

Bentham Defensive Income Fund (Class A)

May 2025

Fund Aim

Fund aims to provide investors with access to a diversified, defensive, multi-sector credit strategy with a focus on providing steady monthly income with a focus on downside volatility.

Fund Performance as at 31 May 2025 (%)

	1 month	3 months	6 months	1 year	2 Year (p.a.)	Since inception (p.a.)
Gross return (before fees)	-1.00	1.40	2.66	7.55	6.96	5.95
Benchmark	0.26	1.55	2.94	5.64	4.12	4.11
Excess return (before fees)	-1.26	-0.15	-0.28	1.91	2.84	1.84
Total Return (after fees)	-1.01	1.33	2.51	7.25	6.64	5.58

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

The inception date of the fund is 01 July 2022.

Portfolio and Market Returns

The Bentham Defensive Income Fund (Class A) had a before fees return of -1.00% for the month, underperforming the benchmark by 1.26%.

Portfolio Update

Markets regained composure in May, supported by a U.S. court ruling against President Trump's proposed "Liberation Day" tariffs, which eased global uncertainty. Although temporarily upheld on appeal, the initial decision lifted investor sentiment. Easing trade tensions and ongoing U.S.-China discussions further reduced fears of a broader trade war.

In fixed income, U.S. 30-year Treasury yields rose 22bps to 4.9% over the month, driven by a weak 20-year auction and Moody's downgrade of U.S. sovereign debt from Aaa to Aa1, heightening fiscal concerns. Meanwhile, the RBA cut the cash rate by 25bps to 3.85%, supporting Australian market sentiment.

The Fund was active in the corporate credit, Australian RMBS, US CLO and sovereign/supra market during the month, participating in multiple primary transactions.

The Fund had a 7.23 year interest duration position at month end, primarily in the Australian and United Kingdom markets. The Fund's high interest rate exposure (which provided protection against negative credit markets in April) acted as a drag in May. However, we believe this positioning continues to offer attractive real yields and downside protection. The Fund remains relatively conservatively positioned, focused on higher-quality, more liquid credit and higher interest rate duration.

Portfolio Summary Statistics

Yield to maturity	4.79%
Running yield	3.95%
Credit spread ¹	+85bps
Number of issuers	88
Interest rate duration	7.23 years
Credit duration	3.01 years
Average credit quality ²	AA
Investment grade ³ exposure	100% of portfolio
Fund size	A\$66,429,668

Risk Characteristics

1 Year Volatility	4.58
1 Year Sharpe Ratio	0.42
1 Year Tracking Error	3.15
1 Year Information Ratio	0.60

Fund Distributions

Distribution frequency	Monthly
Monthly distribution ⁴	0.38% (May 2025)
Target distribution rate (FY25) ⁵	5.0%

¹ Spread over the swap rate.

² 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.

³ An assigned credit rating of BBB-/Baa3 or better by a credit rating agency.

⁴ 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.

⁵ Target distribution rates for FY25 set at 5.0% of the monthly unit price. Bentham intends to achieve the distribution rate for FY2025 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 2024 and assumes the Fund continues to achieve an equivalent yield for FY2025.

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Monthly Distribution Returns History (%)¹

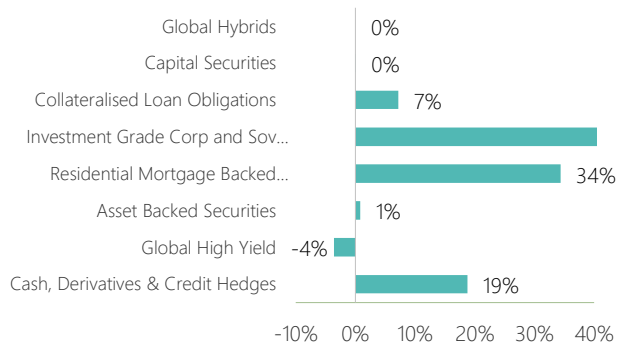
Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2025	0.41	0.41	0.41	0.43	0.42	0.41	0.42	0.39	0.38	0.38	0.38	-	4.58
2024	0.42	0.41	0.41	0.42	0.41	0.42	0.42	0.43	0.41	0.41	0.41	0.41	5.26
2023												0.38	4.96

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.

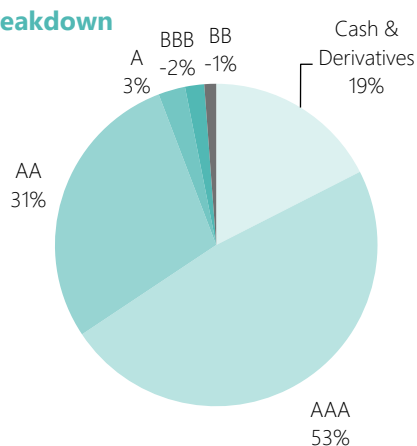
Portfolio Asset Allocation



Top Issuer Exposures

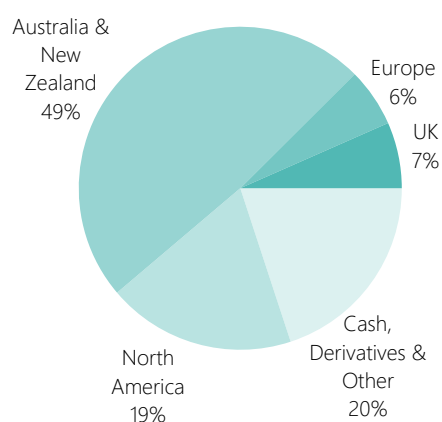
Cppib Capital Inc	4.6%
Auckland Council	3.0%
New South Wales Treasury Corp	3.0%
Province Of Quebec	3.0%
Treasury Corp Victoria	2.8%
Queensland Treasury Corp	2.7%
New Zealand Government	2.5%
Medallion Trust - 2023-2	2.4%
Psp Capital Inc	2.3%
Medallion Trust - 2015-2	1.9%

Credit Rating Breakdown



Interest Rate Duration (yrs)	AUD	USD	EUR	GBP	CAD	NZD	Total
Total	3.71	0.84	0.22	0.68	0.00	0.64	6.09

Regional Breakdown



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Fund Overview

Inception date	01 July 2022
APIR code	CSI0521AU
Benchmark	50% Bloomberg Ausbond Composite Bond Index and 50% Bloomberg Ausbond Bank Bill Index
Performance objective	To exceed the Benchmark (cash) by 1.5% p.a. over rolling three-year periods
Suggested investment time frame	Medium term, minimum 3 years
Investment universe	Global credit and fixed interest markets, including but not limited to, investment grade securities, asset backed securities, capital securities and derivatives.
Credit quality	Minimum exposure of 90% to investment grade rated securities
Interest rate exposure	Actively managed
Currency	AUD Hedged, between 95% and 105% of NAV
Tail risk management	Ongoing tail risk hedging strategy in place. The Investment Manager will use a small proportion of Fund yield to purchase options to protect the portfolio.
Fund documentation	Information memorandum for Wholesale Investors. Contact us for Product Disclosure Statement class

Fund Overview (Cont.)

Fund features

- The Fund is a diversified multi-sector credit strategy with a focus on providing investors with steady monthly income from an actively managed portfolio of fixed income securities with a focus on downside protection.
- Actively managed Fund with the flexibility to change the credit exposures to suit market conditions across the credit cycle.
- Access to global investment opportunities
- Diversified sources of income across many countries, industries, companies and investment types
- Unique asset classes with specialist expertise
- Regular monthly distributions
- Daily unit pricing

Pricing and Fees

Unit frequency pricing	Daily
Management fee (Class A)	0.35%
Recoverable expenses	0.05% p.a. estimate
Buy/sell spread ¹	+0.100%/-0.100%
Minimum initial investment	A\$10,000

¹ 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.

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

Joshua Poi
 Business Development Manager
 Bentham Asset Management
 Tel: +61 414 891 430
 Email: Joshua.poi@benthamam.com

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

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

Fund Administration: Fidante Partners Investor Services on 13 51 53 or info@fidante.com.au

Advisers: Please contact funds@benthamam.com

Institutional Investors / Consultants / Researchers: institutional@benthamam.com

Website: www.benthamam.com

This material has been prepared by Bentham Asset Management ABN 92 140 833 674 AFSL 356199 (Bentham), the investment manager of Bentham Defensive Income Fund (Fund). Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante) is a member of the Challenger Limited group of companies (**Challenger Group**) and is the responsible entity of the Fund. Other than information which is identified as sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this material, including any statements of opinion.

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