

Engagement & Stewardship Policy - Bentham

Introduction and Scope

Bentham Asset Management is a specialist global credit investment manager. Our investment management philosophy is based on a strong credit culture and a systematic investment process, focused on preservation of principal and protection against downside risk.

The following Engagement Policy is applicable across all Bentham's funds. These funds provide exposure to domestic and global public and private credit and fixed income markets, including Senior Secured Loans, High Yield Bonds, Bank Capital Securities and Asset Backed Securities. Bentham's engagement is focussed on companies that are within our coverage universe.

Purpose

Engagement with issuers aims to promote practices that improve long-term investment value for our investors. Engagement with issuers is conducted on an ongoing basis, is tailored to the characteristics of the relevant holding, and may be undertaken with management, the Board, or other relevant parties. Engagement may be undertaken directly by Bentham, engagement service providers or via Industry groups. Bentham may proactively engage with issuers on ESG themes or to resolve concerns as they arise.

Bentham's engagement forms part ESG assessment which is integrated within our investment research process. Engagement is conducted by our investment analyst team as part of the overall investment assessment. We believe this considered and informed process provides for better engagement with issuers and therefore more effective stewardship.

Alignment with stewardship principles and codes:

As part of Bentham's commitment to active ownership, Bentham is a signatory to the Principles for Responsible Investment (PRI). The PRI is the overarching framework of our ESG philosophy and as such, we commit to the following principles that relate to engagement:

PRI Principle	Bentham Approach
We will seek appropriate disclosure on ESG issues from entities in which we invest.	Bentham actively engages issuers on relevant ESG issues. Engagement is supported by the Bentham ESG matrix which highlights potential ESG issues on a sector basis. The matrix provides analysts with standard questions which can be used in management discussions.
We will promote acceptance and implementation of the Principles within the investment industry.	Bentham engages with issuers in a considered manner with a focus on ESG relevant risks. The considered approach improves engagement and assists with the acceptance of the PRI principals.
We will work to enhance our effectiveness in implementing the Principles.	Bentham actively engages market participants on relevant ESG related issues.

Our commitment to PRI is to seek to be active owners, which is demonstrated through our engagement activities across our portfolio of investee companies.

How do we engage?

Bentham actively engages with issuers on a broad range of issues relating to the credit quality of the issuer, including ESG issues.

Our engagement is generally confidential as we believe this is in the best interest of our investors. Any engagement is generally undertaken by our Credit Analyst team as part of our integrated approach to ESG and overall investment process. Our Analysts are best positioned to assess the ESG risks for the issuer and industry and to determine the type of engagement required.

Methods of engagement

Bentham's engagement is via direct company meetings, direct company communications, participation in industry conferences, meetings during deal roadshows and via industry bodies.

For company specific issues the engagement is generally confidential.

Escalation strategies:

Escalation Strategies include:

- Engagement with alternate senior management.
- May raise concerns on public investor calls (preference is to remain confidential in engagement)
- Confidentially reduce holdings / don't participate in the specific deal
- Confidentially sell holding.

We believe this considered approach improves management engagement on issues of concern. This approach may help in minimising transaction costs if a sell order is recommended.

Collaborative engagement

Collaborative engagement activity for Bentham would generally focus on industry wide policy or regulations. Engagement would be via our involvement with major industry groups such as the FSC (Financial Services Council), Responsible Investment Association Australasia (RIAA) or AIMA (Alternative Investment Management Association).

Reporting

Engagement activity is maintained on a central register and by the assigned credit analyst as part of the investment process. Case study reporting is available to clients.

Conflicts of interest

Bentham's Conflict of Interest policy ensures that any actual, potential and/or perceived conflict of interest that may arise both between itself and its clients, a staff member and a client, and between clients are identified, prevented, or managed and disclosed in the best interests of clients. This Policy sits within our Governance Risk and Compliance (GRC) Framework and the Bentham Compliance Manager is responsible for ensuring adherence with this conflicts policy.