

Investment Objective

To provide exposure to investment grade global asset backed securities (ABS) and generate stable income with some capital growth.

Fund Performance as at 31 July 2024 (%)

| | 1 month | 3 months | 6 months | 1 year | 2 year (p.a.) | 3 year (p.a.) | 5 year (p.a.) | Since inception (p.a.) |
|--|-------------|-------------|--------------|--------------|---------------|---------------|---------------|------------------------|
| Gross return (before fees) | 2.37 | 4.00 | 3.67 | 10.55 | 8.08 | 4.61 | 3.75 | 3.94 |
| <i>Growth return (after fees)</i> | <i>1.94</i> | <i>0.17</i> | <i>-1.62</i> | <i>1.86</i> | <i>1.01</i> | <i>-0.94</i> | <i>-0.90</i> | <i>-0.18</i> |
| <i>Distribution return</i> | <i>0.44</i> | <i>3.77</i> | <i>5.18</i> | <i>8.41</i> | <i>6.73</i> | <i>5.20</i> | <i>4.31</i> | <i>3.78</i> |
| Total return (after fees)¹ | 2.37 | 3.94 | 3.56 | 10.27 | 7.74 | 4.26 | 3.40 | 3.60 |
| Benchmark | 0.37 | 1.10 | 2.18 | 4.37 | 3.75 | 2.56 | 1.69 | 1.74 |
| Active return (after fees) ² | 2.00 | 2.84 | 1.38 | 5.90 | 3.99 | 1.69 | 1.71 | 1.86 |

Source: Fidante Partners. Past performance is not indicative of future performance. Returns may be volatile and may vary from year to year.

¹ Total Return (after fees) is calculated using pre-distribution month end withdrawal unit prices, and assumes all income is reinvested in additional units. Total Return equals Growth return (after fees) plus Distribution return (after fees).

² Active Return of the Fund is the difference between the Total Return and the return of the Benchmark. Gross Returns (before fees) are calculated by adding back the fees and expenses deducted. Please refer to the PDS for more information on fees and expenses.

Portfolio Returns

The Bentham Asset Backed Securities Fund had a total return (after fees) of 2.37% in the month of July, outperforming the benchmark (Bloomberg AusBond Bank Bill Index) by 2.00%. On a before fees basis the fund returned 2.37% for the month, outperforming the benchmark by 2.00%.

Portfolio Exposures

The Fund's sector allocations are 33.0% in Australian Residential Mortgage Backed Securities (RMBS), 19.6% in European Collateralised Loan Obligations (CLO), 16.7% in Cash & Derivatives, 16.4% in US Broadly Syndicated CLO, 6.1% in UK RMBS, 5.1% in Middle Market CLO, 1.6% in Credit Card ABS, 1.1% in Aircraft ABS, 0.3% in European RMBS, 0.0% in Personal Loan ABS, 0.0% in US Commercial Real Estate (CRE) and 0.0% in Auto ABS.

Contributors

The top performing contributors to performance included Australian RMBS and European CLO; whilst the bottom performing contributors included European RMBS and Credit Card ABS.

Outlook

The Fund remains focused on the higher rated tranches of ABS issuance, offering investors a high credit quality, higher yielding, secured alternatives to investment grade corporate and government bonds.

We place a high value on the structural benefits ("terms") typically included in global ABS structures to help preserve the principal of investors in the higher-rated tranches, such as cashflow priority, security, seniority, and reduction in leverage over time.

Portfolio Summary Statistics

| | |
|-------------------------------------|----------------|
| Yield to maturity | 5.06% |
| Running yield | 5.66% |
| Credit spread ³ | +119bps |
| Number of issuers | 95 |
| Interest rate duration | 4.70 years |
| Credit duration | 2.57 years |
| Average credit quality ⁴ | AA+ |
| Fund size | A\$249,132,979 |

Risk Characteristics

| | |
|---------------------------------------|------|
| 5 Year Volatility ⁵ | 5.16 |
| 5 Year Sharpe Ratio ⁶ | 0.40 |
| 5 Year Tracking Error ⁷ | 5.10 |
| 5 Year Information Ratio ⁸ | 0.40 |

Fund Distributions

| | |
|---|------------------|
| Distribution frequency | Monthly |
| Monthly distribution ⁹ | 0.44% (Jul 2024) |
| Target distribution rate (FY25) ¹⁰ | 1m BBSW + 1.0% |

³ Spread over the swap rate.

⁴ The average credit quality is calculated using a duration adjusted Moody's Weighted Average Rating Factor (WARF) for both the S&P and Moody's security credit ratings within a portfolio.

⁵ Volatility is Standard Deviation.

⁶ Sharpe Ratio is the excess return over the Bloomberg AusBond Bank Bill Index (before fees) divided by Standard Deviation.

⁷ Tracking Error is the Standard Deviation of the Active Return (before fees).

⁸ Information Ratio is the Active Return (before fees) divided by the Tracking Error.

⁹ Calculated as the cents per unit (CPU) distribution at the month end divided by the ex-distribution unit price at the start of the month.

¹⁰ Target distribution rates for FY24 set at one month Australian Bank Bill Swap Rate (BBSW) plus 1.5% of the monthly unit price. Bentham intends to achieve the distribution rate for FY2024 with taxable income. If there is a shortfall of taxable income, the distribution may possibly include a capital return.

The current distribution rate setting was based on the running yield of the Fund as at 30 June 2023 and assumes the Fund continues to achieve an equivalent yield for FY2024.

Monthly Distribution Returns History (%)¹

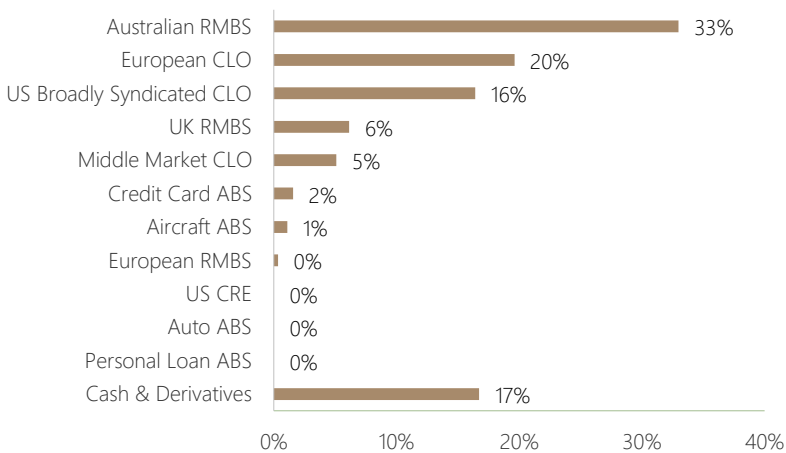
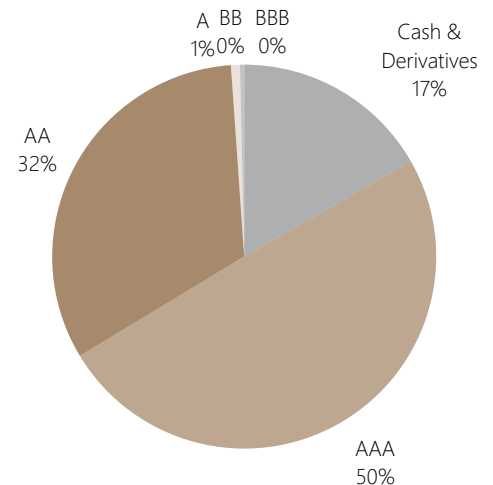
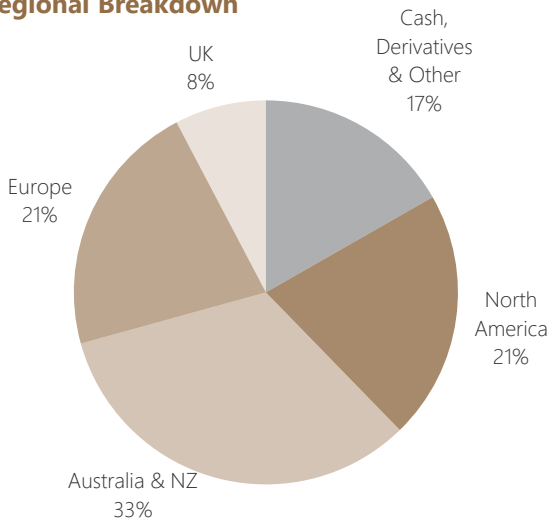
| Financial Year | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | YTD ² |
|----------------|------|------|------|------|------|------|------|------|------|------|------|------|------------------|
| 2025 | 0.44 | - | - | - | - | - | - | - | - | - | - | - | 0.44 |
| 2024 | 0.48 | 0.46 | 0.46 | 0.47 | 0.47 | 0.48 | 0.48 | 0.47 | 0.48 | 0.48 | 0.49 | 2.77 | 8.33 |
| 2023 | 0.26 | 0.29 | 0.34 | 0.40 | 0.40 | 0.41 | 0.41 | 0.43 | 0.45 | 0.46 | 0.47 | 0.49 | 4.89 |
| 2022 | 0.14 | 0.15 | 0.14 | 0.14 | 0.14 | 0.14 | 0.15 | 0.14 | 0.15 | 0.14 | 0.16 | 0.69 | 2.21 |
| 2021 | 0.17 | 0.17 | 0.17 | 0.17 | 0.17 | 0.17 | 0.17 | 1.83 | 0.17 | 0.17 | 0.17 | 0.00 | 3.64 |

Source: Fidante Partners

Past distributions are no indication of future distributions.

¹ Calculated as the cents per unit (CPU) distribution at month end divided by the ex-distribution unit price at the start of the month.

² Annual distribution return (Year-to-Date) is calculated as the Total Return (after fees) minus Growth Return. Total Return (after fees) is calculated using pre-distribution month end withdrawal unit price, and assumes distributions are reinvested. Growth Return equals the percentage change in unit price.

Portfolio Asset Allocation

Credit Rating Breakdown

Regional Breakdown

Pricing and Fees

| | |
|------------------------------|------------------|
| Unit frequency pricing | Daily |
| Management fee | 0.35% |
| Recoverable expenses | 0.00% (Jul 2024) |
| Buy/sell spread ³ | +0.100%/-0.100% |
| Entry and exit fees | Nil |
| Minimum initial investment | A\$10,000 |

³ Buy/sell spread is retained in the Fund to cover transaction costs. It is not paid to the Investment Manager. The buy/sell spread is reviewed on a monthly basis to ensure it fairly reflects market transaction costs.

| Fund Overview | Platform Availability | | |
|---------------------------------|--|------------------------------|-------|
| Inception date | 31 October 2016 | Asgard eWrap | ✓ |
| APIR code | HOW2852AU | Asgard Infiniti-Select | ✓ |
| Benchmark | Bloomberg AusBond Bank Bill Index | Asgard Master Trust | ✓ |
| Performance objective | To exceed the Benchmark (cash) by 1.5% p.a. post fees over rolling three year periods | BT Panorama | ✓ |
| Investment universe | Includes global asset backed securities, securitised debt, government bonds, government backed bonds, cash and derivatives | BT Wrap | ✓ |
| Credit quality objective | Minimum A- | HUB24 | ✓ |
| Credit risk | Minimum 90% exposure to investment grade* rated securities and cash equivalents | Netwealth | ✓ |
| Currency | Aims to be fully hedged to AUD | ASX mFund Settlement Service | BAM06 |
| Fund features | <ul style="list-style-type: none"> • Provides access to the global ABS market • Active specialist management • Portfolio diversified across ABS sectors and regions • High credit quality portfolio • Floating rate asset class, targeting a total return above cash • Low volatility / risk level. Focus on preservation of capital • Regular monthly distributions • Daily unit pricing • Competitive fee | | |

* An assigned credit rating of BBB-/Baa3 or better by a credit rating agency.

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PDS: [Bentham Asset Backed Securities Fund PDS](#)

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