

Bentham Asset Backed Securities Fund

Annual Fund Profile – 31 December 2025

Investment Style

The Bentham Asset Backed Securities Fund (the Fund) is focused on generating income while preserving capital by investing in highly rated global asset backed securities (“ABS”). The Fund is actively managed, with individual investments made across different global ABS subsectors. The Fund is managed by Bentham Asset Management, which has over 20 years of investment experience in the sector.

Performance Objectives

The Fund’s performance objective is to exceed the Bloomberg AusBond Bank Bill Index by 1.5% per annum after fees over rolling three-year periods, while maintaining a minimum average credit quality of A-. The Fund primarily invests in the Australian, US and European ABS markets and seeks to add value through security selection and subsector allocation, while maintaining a highly rated and diversified portfolio. The Fund will be as close to fully currency hedged into AUD as is practicable.

Management Team

Bentham is a specialist global fixed interest and credit investment manager. Bentham actively manages a number of income-focused funds with varying capital risk profiles. The portfolios are designed to generate income while diversifying risk in global credit and fixed income markets. Bentham’s goal is to deliver higher income than can generally be achieved in traditional fixed interest markets with lower volatility than equity markets.

Bentham’s investment philosophy is based on a strong credit culture and a systematic investment process, with a focus on the preservation of principal and protection against downside risk.

Fund Facts

Fund name	Bentham Asset Backed Securities Fund
Investment manager	Bentham Asset Management
Trustee	Fidante Partners Limited
Fund aim	To provide exposure to the global asset backed securities (“ABS”) market and generate stable income with some capital growth
Inception date	31 Oct 2016
ISIN	AU60HOW28529
Fund size	A\$265 million as at 31 December 2025
Management cost	0.35%
Buy/Sell spread	+0.100%/-0.100% (reviewed periodically) as at 31 December 2025
Entry and exit fees	Nil
Pricing frequency	Daily Unit Pricing
Initial investment	A\$10,000 minimum
Currency	AUD denominated
Application frequency	Daily
Withdrawal frequency	Daily

Fund Features

- Provides investors with access to the global asset backed securities market
- Globally diversified sources of income
- High credit quality portfolio: minimum 90% allocation to Investment Grade rated securities and cash equivalents
- Low volatility / risk level per investment profile
- Focus on preservation of capital
- Targeted income distribution frequency: Monthly
- Daily unit pricing

Fund Investment Profile

Suggested investment timeframe	Medium term – three years
Investment universe	Includes global asset backed securities, securitised debt, government bonds, government-backed bonds, cash and derivatives
Volatility/risk level	SRM 3 – low to medium
Income distribution frequency	Monthly
Fund benchmark	Bloomberg AusBond Bank Bill Index
Credit rating objective	Maintain a minimum average credit rating of A-
Credit risk	Minimum exposure of 90% to investment grade rated securities and cash equivalent
Issuer exposure limits	Maximum of: <ul style="list-style-type: none"> – 8% per AAA issuer – 6% per AA issuer – 4% per A issuer – 3% per BBB issuer – 2% per BBB- or below issuer
Interest rate risk	Active. The Fund is expected to have less interest rate risk than traditional fixed interest markets.

Portfolio Construction

The Fund's strategic positioning is driven by a top-down assessment of macroeconomic and investment market conditions. Active allocations across global asset backed security sectors are supported by quarterly forecasts of prospective risk-adjusted returns.

Bottom-up analysis is used to select individual investments, with a conservative approach to credit selection that emphasises preservation of principal.

Portfolio Management

Successfully investing in global asset-backed securities requires specialist experience, global industry contacts and dedicated portfolio risk systems.

Bentham has a long track record in managing global asset-backed securities.

Bentham also utilises market-leading investment systems to support security selection, portfolio construction and risk management.

Asset Backed Securities – Overview

The global asset backed securities market is large and well established.

Higher rated tranches of ABS issuance offer investors a high credit quality, higher yielding, secured alternative to investment grade corporate and government bonds, with low interest rate risk.

The unique risk and return characteristics across ABS sub-sectors can also provide diversification benefits for investors' portfolios.

Underlying Assets

An asset backed security is a financial security that is backed (or secured) by a pool of underlying loans, mortgages, leases or other debt-like assets (the collateral). A key factor that determines the risk of an ABS is the credit quality of these individual assets. Debt backed assets have been proven to offer capital stability through different economic cycles and tend to be more commonly used.

Examples of global asset backed securities include, but are not limited to:

- Residential Mortgage Backed Securities (RMBS)
- Collateralised Loan Obligations (CLO)
- Aircraft backed securities
- Consumer auto loan backed securities
- Consumer credit card backed securities
- Commercial real estate mortgage backed securities (CMBS)
- Bank mortgage or cash flow backed securities (Covered Bonds)
- Container and rail car backed securities

The pool of underlying assets is managed by an investment manager in accordance with a set of portfolio investment rules. Investors in ABS issues receive detailed information regarding the underlying asset pool and compliance with the issue's investment rules.

Structural Benefits in ABS

Global ABS structures typically include specific terms to help preserve the principal of investors in the higher quality, rated tranches. While these structural features vary across transactions, common examples include:

- Cashflow priority
- Security
- Seniority
- Structural subordination
- Reduction in leverage over time.

These features provide an important benefit to investors, supporting capital stability.

Fidante Partners

Fidante Partners Limited is the responsible entity of the Fund and issues units in it. Fidante Partners has appointed Bentham Asset Management Pty Limited as the Fund's investment manager. A related entity of Fidante Partners holds a partial equity stake in Bentham.

Fund Ratings



More Information

Fund Information (for Wholesale and Institutional investors):

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Bentham Industry Awards



2019 Winner Best Income Fund
2016 Winner Best Income Fund
2015 Winner Best Income Fund

2024 Winner Fixed Interest
2022 Winner Fixed Interest
2018 Finalist Fixed Interest
2017 Finalist Fixed Interest
2014 Winner Fixed Interest
2010 Finalist Fixed Interest

2025 Winner Global Fixed Income Fund of the Year
2025 Finalist Diversified Fixed Income Fund of the Year
2024 Finalist Global Fixed Income Fund of the Year
2023 Winner Global Fixed Income Fund of the Year

2018 Finalist Global & Diversified Fixed Interest
2015 Finalist Global & Diversified Fixed Interest
2014 Finalist Global & Diversified Fixed Interest
2013 Finalist Global & Diversified Fixed Interest

2020 Winner High Yield Bonds
2019 Winner High Yield Bonds
2018 Winner High Yield Bonds

This material has been prepared by Bentham Asset Management Pty Limited ABN 92 140 833 674 AFSL 356199 (Bentham), the investment manager of the Bentham Asset Backed Securities Fund (the Fund). Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 | Fidante Partners Services Limited ABN 44 119 605 373 AFSL 320505 (Fidante) is a member of the Challenger Limited group of companies (Challenger Group) and is the responsible entity of the Fund(s). Other than information which is identified as sourced from Fidante in relation to the Fund(s), Fidante is not responsible for the information in this material, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. Investors should consider whether the information is suitable to their circumstances. The Product Disclosure Statement and Target Market Determination available at www.fidante.com should be considered before making an investment decision. To the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance on this information. Past performance is not a reliable indicator of future performance. Any projections are based on assumptions which we believe are reasonable, but are subject to change and should not be relied upon. Investments in the Fund(s) are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group. The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned March 2025) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001). This advice has been prepared without taking into account the objectives, financial situation or needs of any individual. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at Fund Research Regulatory Guidelines (<https://www.zenithpartners.com.au/our-solutions/investment-research/fund-research-regulatory-guidelines/>). The report that included the rating was published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec) on 02/10/2025. Lonsec receives a fee from fund managers for the preparation of reports. The report / rating is general advice only. An investor should be aware that: a) the advice has been prepared without taking into account an investors' objectives, financial situation or needs; b) an investor should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs before acting on the advice; and c) an investor should obtain a PDS relating to the product, consider the PDS and seek independent financial advice before making any decision about whether to acquire the product. The rating is not a recommendation to purchase, sell or hold any product. Past performance is not a reliable indicator of future Performance. Ratings are prepared based on information available at the time of preparation and may be subject to change by Lonsec without notice. Visit lonsec.com.au for important documents (FSG, Conflicts Statement). © 2026 Lonsec. All rights reserved.