities of the operating party.

Foresight Analytics’ analyst, Natasha Quirk, said that ‘Payton enjoys a strong outlook in terms of opportunities for growth within the Commercial Real Estate (CRE) lending sector in Australia due to the withdrawal of the banks from the domestic CRE lending market and an increase in capital inflows.’ She further added that ‘Payton’s consistent investment management and financial performance since the first managed fund launched in 2018 has allowed it to weather the COVID-19 pandemic shock well, and take advantage of market growth opportunity.’

Payton has consistently delivered target returns for its investments and has experienced steady growth in assets under management (AUM) and funds under management (FUM) since it was established.

The full report is available to registered users of Foresight 360 digital platform at <https://www.foresight-analytics.com/f360/>

Find out more about Foresight Analytics’ Operational Due Diligence by visiting www.foresight-analytics.com

About Foresight Analytics' Operational Due Diligence Rating (ODD Rating)

An Operational Due Diligence Rating assesses the capacity of an operating entity, special-purpose vehicle, or asset (collectively “operating party”) to effectively undertake its defined role of managing the operational risks relating to a pool of financial or physical assets. The ability of an operating party to carry out its role, be it in a superior, adequate, or poor manner, ultimately will have a bearing on the performance of the pool of assets. The overall ODD Ratings assigned by Foresight Analytics is underpinned by 7 risk factors – Ownership, Management talent, Governance, Risk & Compliance, Asset & Data security, Systems & Technology and Financial agility.

The assessment covers operational responsibilities and oversight undertaken for a pool of assets retained by the owner, or alternatively a pool of assets that underlie a debt issue or managed fund. The assessment addresses how much the operating party enhances or potentially detracts from the ability of the asset pool to pay interest and principal on a specific security as and when due, or the fund's ability to distribute income according to the Product Disclosure Statement (PDS). It should be noted that operational risks generally exist in addition to credit, market, and liquidity risks.

Foresight Analytics Operational Due Diligence Rating (ODD Rating) Scale & Definitions

ODD Rating Scale	ODD Rating Definitions
Superior	A rating of 'Superior' reflects the superior capability of an operating party to perform its operational role and assist the issuer or fund in meeting financial obligations in a timely manner. An operating party's superior capacity is supported by many superior and reliable operational abilities and strong financial status.
Very Strong	An assessment of 'Very Strong' reflects the very strong capability of an operating party to perform its operational role and assist the issuer or fund in meeting financial obligations in a timely manner. An operating party's very strong capacity is supported by many very strong and reliable operational abilities and some superior qualities.
Strong	A rating of 'Strong' reflects the strong capability of an operational party to perform its operational role and assist the issuer or fund in meeting financial obligations in a timely manner. An operating party's strong capacity is supported by many strong and reliable operational abilities and some very strong qualities.
Adequate	A rating of 'Adequate' reflects the adequate capability of an operational party to perform its operational role and assist the issuer or fund in meeting financial obligations in a timely manner. An operating party adequate capacity will support its role, but its resilience to expected operational or financial changes is limited.
Weak	A rating of 'Weak' reflects the weak capability of an operational party to perform its operational role and assist the issuer or fund in meeting financial obligations in a timely manner. The operating party's weak capacity displays material, operational, financial or risk management and compliance deficiencies.
Failure to Perform	Assigned when a party contracted to perform an operational role has failed to meet the required standards and terms and conditions of the contract.

The full research report is available to registered users of the Foresight 360 Digital platform. The platform can be access via www.foresight-analytics.com

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About Foresight Analytics

Foresight Analytics, an independent Sydney based firm, provides investment diligence, data analytics, and advisory solutions to leading investment management companies, superannuation funds and wealth groups across the Asia Pacific. Foresight's innovative, evidence-based approach blends both human and forensic insights to provide a range of analytical, predictive and market intelligence solutions to investors. Foresight Analytics was founded in 2015 by Jay Kumar, a former executive of Morningstar, Optimix Investment Management, ANZ Wealth & Private Bank and the Reserve Bank of Fiji.

Foresight's fiduciary solutions includes Diligence Services (Investment, Operational, ESG & Risk Diligence), Data Analytics and Asset Consulting. Foresight's fund strategy solutions include Data Analytics for asset managers, Fund Strategy Benchmarking Solutions and Strategic Research.

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