Ares Diversified Credit Fund

ARSN 644 797 599 APIR Code HOW7354AU

ASIC Benchmarks and Disclosure Principles Report
25 February 2025

This ASIC Benchmarks and Disclosure Principles Report (**Benchmark Report** or **Report**) provides specific information in relation to the Ares Diversified Credit Fund (ARSN 644 797 599) (**Fund**) which is issued by Fidante Partners Limited (ABN 94 002 835 592) (AFSL 234668) (Fidante, **we, us, Responsible Entity, RE**). Ares Australia Management Pty Limited (AAM or the Manager) is the investment manager of the Fund. This Benchmark Report provides additional information to, and forms part of, the PDS. Ares Capital Management II LLC (**Ares Capital**) has been appointed by AAM as the sub-adviser of the Fund. The term 'Ares', where utilised in this Benchmark Report, refers to each of AAM and/or Ares Capital, as appropriate.

We recommend that you read this Benchmark Report before making an investment decision. A copy of the PDS, including this Benchmark Report, for the Fund is available from www.fidante.com, and a copy of any updated Benchmark Report or PDS will be given to you on request, without charge, by calling the Fidante Investor Services Team on 1300 721 637. This Benchmark Report may be updated periodically and non-materially adverse information may be updated at www.fidante.com.

Capitalised terms used in this Benchmark Report which are not expressly defined in this Report have the meanings given to them in the PDS.

In this report, where we refer to the Fund's investments we generally do so on a 'look through' basis; that is, we are referring to the underlying assets that the Fund is exposed to through its investment in the Underlying Fund.

ASIC Benchmarks and Disclosure Principles

The ASIC Benchmarks and Disclosure Principles are aimed at assisting investors to understand the risks of investing in funds that meet certain criteria under 'ASIC Regulatory Guide 240: Hedge funds: Improving disclosure' and whether such investments are suitable for them.

The ASIC Benchmarks and Disclosure Principles covered in this Benchmark Report are as follows:

Benchmark 1: Valuation of assets

This benchmark addresses whether valuations of the Fund's non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.

This benchmark is met as the Responsible Entity has in place a policy to ensure valuations of the non-exchange traded assets will be provided by an independent external provider.

For additional information in relation to the valuation of assets, please refer 'How unit prices are calculated' in the Fund's PDS.

Benchmark 2: Periodic reporting

This benchmark sets out information that investors should likely be aware of, on a periodic basis.

This benchmark is met as the RE has a policy in place to provide detailed quarterly updates on the Fund's holdings as follows.

The following information will be included in the Fund's periodic report:

- the actual allocation to each asset type;
- the liquidity profile of the portfolio of assets as at the end of the relevant period;
- the maturity profile of any liabilities at the end of the relevant period;
- the leverage ratio (including leverage embedded in the assets of the Fund, other than listed equities and bonds) at the end of the relevant period;
- details on the derivative counterparties engaged;
- the monthly or annual investment returns over at least a five-year period, or since inception if less than five years; and
- any changes to key service providers since any previous report given to investors, including any change in any related party status.

The Fund's latest report will be available on the Fidante website.

On a monthly basis, the following information will be made available on the Fidante website.

- the current total net asset value (NAV) of the Fund and the redemption value of a unit as at the date the NAV was calculated. For further information on how the NAV of the Fund is calculated, please refer to 'How unit prices are calculated' in the Fund's PDS;
- any changes in key service providers or their related party status;
- any material change in the Fund's risk profile, strategy and investment team; and
- the net return on the Fund's assets after fees, costs and taxes.

Disclosure Principle 1: Investment strategy

This disclosure principle is intended to ensure that investors are made aware of the details of the investment strategy for the Fund (on a look through basis), including the type of strategy, how it works in practice, and how risks are managed.

Investment strategy	The Fund, via its investment in the Underlying Fund, seeks to employ an opportunistic, dynamic and unconstrained global credit investments strategy based on absolute and relative value considerations and its analysis of credit markets. It seeks risk-adjusted returns over full market cycles by creating and managing a portfolio with balanced exposures to multiple industry sectors and geographic regions, systematically allocating capital across multiple segments of the global fixed-income markets, including U.S. and non-U.S. credit instruments. The Underlying Fund intends to invests primarily in a portfolio of directly originated loans, secured floating and fixed rate Syndicated Loans, Corporate Bonds, asset-backed securities, commercial real estate loans and other types of credit instruments, which, under normal circumstances, will represent at least 80% of the Underlying Fund's managed assets. Other "credit instruments" may include commercial real estate mezzanine loans, real estate mortgages, distressed securities, notes, bills, debentures, bank loans, convertible and preferred securities, government and municipal obligations. The Underlying Fund may also invest in foreign instruments and illiquid and restricted securities. The key features of the investment strategy include: **Opportunistic, Flexible, Unconstrained Credit Investments Strategy:** The Advisers intend to employ an opportunistic, flexible and unconstrained global credit investments strategy based on absolute and relative value considerations and their analysis of the credit markets. **Relative Value Focus:** A primary driver of the Underlying Fund's investment strategy will be a relative value focus whereby the Advisers seek to identify market dislocations. **Access to Ares Transaction Flow:** The Advisers intend to benefit from the market presence, scale, infrastructure and demonstrated investment experience of Ares to gain access to transaction flow and a broad set of investment opportunities across the non-investment grade credit spectrum.

Investment strategy (continued)	**Active Monitoring and Investing, with Bottom-Up and Top-Down Credit Analysis by Deep and Experienced Team:** The Advisers will actively construct and manage a portfolio of credit investments and, as necessary, periodically rebalance the Underlying Fund's allocation of assets among different types of credit investments utilising the Advisers' strategies to seek to optimise the Underlying Fund's allocation to achieve the Underlying Fund's investment objective under the market conditions existing at such time.
Asset allocation	The Fund is authorised to hold shares in the Underlying Fund, cash and foreign currency exchange hedging instruments. The Fund gains exposure to various investment markets and asset classes by investing into the Underlying Fund.
Investment universe and Portfolio construction	The Underlying Fund invests primarily in those countries where creditors' rights are protected by law, such as countries in North America and Western Europe, although in select situations the Underlying Fund may invest in securities of issuers domiciled elsewhere. The geographic areas of focus are subject to change from time to time and may be changed without notice. There is no minimum or maximum limit on the amount of the Underlying Fund's assets that may be invested in non-U.S. securities. The Underlying Fund's portfolio will predominantly consist of a combination of the following types of investments, including Direct lending, Syndicated Loans, Corporate Bonds, structured credit, stressed investments, commercial real estate loans. Other investment strategies may also be employed such as in commercial real estate mezzanine loans, real estate mortgages, distressed securities, notes, bills, debentures, bank loans, convertible and preferred securities, government and municipal obligations and other credit instruments with similar economic characteristics.
Currency strategy	The Fund intends to implement a currency hedging strategy to minimise the effects of foreign currency on both the income and capital value of the Fund. The Fund may use currency exchange forwards to implement the hedge strategy in order to hedge the impact between the Australian Dollar and the U.S. Dollar. In respect of the income and capital value of the Fund, it is intended that hedges will be implemented on a staggered basis with varying maturity dates. Commitments arising from the hedging strategy will aim to be met through redeeming shares in the Underlying Fund or available cash. If required, the settlement of losses may be deferred by capitalising and rolling the loss into another hedge. It is proposed that the hedging arrangements will be entered into on behalf of the Fund by Ares Capital in its capacity as sub-adviser of the Fund as part of its investment management services provided to the Fund.
Leverage	While Ares will not generally borrow on behalf of the Fund to invest, the Fund may enter into borrowing arrangements for the purposes of satisfying margining requirements or funding obligations in connection with its use of derivatives for foreign exchange hedging purposes. The borrowing arrangement will be utilised to fund any hedging costs that cannot be satisfied while awaiting withdrawal proceeds from the Underlying Fund. It is expected that any borrowing arrangement will not exceed more than 20% of the overall size of the net asset value of the Fund when entered into. The Underlying Fund's use of borrowing and derivatives may cause the nominal investment exposure of the Underlying Fund to exceed 100% of the value of the Underlying Fund's assets. Under the terms of the Underlying Fund, leverage is restricted to 33.33% of the market value of the Underlying Fund's total assets. The Underlying Fund may obtain leverage by issuing preferred shares and/or notes and it may also borrow funds from banks and other financial institutions. The leverage in the Underlying Fund is continually monitored by its Advisers to ensure it is in accordance with the Underlying Fund's investment objective and within the prescribed threshold.
Derivatives	While the Fund does not short sell, the Underlying Fund has the ability to short sell.

Risk management	Significant risks of the Fund are outlined under 'Risks of managed investment schemes' in the PDS. The primary risks of the Fund include: • Counterparty Risk: The Fund and the Underlying Fund are, to a certain extent, reliant on external providers in connection with its operation and investment activities. There is a risk with these arrangements that the other party to a contract (such as derivatives contract, physical security or foreign exchange contract trade) may fail to perform its contractual obligations either in whole or part. In such circumstances, any collateral lodged with counterparties related to these derivatives may also be at risk. This may result in the investment activities of the Fund being adversely affected. • Liquidity and withdrawal risk: the Fund, by virtue of its investment in the Underlying Fund is exposed to assets that are not readily liquid. Whilst for the purposes of the Corporations Act, the Fund is liquid as at the date of this PDS, the Underlying Fund may not always be able to readily dispose of its investments to meet withdrawal requests. This means that there may be circumstances where the Responsible Entity is not always able to redeem all or a portion of its investment in the Underlying Fund, which may restrict your ability to withdraw from the Fund. There is no right to withdraw from the Fund and the Responsible Entity may reject redemption requests from investors in the Fund. • Feeder fund risk: the Fund will invest substantially all of its assets in the Underlying Fund. The success and returns of the Fund are wholly dependent on the performance of the Underlying Fund and its investments. The Responsible Entity does not operate the Underlying Fund nor its investments. • Credit Risk: The risk that the issuer of the fixed interest security (i.e. direct loan, asset backed security, corporate debt, corporate loan or derivative counterparty) is unable or unwilling to make interest and/or capital repayments in full and/or on time, or may not meet other financial obligations. Fixed income securities are subject to legal, political, macro-economic, industry and business risks which may lead to a loss of capital or interest payments. Losses may be complete or partial and may occur at any time depending on the extent of financial deterioration, the position of the fixed income security in the capital structure of the issuer or whether the fixed income security has security of assets in the case of default. • Currency & Hedging Risk: Ares on behalf of the Fund adopts currency hedging strategies in an aim to reduce, or remove completely, the impact of these currency movements on the value of the investment. However, it should be noted that such hedging strategies could also reduce the potential for increased gains where the value of that currency increases relative to the Australian dollar. Further, there is also a risk that if the hedging is not implemented accurately or effectively, the Fund could be exposed to currency fluctuations. There can be no assurance that the Fund will be hedged at all times or that Ares will be successful at employing the hedging strategies. • Gearing Risk: The use of borrowed money or gearing within the Underlying Fund will increase investment exposure and can magnify the potential gains and losses from investments and increase the volatility of the Underlying Fund's total return. Gearing also increases the risk of the Underlying Fund not meeting the financial obligations of the borrowing, including but not limited to the cost of the borrowing and refinancing risk. Risk management is embedded in the investment process. Risk is managed by diversification across the number of holdings, single position sizes, sector and country exposure limits as well as continuous portfolio monitoring to minimise unintended risks; and portfolio level risk controls.
Changes to investment policy	The Constitution permits a wide range of investments and gives us, as Responsible Entity, broad investment powers. We may change the investment manager and/or vary the investment objectives, strategies, benchmarks, asset allocation ranges and processes of the Fund. We will give unitholders written notice of any material variation which we believe they would not have reasonably expected.

Disclosure Principle 2: Investment manager

This disclosure principle is intended to ensure that investors have the necessary information about the people responsible for managing the Fund's investments, as well as the arrangement between the Responsible Entity and any investment manager.

As Responsible Entity of the Fund, Fidante has appointed AAM as the investment manager of the Fund to invest and manage the Fund's portfolio. Ares Capital Management II LLC (Ares Capital) has been appointed by AAM as the sub-adviser of the Fund.

Key information on the investment team of the Underlying Fund, including details on their qualifications, commercial experience and time spent executing the Underlying Fund's investment strategy is provided in the tables below.

Name	Mitch Goldstein
Title	Partner, Co-Head of Ares Credit Group, Ares Management
Year joined	2005
Responsibilities	Mitch is responsible for overseeing the investment process, risk management and management of the portfolios.
Investment Experience	30 years of industry experience
Educational and professional qualifications	Mr. Goldstein is a Partner and Co-Head of the Ares Credit Group. He serves on the Ares Operating Committee. Additionally, he serves as Director and Co-Chairman of Ares Capital Corporation ("ARCC") and Vice President, interested trustee and Portfolio Manager of CION Ares Diversified Credit Fund ("CADEX"). He is a member of Ares Credit Group's U.S. Direct Lending, Commercial Finance, Pathfinder and the Ivy Hill Asset Management Investment Committees, the Ares Infrastructure Debt Investment Committee, and the Ares Asia Direct Lending (Australia) Investment Committee. Prior to joining Ares Management in May 2005, Mr. Goldstein worked at Credit Suisse First Boston, where he was a Managing Director in the Financial Sponsors Group. At CSFB, Mr. Goldstein was responsible for providing investment banking services to private equity funds and hedge funds with a focus on M&A and restructurings as well as capital raisings, including high yield, bank debt, mezzanine debt, and IPOs. Mr. Goldstein joined CSFB in 2000 at the completion of the merger with Donaldson, Lufkin & Jenrette. From 1998 to 2000, Mr. Goldstein was at Indosuez Capital, where he was a member of the Investment Committee and a Principal, responsible for originating, structuring and executing leveraged transactions across a broad range of products and asset classes. From 1993 to 1998, Mr. Goldstein worked at Bankers Trust. He also serves on the Board of Managers of Ivy Hill Asset Management GP, LLC. Mr. Goldstein graduated summa cum laude from the State University of New York at Binghamton with a B.S. in Accounting and received an M.B.A. from Columbia University's Graduate School of Business.
Portion of time devoted to executing investment strategy	85%

Name	Greg Margolies
Title	Partner, Ares Management
Year joined	2009
Responsibilities	Greg is responsible for overseeing the investment process, risk management and management of the portfolios.
Investment Experience	36 years of industry experience
Educational and professional qualifications	Mr. Margolies is a Partner in the Ares Credit Group. Mr. Margolies serves as a member of the Ares Credit Group's Opportunistic Credit Investment Committees and is on the Board of Directors of the Ares Charitable Foundation. Prior to joining Ares in 2009, Mr. Margolies served as a Managing Director and Global Head of Leveraged Finance and Capital Commitments at Merrill Lynch & Co. and was a member of the Executive Committee for Merrill Lynch's Global Investment Banking Group. Previously, Mr. Margolies was Co-Head of the DB Capital Mezzanine Fund. Mr. Margolies serves on the Board of Directors for the International Organization for Women and Development, the Advisory Council for University of Michigan's Life Science Institute and is a member of the University of Michigan's Provost's Advisory Committee. Mr. Margolies holds a B.A. from the University of Michigan in International Economics and Finance and an M.B.A. from the University of Pennsylvania Wharton School of Business.
Portion of time devoted to executing investment strategy	85%

Name	Michael Smith
Title	Partner, Co-Head of Ares Credit Group, Ares Management
Year joined	2004
Responsibilities	Michael is responsible for overseeing the investment process, risk management and management of the portfolios.
Investment Experience	31 years of industry experience
Educational and professional qualifications	Mr. Smith is a Partner and Co-Head of the Ares Credit Group and Portfolio Manager of CION Ares Diversified Credit Fund ("CADEX"). He also serves on the Ares Operating Committee. Additionally, he serves as a Director and Co-Chairman of Ares Capital Corporation ("ARCC") and previously served as Co-President of Ares Capital Corporation from July 2014 to October 2022 and Executive Vice President from May 2013 to July 2014. He is a member of the Ares Credit Group's U.S. Direct Lending, Opportunistic Credit and Commercial Finance Investment Committees, the Ivy Hill Asset Management Investment Committee, the Ares Secondaries Group's Private Equity Investment Committee, and the Ares Infrastructure Group's Infrastructure Opportunities, Climate Infrastructure Partners and Infrastructure Debt Investment Committees. Prior to joining Ares in 2004, Mr. Smith was a Partner at RBC Capital Partners, a division of Royal Bank of Canada, which led the firm's middle market financing and principal investment business. Previously, Mr. Smith worked at Indosuez Capital in their Merchant Banking Group, Kenter, Glastris & Company, and at Salomon Brothers Inc, in their Debt Capital Markets Group and Financial Institutions Group. Mr. Smith serves on the Board of Directors of the University of Notre Dame's Wilson Sheehan Lab for Economic Opportunity (LEO), which helps service providers apply scientific evaluation methods to better understand and share effective poverty interventions. Mr. Smith received a B.S. in Business Administration from the University of Notre Dame and a Masters in Management from Northwestern University's Kellogg Graduate School of Management.
Portion of time devoted to executing investment strategy	85%

Termination of the investment manager's appointment

As RE of the Fund, Fidante is entitled to terminate the investment manager's appointment in writing, with a minimum 20 business days' written notice. The circumstances in which an investment manager may be terminated include where the investment manager is in liquidation, ceases to carry on or sells its investment management business, breaches the investment management agreement, or if the investment manager ceases to be licensed under the relevant law. Termination of an investment manager may not impact the accrual of management fees and expenses during the period of termination.

Disclosure Principle 3: Fund structure

This disclosure principle is intended to ensure that the investment structures, the relationships between entities in the structure, fees and other costs payable to the Responsible Entity and investment manager, jurisdictions involved, the due diligence performed on underlying funds, and the related party relationships within the structure are explained.

The Fund's investment structure

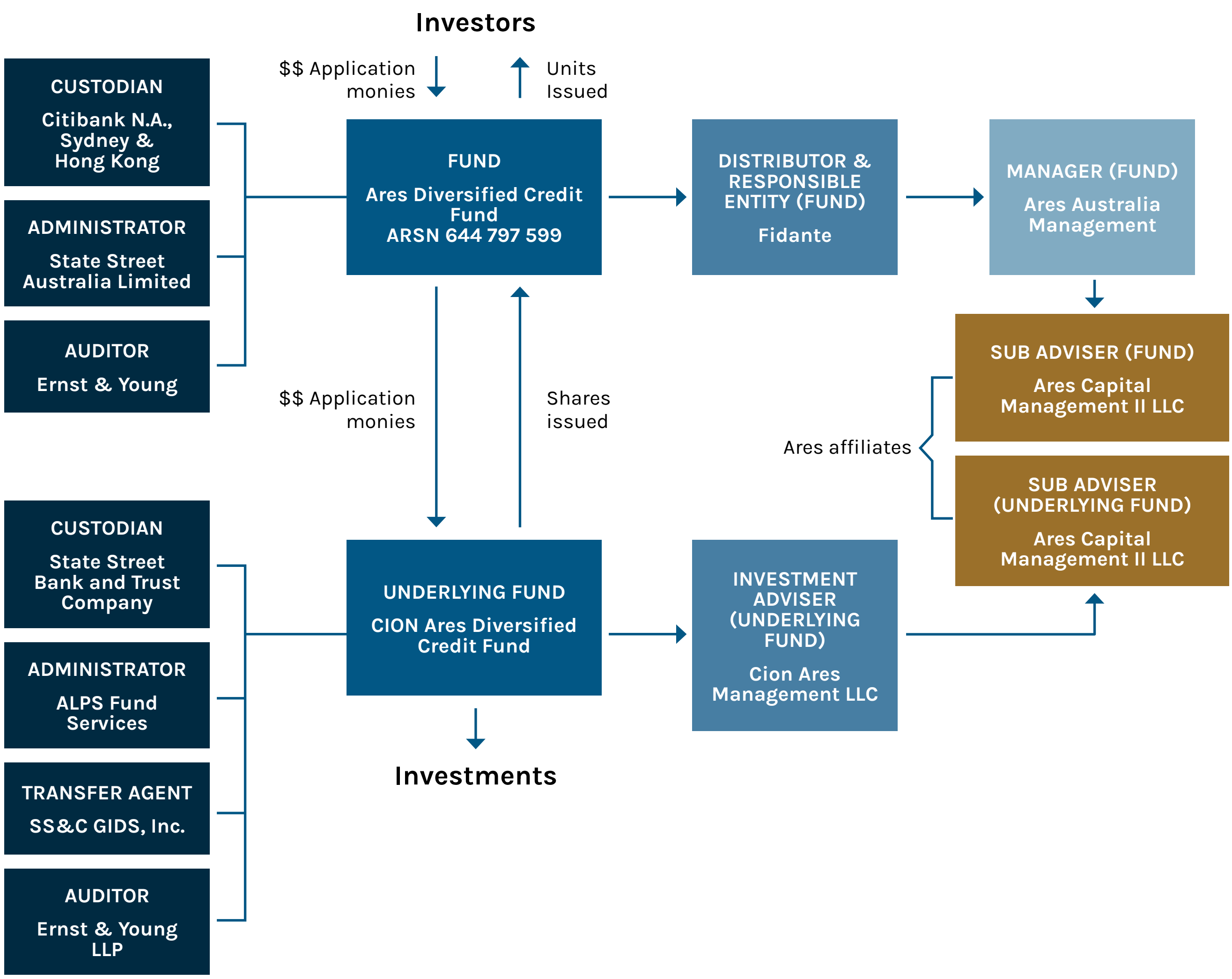
The Fund is an unlisted open-ended Australian unit trust, registered with ASIC as a managed investment scheme under the Corporations Act.

The diagram below shows the key entities involved in the Fund, their relationship to each other, their roles and the flow of investment money through the Fund as at the date of this report.

Underlying Fund

The Fund gains its investment exposure by investing in the CION Ares Diversified Credit Fund (Underlying Fund), cash and foreign currency exchange hedging instruments. In this report, where we refer to the Fund's investments we generally do so on a 'look through' basis; that is, we are referring to the underlying assets that the Fund is exposed to through its investment in the Underlying Fund

The Underlying Fund is a U.S. Delaware statutory trust registered under the Investment Company Act of 1940, as a diversified, closed-end management investment company (Regulated Investment Company). The Underlying Fund is a continuously-offered unlisted closed-end interval fund.



The key service providers of the Fund are outlined below.

Key service providers	Role	Scope of services	Jurisdiction
Ares Australia Management Pty Limited (ABN 51 636 490 732)	Investment manager of the Fund	AAM is the investment manager of the Fund and responsible for all aspects of the investment management of the Fund. AAM is entitled to receive a management fee and performance fee (if applicable) for its management of the portfolio. For further information on AAM, please refer to About the Manager in the Fund's PDS.	Australia
Fidante Partners Limited (ABN 94 002 835 592, AFSL 234668)	Responsible Entity	A wholly owned subsidiary of Challenger Limited and responsible entity of the Fund, Fidante will issue units in the Fund and is legally responsible to the unitholders of the Fund for its operation.	Australia
State Street Australia Limited (SSAL)	Fund Administrator	As Fund Administrator, SSAL provides the following services: trade import management, fund valuation and reconciliations; performance and attribution; fund accounting; distribution calculations and financial accounts.	Australia
Ares Capital Management II LLC	Sub-Adviser	Ares Capital Management II LLC has been appointed as sub-adviser of the Fund and the Underlying Fund.	United States of America
Boardroom Pty Limited (ABN 14 003 209 836)	Fund Registry	Boardroom Pty Limited (Boardroom) is responsible for maintaining the register of unitholders, which includes all details of an investor's account and investments. The registry provider is responsible for sending all correspondence related to unitholders investments as well as providing customer service support.	Australia
Citibank N.A., Sydney & Hong Kong	Custodian	Citibank N.A., Hong Kong Branch (Citi) has been appointed by the Responsible Entity as the custodian for the Fund's USD denominated cash, while Citibank Sydney has been appointed to hold the Funds AUD denominated cash.	Australia & Hong Kong
Ernst & Young (ABN 75 288 172 749)	Auditor	Ernst & Young is the registered auditor for the Fund. The auditor's role is to provide an audit of the financial statements and compliance plan of the Fund each year, as well as performing a half- yearly review (if required), and to provide an opinion on the financial statements.	Australia

The Responsible Entity has entered into separate agreements with each direct service provider which sets out the terms and conditions of the relationship, as well as the consequences of any breaches to the terms of that relationship. The Responsible Entity has agreements in place with each direct service provider for the provision of certain reporting obligations and adopts the following procedures to ensure compliance with these arrangements:

- The Responsible Entity monitors the services provided by Citi as custodian, State Street as administrator and Boardroom as registry provider through its day-to-day dealings with the service providers.
- Ernst & Young provides audit services for the Fund's full-year statutory accounts and compliance plan as well as half-year opinions for half-year accounts (if applicable). Ernst & Young's services are conducted in accordance with the Corporations Act 2001 (Cth), including auditing standards as revised by the Auditing and Assurances Standards Board.

The key service providers of the Underlying Fund are outlined below.

Key service providers	Role	Scope of services	Jurisdiction
CION Ares Management LLC	Investment adviser of the Underlying Fund	CION Ares Management LLC (**CAM**) is the investment adviser of the Underlying Fund and responsible for all aspects of the investment management of the Underlying Fund.	United States of America
State Street Bank and Trust Company	Custodian	State Street Bank and Trust Company has been appointed as custodian to provide safekeeping services in respect of the Underlying Fund assets and to ensure an effective and proper monitoring of the Underlying Fund's cash flows.	United States of America
ALPS Fund Services	Administrator	ALPS Fund Services acts as the central administrator for the Underlying Fund. The Administrator is responsible for, among other things, providing administrative assistance in accounting, legal, compliance, and operations of the Underlying Fund.	United States of America
SS&C GIDS, Inc.	Distribution paying agent Transfer agency Registrar	SS&C GIDS, Inc. acts as distribution paying agent, transfer agent and registrar for the Underlying Fund.	United States of America
Ernst & Young LLP	Auditor	Ernst & Young LLP is an independent public accounting firm.	United States of America

Due diligence performed on the Underlying Fund

The Responsible Entity looked at historic performance information, engaged with Ares to assess the Underlying Fund's investment strategy and process, and reviewed documentation associated with that fund and its strategy, in determining whether the Underlying Fund was an appropriate investment for the Fund.

Jurisdictions involved with the Fund structure

The Fund is an Australian registered managed investment scheme registered with ASIC. Fidante Partners Limited, the Responsible Entity of the Fund, is domiciled in Australia with its principal place of business in Sydney. AAM is domiciled in Australia, Ares Capital is domiciled in the United States of America and Citi is domiciled in Australia and Hong Kong. All other service providers for the Fund are domiciled in Australia.

The Underlying Fund is domiciled in the United States of America. All key service providers associated with the Underlying Fund are domiciled in the United States of America.

Related party relationships

We may enter into transactions with, and use the service of, any of our related entities. Such arrangements will be based on arm's length commercial terms. We, or any of our related entities, or any director, officer or employee of any of them may invest in the Fund.

All current material arrangements in place with the Fund have been made on arm's length terms.

Key risks of the Fund structure

The key risks to the Fund's structure are counterparty risk, currency & hedging risk, fund risk and liquidity & withdrawal risk. For further information on these risks please refer to 'Disclosure principle 1: Investment strategy' in this report and 'Risks of managed investment schemes' in the Fund's PDS.

Disclosure Principle 4: Valuation, location, and custody of assets

This disclosure principle is intended to ensure that the Responsible Entity of the Fund discloses the types of assets held, where they are located, how they are valued and the details of any custodial arrangements.

Valuation policy of the Fund

The Fund's assets are shares in the Underlying Fund and cash and foreign currency exchange hedging instruments. The Fund's assets and liabilities are usually valued each NSW business day, based on the NAV of the Underlying Fund. Cash is valued at recoverable value. Generally, for unit pricing purposes, liabilities are valued at cost. Liabilities also include an accrual for management costs and for costs (if any) that an investor would ordinarily incur when investing in the Fund's underlying assets.

Any income entitlements, cash at bank, and any amounts of Goods and Services Tax (GST) recoverable from the Fund from the Australian Taxation Office (ATO) are also included in asset values used to calculate the investment and withdrawal unit price.

For more information, refer to 'How unit prices are calculated' in the Fund's PDS.

Asset allocation of the Fund

The strategic asset allocation ranges of the Fund are provided in Disclosure Principle 1: Investment Strategy.

Custodial arrangements of the Fund

Citi has been appointed by the Responsible Entity as the custodian for the Fund. The custodian provides custodial services to the Fund and is responsible for the safekeeping of the assets of the Fund. As custodian of the assets of the Fund, Citi has no independent discretion with respect to the holding of assets and is subject to performance standards. The assets of the Fund are held in custody by the custodian, located globally.

The custodian of the Underlying Fund is the State Street Bank and Trust Company.

Disclosure Principle 5: Liquidity

This disclosure principle is intended to ensure that investors are made aware of the Fund's ability to realise its assets in a timely manner and the risks of illiquid classes of assets.

Due to the illiquid nature of the Underlying Fund's investments, the Fund's direct investments in the Underlying Fund (which comprises substantially all of the fund's assets) cannot reasonably be expected to be realised at the value ascribed to them in calculating the Fund's most recent NAV, within 10 calendar days.

The Underlying Fund is an 'interval fund', a type of fund which, to provide some liquidity to its shareholders, makes quarterly offers to repurchase between 5% and 25% of its outstanding shares at NAV. For more information, refer to 'Disclosure Principle 9: Withdrawals' in this report.

The Underlying Fund may not be able to readily dispose of its investments at prices that approximate those at which the Underlying Fund could sell the investments if they were more widely traded and, as a result of that illiquidity, the Underlying Fund may have to sell other investments or engage in borrowing transactions if necessary to raise cash to meet its obligations. Limited liquidity can also affect the market price of securities, thereby adversely affecting the Underlying Fund's NAV.

Disclosure Principle 6: Leverage

This disclosure principle is intended to ensure that investors are made aware of the maximum anticipated and allowed level of leverage of the Fund (including leverage embedded in the assets of the Fund).

While AAM will not generally borrow on behalf of the Fund to invest, the Fund may enter into borrowing arrangements for the purposes of satisfying margining requirements or funding obligations in connection with its use of derivatives for foreign exchange hedging purposes. The borrowing arrangement will be utilised to fund any hedging costs that cannot be satisfied while awaiting withdrawal proceeds from the Underlying Fund. It is expected that any borrowing arrangement will not exceed more than 20% of the overall size of the net asset value of the Fund when entered into.

The Underlying Fund's use of borrowing and derivatives may cause the nominal investment exposure of the Underlying Fund to exceed 100% of the value of the Underlying Fund's assets. Under the terms of the Underlying Fund, leverage is restricted to 33.33% of the market value of the Underlying Fund's total assets, or 50% of net assets. That is, for every $100 of the Underlying Fund's net asset value, the Underlying Fund may be leveraged up to $150. The actual average amount of leverage used in the Underlying Fund during fiscal year 2023 was 44.57% of net assets. Leverage is used in line with the Underlying Fund objective and target return, this can have both a positive and negative impact on the magnitude of individual strategy returns.

For example, if the leverage of the Underlying Fund was 50% of net assets and the value of the Underlying Fund's assets increased by 10%, the increase in the Underlying Fund's value would be 15%. That is for every, $100 invested in the Underlying Fund, the Underlying Fund would earn $15. Conversely, a fall of 10% in the Underlying Fund's assets would result in a fall of the Underlying Fund's value of 15%. That is, for every $100 invested in the Underlying Fund, the Underlying Fund would lose $15. Please note the above assumptions are for illustrative purposes only and are based on each leveraged position in the portfolio being positively correlated with one another. However, in constructing a diversified portfolio, it is likely that some of the leveraged positions will move in an opposite direction to others and the size of the movement will likely be of a different magnitude.

The Underlying Fund may obtain leverage by issuing preferred shares and/or notes and it may also borrow funds from banks and other financial institutions.

The leverage in the Underlying Fund is continually monitored by its Advisers to ensure it is in accordance with the Underlying Fund's investment objective and within the prescribed threshold. The Fund does not impose any additional policies or restrictions on the leverage of the Underlying Fund.

For more information on how the Fund's uses leverage, refer to 'Disclosure principle 1: Investment strategy' in this report and 'Borrowings of the Fund' and 'Gearing and leverage' in the Fund's PDS.

Disclosure Principle 7: Derivatives

This disclosure principle is intended to ensure that investors are made aware of the purpose and types of derivatives used by the Responsible Entity or investment manager, and the associated risks. The term derivative is used to describe any financial product that has a value that is derived from another security, liability or index.

The Fund and the Underlying Fund may at times invest in or obtain exposure to derivatives, such as futures and options, foreign exchange forwards and swaps. The Fund will primarily use derivatives to hedge currency exposures. The use of derivatives may expose the Fund to certain risks. Please refer to 'Currency strategy', 'Derivative risk' and 'Currency risk' in the PDS for more information.

Derivatives may be used to implement investment decisions (including hedging), managing the duration of the Fund, and as a risk management tool (such as managing the effect of interest rates or foreign currency movements). They may also be used to adjust or implement investment decisions and to gain, or avoid, exposure to a particular market rather than purchasing physical assets.

The Underlying Fund will use derivatives in seeking to achieve its investment objective or for other reasons, such as cash management, financing activities or to hedge its positions.

Accordingly, derivatives may be used in limited instances as a form of leverage or to seek to returns, including speculation on changes in credit spreads, interest rates or other characteristics of the market, individual securities or groups of securities. The use of derivatives may cause the nominal investment exposure of the Underlying Fund to exceed 100% of the value of assets. The Fund does not impose any additional policies or restrictions on the use of derivatives by the Underlying Fund.

The main risks to the Fund as a consequence of dealing in derivatives are counterparty risk and derivative risk (including the risks relating to the collateral requirements of derivative instruments). For more information, refer to 'Disclosure Principle 1: Investment strategy' and 'Disclosure Principle 7: Derivatives' in this report and 'Risks of managed investment schemes' in the Fund's PDS.

Disclosure Principle 8: Short selling

This disclosure principle is intended to ensure that investors are made aware of how short selling may be used as part of the investment strategy, and of the associated risks and costs of short selling.

The Fund does not permit short selling.

The Underlying Fund has the ability to use short selling. Examples of how the Underlying Fund may use short selling include: to reduce the risk in a particular sector by short selling a credit index; and taking a position in a single name credit default swap.

The main risk to the Fund as a result of short selling is if the Underlying Fund incorrectly predicts that the price of the borrowed security will decline, the Underlying Fund will have to replace the securities with securities with a greater value than the amount received from the sale. As a result, losses from short sales differ from losses that could be incurred from a purchase of a security because losses from short sales may be unlimited, whereas losses from purchases can equal only the total amount invested. The Underlying Fund takes short positions in a risk appropriate manner with risk analysis conducted prior to any new strategy being implemented and diversification benefits explored on the overall portfolio level.

Disclosure Principle 9: Withdrawals

This disclosure principle ensures that investors are made aware of the circumstances in which the Fund allows withdrawals and how these might change.

Generally, you can withdraw quarterly, in line with the quarterly repurchase offer of the Underlying Fund, which is outlined below.

The Underlying Fund offers a share repurchase program whereby it makes quarterly offers to repurchase between 5% and 25% of its outstanding shares at NAV (**Repurchase Offer**). In connection with any given Repurchase Offer, we expect the Underlying Fund will offer to repurchase only the minimum amount of 5% of its outstanding shares. Repurchase Offers by the Underlying Fund occur in the months of March, June, September and December.

As a result, the Fund's withdrawal requests are generally processed quarterly (**Withdrawal Period**). Withdrawal requests must be received by the Responsible Entity no later than 3.00pm (Sydney time) on the last NSW business day of a quarter for processing in the next quarter (**Withdrawal Request Deadline**).

These withdrawal provisions will apply while the Fund is liquid as defined in the Corporations Act. If the Fund at any time is not liquid, you may only withdraw when we make an offer to withdraw to all investors, as required by the Corporations Act.

Refer to 'Additional information about withdrawing' and 'Withdrawal risk' in the Fund's PDS for more information.

Direct Investors

Direct Investors can request a withdrawal by lodging a Fidante Withdrawal Request Form or in writing. A withdrawal request, either in whole or in part, once received by us may not be withdrawn without our agreement. Withdrawals can only be made to an Australian bank account held in your name.

Indirect Investors

Indirect Investors must complete the withdrawal documentation required by the platform operator.

All Investors

Withdrawals from the Fund are not currently funded by an external liquidity facility.

In the event there are any material changes to withdrawal rights, investors will be notified of these changes in writing as soon as practicable.

Contact details

Phone	Fidante Investor Services Team on 1300 721 637 or +612 8023 5428 from outside Australia between 8.15am to 5.30pm (Sydney time)
Email	info@fidante.com.au
Mail	Fidante GPO Box 3993 Sydney NSW 2001. For any complaints please address to the 'Complaints & Disputes Resolution Officer.'
Website	www.fidante.com

This document is issued by Fidante Partners Limited (ABN 94 002 835 592) (AFSL 234668). The ultimate parent of Fidante is Challenger Limited (ABN 85 106 842 371).

This document contains general information. In preparing the information contained in this ASIC Benchmarks and Disclosure Principles Report, we did not take into account your particular investment objectives, financial situation, or needs. As investors' needs and aspirations differ you should consider whether investing in the Fund is appropriate for you in light of your particular needs, objectives and financial circumstances. You may also wish to obtain independent advice, particularly about individual matters such as taxation, retirement planning and investment risk tolerance.

Consents

Ares Capital has provided its consent to the statements about it, the Underlying Fund and the service providers of the Underlying Fund in the form and context in which they are included. AAM has provided consents to the statements about it in the form and context in which they are included. Ares Capital and AAM are not responsible for the issue of this Report, nor are they responsible for any particular part of this Report, other than the parts that refer to them. Ares Capital and AAM have not withdrawn their consent before the date of this Report.

SSAL, Boardroom, Citi and Ernst & Young, have each provided their consent to the statements about them in the form and context in which they were included. They are not responsible for the issue of this Report, nor are they responsible for any particular part of this Report, other than the parts that refer to each of them. They have not withdrawn their consent before the date of this Report.

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