

# Bentham High Yield Fund

## Annual Fund Profile – 31 December 2025

### Investment Style

The Bentham High Yield Fund (the Fund) is actively managed and focused on generating higher income than traditional fixed income investments.

The Fund provides diversified exposure to the US high yield bond market with active allocation between individual securities and industries. The Fund has smaller exposures to European, loan and structured credit markets.

### Investment Objective

The Fund aims to deliver returns above the ICE BofAML US Cash Pay High Yield Constrained Index (hedged to AUD) over the suggested investment time frame.

The Fund aims to provide returns higher than traditional fixed interest investments through investing primarily in US sub-investment grade corporate debt securities.

### Management Team

Bentham is a specialist fixed interest and credit investment manager. Bentham actively manages a number of high yielding funds with varying 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 to investors than can generally be achieved in traditional fixed interest and equity markets.

The founders of Bentham previously worked together as part of the Credit Investment Group of Credit Suisse Alternative Capital Inc. (now UBS Credit Investment Group).

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.

Bentham has 18 staff located in Australia and the Credit Investments Group has over 50 investment staff based in New York and London. The investment team has a strong track record of managing riskier High Yield (non-investment grade) portfolios and are well resourced with market leading risk portfolio systems.

### Fund Facts

Fund name	Bentham High Yield Fund
Investment Manager	Bentham Asset Management
Responsible Entity	Fidante Partners Services Limited
Fund aim	To provide investors with a diversified exposure to the US high yield bond market with active allocation between individual securities and industries
Inception date	15 October 1998
APIR code	CSA0102AU
Fund size	A\$640.92 million as at 31 December 2025
Entry and exit fees	Nil
Management fees*	0.60% p.a.
Buy/sell spreads	+0.160%/-0.160% (reviewed periodically) as at 31 December 2025
Pricing frequency	Daily unit pricing
Minimum initial investment	A\$10,000

\*Does not include recoverable expenses which can be up to 0.07% p.a.

### Fund Features

- Access to a diversified global high yield credit portfolio
- Targeted income distribution frequency: Quarterly
- Daily unit pricing
- Australian domiciled trust with a 25+ year track record – one of Australia's longest running high yield funds
- Investments not generally available to direct retail investors
- Access to a global investment universe.

## High Yield Bonds – Overview

High yield bonds are corporate debt securities that are generally senior unsecured or subordinated and have below investment grade credit ratings. High yield bonds generally pay a fixed rate coupon. This fixed rate tends to be much higher than investment grade bonds in order to compensate investors for default risk. While high yield bonds are traded in many geographical locations, the US has the largest and most mature high yield bond market.

Historically, the high yield bond market has outperformed cash and has had a low correlation with traditional fixed interest and equity markets.

## Portfolio Construction

The Fund consists mainly of high yield unsecured bonds with additional discretion to make investments in senior secured loans and collateralised loan obligations.

The Fund is constructed using bottom up analysis to select individual investments and employs a conservative approach to credit selection emphasising preservation of principal.

Using a credit-intensive relative value approach, high yield bonds are managed on the belief that returns above benchmark are driven by a strong credit culture and a systematic investment process. Security selection is based on relative value within the capital structure of comparable companies and industries.

The preservation of principal plays an important role in the investment process and the Fund has a high level of industry and issuer diversification.

The portfolio is highly diversified with less than 2% maximum exposure to any one company. The portfolio will usually have more than 150 separate issuers spread across many different industries.

## Fund Risk Profile

Suggested investment time frame	Medium term – three years minimum investment
Volatility/risk level	SRM 6 – high
Income distribution frequency	Quarterly
Fund benchmark	ICE BofAML US Cash Pay High Yield Constrained Index (hedged into Australian dollars)
Currency exposure	Hedged into Australian dollars
Diversity	Minimum of 50 issuer exposures
Issuer exposure limits	Maximum of 2% per issuer
Industry exposure limits	Maximum of 12% per industry

## Distribution as a % of Net Asset Value (NAV)

Financial Year	Sep	Dec	Mar	Jun	FYTD*
2026	1.50	1.49	-	-	3.01
2025	1.62	1.63	1.60	1.61	6.81
2024	1.74	1.74	1.75	1.75	7.36
2023	2.04	2.04	2.06	2.05	8.69
2022	1.12	1.13	1.11	1.10	3.91
2021	1.36	1.35	1.32	-	10.78
2020	1.22	1.22	1.85	2.08	6.20
2019	1.36	1.40	1.37	1.63	5.99
2018	1.25	1.24	1.25	4.22	7.90
2017	1.20	1.21	1.15	1.03	5.11
2016	1.22	1.24	1.29	2.43	6.14

Source: Fidante Partners

Past distributions are no indication of future distributions.

Distribution as a % of Net Asset Value (NAV), which is calculated as the cents per unit (CPU) distribution at month end divided by the ex-distribution unit price at the start of the month.

\* Annual Distribution Return (Year-to-Date) is calculated as the Total Return (after fees) minus Growth Return. Total Returns (after fees) are calculated using pre-distribution month end withdrawal unit price and assumes all distributions are reinvested. Growth Returns equal the percentage change in the unit price.

## Long-Term Correlation of Asset Class Returns\* (34-years as at 31 December 2025)

High yield bonds as an asset class have historically had some correlation to equities and a negative correlation to government bonds as shown in the table below. An allocation to high yield bonds may improve the diversity of a balanced portfolio and has historically improved the risk and reward outcome.

	AUS Bank Bills	Global Govt Bonds	AUS Fixed Interest	AUS ILBs	US IG Corporates	Leveraged Loans	US High Yield	World Equities (Unhedged)	AUS Equities	US Preferred Securities	Emerging Market Bonds	AUS Property
Australian Bank Bills	1.00											
Global Govt Bonds	0.28	1.00										
Australian Fixed Interest	0.29	0.74	1.00									
Australian ILBs	0.18	0.60	0.72	1.00								
US IG Corporates	0.11	0.71	0.52	0.53	1.00							
Leveraged Loans	-0.03	-0.14	-0.09	0.15	0.38	1.00						
US High Yield Bonds	0.01	0.09	0.09	0.28	0.60	0.79	1.00					
World Equities (Unhedged)	-0.06	-0.04	0.10	0.16	0.13	0.27	0.36	1.00				
Australian Equities	-0.03	0.05	0.13	0.21	0.37	0.48	0.60	0.55	1.00			
US Preferred Securities	0.00	0.22	0.18	0.28	0.68	0.60	0.69	0.29	0.48	1.00		
Emerging Market Bonds	0.13	0.31	0.34	0.36	0.55	0.32	0.59	0.26	0.52	0.63	1.00	
Australian Property	-0.04	0.25	0.30	0.39	0.47	0.50	0.52	0.44	0.69	0.52	0.42	1.00

Sources: Barclay's Capital, Bentham, BoA Merrill Lynch, Bloomberg, Credit Suisse, JP Morgan, Morgan Stanley & UBS

Past performance is not a reliable indicator of future performance.

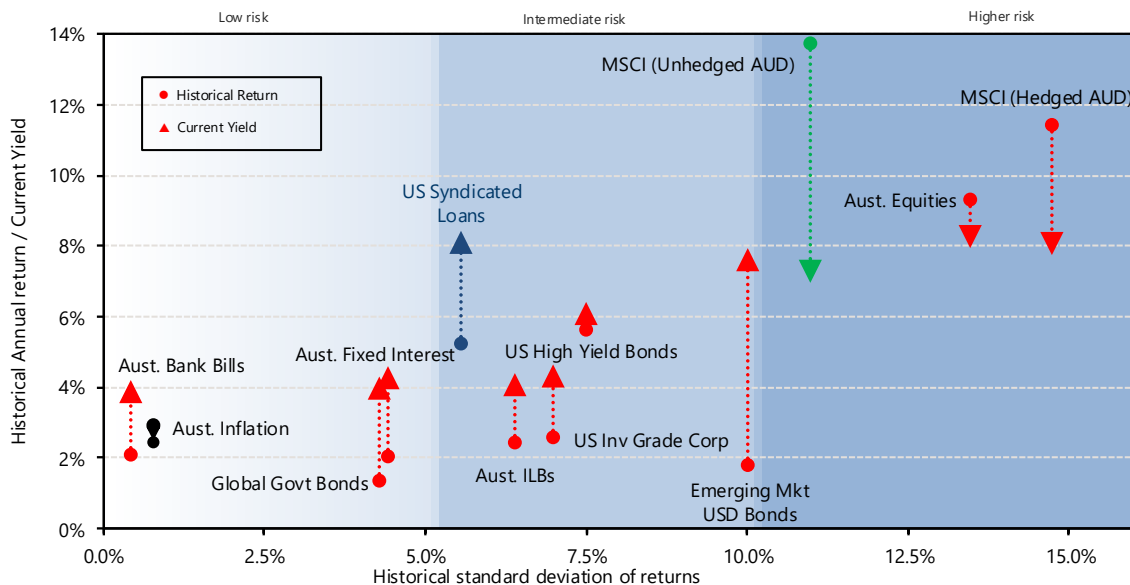
US Preferred Securities return data is only available from Feb-1997, Australian RMBS AAA/AA return data is only available from Jan-1998, Asian Convertible Bond return data is only available from Feb-1994

\*Overseas returns (except World Equities) are fully hedged into Australian dollars.

## Risk and Return

High yield bonds have historically generated returns above the Bloomberg AusBond Composite Bond Index over the medium to long term. High Yield bonds as an asset class have a level of intermediate risk as characterised in the risk return chart below. For specific and current return data please refer to the current monthly fact sheets or quarterly commentaries.

## Current Yield and Historical Return Versus Historical Risk\*\* (10-year as at 31 December 2025)



Sources: Barclay's Capital, Bentham, BoA Merrill Lynch, Bloomberg, Credit Suisse, JP Morgan, Morgan Stanley & UBS

Past performance is not a reliable indicator of future performance.

For equities Bentham invert the forward PE and add 2.5% growth. Investors should vary their estimate of growth to the equity earning yields to compare returns.

# of years: 10.0 to 31-12-2025

\*\* Overseas yields are hedged into AUD using the one-month interest rate differentials

The Australian Equities and World Equities (unhedged) yields represent the estimated earnings yield. The historical standard deviation shown for these equity asset classes is based on the total return for the relevant index. The total return on equities will generally be comprised of both dividend income and share price movement and as a result could vary substantially from those shown above. The outcomes shown above may be affected by known or unknown risks and uncertainties that cannot presently be identified. Accordingly actual outcomes may differ from those shown above.

Asset Class Definitions: Australian Cash is Bloomberg AusBond Bank Bill Index, Global Govt Bonds is JP Morgan GBI, Australian Fixed Interest is Bloomberg AusBond Composite Bond Index, US IG Corporates is Barclay's US Corporates, US Leveraged Loans Historical Return is Morningstar/LSTA Leveraged Loan Index (AUD), US Leveraged Loans Current Yield is Bloomberg Leveraged Loan Index + AUD Base Yield, US High Yield Bonds is ICE BofA US Cash Pay High Yield Constrained Index, World Equities (Unhedged) is Morgan Stanley MSCI Index (Developed), Australian Equities is S&P/ASX200 Accumulation Index, US Hybrid Securities is Merrill Lynch BoA Preferred Hybrids Index, Emerging Market Bonds is JP Morgan EMBI+, and Australian Property Trusts is S&P/ASX200 Accumulation A-REIT Index. Overseas index returns (except World Equities) are fully hedged into Australian dollars.

## Fidante Partners

Fidante Partners Services 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):

Daniel Conti, CAIA  
Senior Portfolio Specialist  
Bentham Asset Management  
Tel. +61 2 9994 7923  
Email: daniel.conti@benthamam.com

Kate Harris  
Senior Portfolio Specialist  
Bentham Asset Management  
Tel: +61 2 9994 7329  
Email: kate.harris@benthamam.com

René Tetteroo  
Senior Distribution Manager  
Bentham Asset Management  
Tel: +61 402 720 471  
Email: rene.tetteroo@benthamam.com

David Livera  
Director - Wholesale Distribution  
Bentham Asset Management  
Tel. +61 3 9947 9412  
Email: david.livera@benthamam.com

Joshua Poi  
Business Development Manager  
Bentham Asset Management  
Tel. +61 2 9994 7977  
Email: joshua.poi@benthamam.com

Retail Investors: Fidante Partners Investor Services on 13 51 53 or [info@fidante.com.au](mailto:info@fidante.com.au)  
Advisers: Please contact [funds@benthamam.com](mailto:funds@benthamam.com) or call 02 9994 7929

## 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 High Yield 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](http://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 Lionsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lionsec) on 02/10/2025. Lionsec 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 Lionsec without notice. Visit [lionsec.com.au](http://lionsec.com.au) for important documents (FSG, Conflicts Statement). © 2026 Lionsec. All rights reserved.