

Bentham Asset Management Managed Trusts

Annual Financial Report for the

Year Ended 30 June 2023

This annual financial report covers the following Bentham Asset Management Pty Limited managed Trusts as individual entities:

Bentham Global Income Fund NZD

ARSN 165 696 417

Bentham Syndicated Loan Fund NZD

ARSN 165 696 300

Bentham Global Opportunities Fund

ARSN 623 308 841

Bentham Asset Backed Securities Fund

ARSN 622 644 866

Bentham Defensive Income Fund

ARSN 649 969 540

The Responsible Entity of the above mentioned Trusts is Fidante Partners Limited (ABN 94 002 835 592) (AFSL 234 668).

The registered office of the Responsible Entity is Level 2, 5 Martin Place, Sydney NSW 2000.

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Directors' report

The Directors of Fidante Partners Limited, the Responsible Entity of the below listed Trusts (the Trusts), present their report together with the annual general purpose financial reports for the Trusts for the year ended 30 June 2023.

- Bentham Global Income Fund NZD
- Bentham Syndicated Loan Fund NZD
- Bentham Global Opportunities Fund
- Bentham Asset Backed Securities Fund
- Bentham Defensive Income Fund

The Trusts are Australian Registered Managed Investment Schemes. Fidante Partners Limited, the Responsible Entity of the Trusts, is incorporated and domiciled in Australia. The registered office of the Responsible Entity is Level 2, 5 Martin Place, Sydney NSW 2000.

Directors

The following persons held office as Directors of Fidante Partners Limited during the year and up to the date of this report, unless otherwise stated:

A Bofinger	Director	
J Coomer	Director	(Resigned 26 June 2023)
R Grimes	Director	(Resigned 22 November 2022)
A Judin	Director	(Appointed 13 July 2023)
J O'Keeffe	Director	
V Rodriguez	Director	(Appointed 9 December 2022)
T Roxburgh	Director	(Appointed 13 July 2023)
Y Sodhi	Director	(Resigned 30 May 2023)

Principal activities and significant changes in the state of affairs

The Asset Manager of the Trusts is Bentham Asset Management Pty Limited (the Asset Manager).

Directors' report (continued)

The principal activity of the Trusts during the year was to invest in accordance with the provisions of the Trusts' governing documents. The individual investment strategies of the above mentioned Trusts are:

Trust name	Principal activity
Bentham Global Income Fund NZD	The Trust invests in unlisted unit trusts and derivatives. The unlisted unit trust is the Bentham Global Income Fund (the underlying trust).
Bentham Syndicated Loan Fund NZD	The Trust invests in unlisted unit trusts and derivatives. The unlisted unit trust is the Bentham Syndicated Loan Fund (the underlying trust).
Bentham Global Opportunities Fund	The Trust invests in global credit markets and adding value through actively managing allocations across different credit sectors, adapting the Trust's credit exposure to suit market conditions across the credit cycle.
Bentham Asset Backed Securities Fund	The Trust invests in global securitised credit securities, derivatives and cash equivalents.
Bentham Defensive Income Fund	The Trust invests in different credit sectors and trades in individual securities while managing its interest and currency risk.

On 1 July 2022, the first units were issued for Bentham Defensive Income Fund Class A.

There were no other significant changes in the nature of the Trusts' activities or to the state of affairs of the Trusts during the year.

Operating and financial review

The results of the operations of the Trusts for the year include the distributions paid and payable on a cents per unit (CPU) basis. The CPU represents the distribution paid by the Trusts to unitholders for each individual unit held in the Trusts.

The table below shows historical discrete annual return performance of the Trusts for the past two years. Performance is calculated after all fees, except any entry fees that have been deducted, and assumes that all distributions were reinvested during that year. The total return is the aggregate of capital growth and distribution of income.

The Indirect Cost Ratio (ICRs) represent the annualised percentage of indirect costs incurred by the Trusts over the Trusts' average net assets attributable to unitholders for the year.

Directors' report (continued)

The results of the Trusts were as follows:

	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
For the year ended 30 June								
Net profit/(loss) before finance costs for the year attributable to unitholders	3,158	(1,053)	3,262	(1,294)	18,473	3,478	6,033	(2,967)
Distributions paid and payable	9,262	3,082	3,735	2,138	44,769	19,932	7,699	3,434

	Bentham Defensive Income Fund 2 June 2021 to 30 June 2022	
	2023 \$'000	2022 \$'000
For the year ended 30 June		
Net profit/(loss) before finance costs for the year attributable to unitholders	311	(1,559)
Distributions paid and payable	1,756	2,299

	Bentham Global Income Fund NZD Class A		Bentham Syndicated Loan Fund NZD Class A		Bentham Global Opportunities Fund Class F		Bentham Global Opportunities Fund Class I	
	2023	2022	2023	2022	2023	2022	2023	2022
For the year ended 30 June								
Capital growth (%)	(5.38)	(3.33)	(1.26)	(7.05)	(4.43)	(2.43)	(4.87)	(2.92)
Distribution of income (%)	8.19	2.96	9.57	4.20	7.85	3.46	7.82	3.46
Total return (%)	2.81	(0.37)	8.31	(2.85)	3.42	1.03	2.95	0.54
ICR (%)	0.77	0.77	0.84	0.84	0.55	0.55	1.05	1.05
Distributions paid and payable (CPU)	7.62	2.88	7.16	3.56	7.58	3.47	7.38	3.39

Directors' report (continued)

For the year ended 30 June	Bentham Asset Backed Securities Fund Class F		Bentham Asset Backed Securities Fund Class I		Bentham Defensive Income Fund Class A		Bentham Defensive Income Fund Class I	
	2023	2022	2023	2022	2023	2023	2023	2 June 2021 to 30 June 2022
Capital growth (%)	(0.41)	(4.10)	(0.66)	(4.33)	(3.56)	3.76	(9.57)	
Distribution of income (%)	4.88	2.30	4.89	2.21	4.90	4.96	5.98	
Total return (%)	4.47	(1.80)	4.23	(2.12)	1.34	8.72	(3.59)	
ICR (%)	—	—	0.35	0.35	0.30	0.40	0.40	
Distributions paid and payable (CPU)	4.65	2.31	4.72	2.25	4.92	4.50	6.11	

Class A of Bentham Defensive Income Fund was seeded on 1 July 2022.

The indirect costs can include management costs and other costs as indicated in the Trusts' governing documents. Indirect costs may also include performance fees if permitted by the Trusts' governing documents. These costs are typically deducted from the Trusts' assets rather than paid directly by the unitholders of the Trusts.

Other classes of units not shown above are not subject to performance fees.

Significant events after the balance date

At the date of this financial report, no matter or circumstance has arisen that has affected, or may significantly affect the Trusts' operations, the results of those operations or the Trusts' state of affairs in future financial years, which has not already been reflected in this report.

Likely developments and expected results

At the time the Directors approved this report, they were not aware of any developments likely to have a significant effect upon the operations or the result of the Trusts in subsequent financial years, which have not been adequately dealt with in this report or in the financial report.

The Trusts will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trusts and in accordance with the provisions of the Trusts' Constitutions.

Further information on likely developments in the operations of the Trusts and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trusts.

Directors' report (continued)

Indemnification and insurance of directors and officers

No insurance premiums are paid for out of the assets of the Trusts in regards to insurance cover provided to the officers of Fidante Partners Limited. So long as the officers of Fidante Partners Limited act in accordance with the Trusts' Constitutions and the Corporations Act 2001, the officers remain indemnified out of the assets of the Trusts against losses incurred while acting on behalf of the Trusts. The auditors of the Trusts are in no way indemnified out of the assets of the Trusts.

Fees paid to and interests held in the Trusts by the Responsible Entity or its related entities

Fees paid to the Responsible Entity and its related entities out of the Trusts' assets during the year are disclosed in note 12 to the financial statements.

No fees were paid out of Trusts' assets to the Directors of the Responsible Entity during the year.

Interests in the Trusts held by the Responsible Entity or its related entities as at the end of the financial year are disclosed in note 12 to the financial statements.

Interests in the Trusts

The movement in units on issue in the Trusts during the year is disclosed in note 2 to the financial statements.

Value of Trusts' assets

The value of the Trusts' assets and liabilities are disclosed in the statements of financial position and derived using the basis set out in note 1.2 to the financial statements.

Environmental regulation and performance

The operations of the Trusts are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Single set of financial reports

The Trusts are entities of the kind referred to in ASIC Corporations (Related Scheme Reports) Instrument 2015/839 issued by the Australian Securities and Investments Commission (ASIC) and in accordance with that Instrument, Trusts with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single financial report.

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

Unless otherwise stated, monetary amounts contained in this report and the financial report have been rounded to the nearest \$1,000 under the option available to the Trusts under ASIC Corporations Instrument 2016/191.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9.

Authorisation

Signed in accordance with a resolution of the Directors of the Responsible Entity.

A handwritten signature in black ink, appearing to be 'A Judin', written over a circular stamp or seal.

A Judin
Director

Sydney
15 September 2023



**Building a better
working world**

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Auditor's independence declaration to the directors of Fidante Partners Limited

For the following Bentham Asset Management Managed Trusts (the "Trusts"):

- Bentham Global Income Fund NZD
- Bentham Syndicated Loan Fund NZD
- Bentham Global Opportunities Fund
- Bentham Asset Backed Securities Fund
- Bentham Defensive Income Fund

As lead auditor for the audit of the financial report of the above Trusts for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Rita Da Silva' in a cursive style.

Rita Da Silva
Partner

15 September 2023

Statements of comprehensive income

For the year ended 30 June

	Notes	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income									
Interest income from financial assets measured at fair value through profit or loss		646	200	—	—	105,925	22,748	12,491	2,900
Interest income from financial assets measured at amortised cost		43	1	26	30	2,242	56	444	15
Dividend income		—	—	—	—	31	—	—	—
Distribution income		7,127	3,160	2,992	1,725	27,404	14,757	—	—
Other operating income		853	736	330	399	3,051	3,447	1	—
Net gains/(losses) on financial instruments at fair value through profit or loss		(5,001)	(7,461)	(96)	(4,005)	152,069	223,745	(1,147)	(3,137)
Net foreign exchange gains/(losses)		806	3,105	349	1,010	(181,613)	(239,661)	245	(2,231)
Total net income		4,474	(259)	3,601	(841)	109,109	25,092	12,034	(2,453)
Expenses									
Management costs	12	845	744	329	400	5,583	5,065	144	126
Interest expense from financial assets measured at fair value through profit or loss		447	30	—	14	82,010	15,886	5,752	362
Interest expense from financial assets measured at amortised cost		—	—	—	—	2,483	171	59	20
Transaction costs		—	—	—	—	398	349	42	3
Other expenses		24	20	10	39	162	143	4	3
Total expenses		1,316	794	339	453	90,636	21,614	6,001	514
Net profit/(loss) before finance costs for the year attributable to unitholders		3,158	(1,053)	3,262	(1,294)	18,473	3,478	6,033	(2,967)

Statements of comprehensive income (continued)

For the year ended 30 June

	Notes	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
		2 \$'000	2 \$'000	2 \$'000	2 \$'000	2023 \$'000	2022 \$'000	2 \$'000	2 \$'000
Finance costs attributable to unitholders									
Distributions to unitholders	3	—	—	—	—	(44,769)	(19,932)	(7,699)	(3,434)
Movements in net assets attributable to unitholders	2	—	—	—	—	26,296	16,454	1,666	6,401
Net profit/(loss) after finance costs for the year attributable to unitholders		3,158	(1,053)	3,262	(1,294)	—	—	—	—
Other comprehensive income/(loss) for the year		—	—	—	—	—	—	—	—
Total comprehensive income/(loss) for the		3,158	(1,053)	3,262	(1,294)	—	—	—	—

Statements of comprehensive income (continued)

For the year ended 30 June

		Bentham Defensive Income Fund	
	Notes	2023 \$'000	2 June 2021 to 30 June 2022 \$'000
Income			
Interest income from financial assets measured at fair value through profit or loss		3,254	1,037
Interest income from financial assets measured at amortised cost		151	4
Net gains/(losses) on financial instruments at fair value through profit or loss		(1,120)	(833)
Net foreign exchange gains/(losses)		234	(1,258)
Total net income		2,519	(1,050)
Expenses			
Management costs	12	101	140
Interest expense from financial assets measured at fair value through profit or loss		1,996	253
Interest expense from financial assets measured at amortised cost		8	7
Transaction costs		98	104
Other expenses		5	5
Total expenses		2,208	509
Net profit/(loss) before finance costs for the year attributable to unitholders		311	(1,559)
Finance costs attributable to unitholders			
Distributions to unitholders	3	(1,756)	—
Movements in net assets attributable to unitholders	2	1,445	—
Net profit/(loss) after finance costs for the year attributable to unitholders		—	(1,559)
Other comprehensive income/(loss) for the year		—	—
Total comprehensive income/(loss) for the year attributable to unitholders		—	(1,559)

The statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of financial position

As at 30 June

	Notes	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets									
Cash and cash equivalents	13	2,192	986	2,915	385	35,874	66,393	5,335	8,086
Collateral and margin accounts		—	—	—	—	102,071	60,749	16,467	1,476
Receivables	4	994	885	342	192	44,626	6,689	3,660	644
Financial assets at fair value through profit or loss	5	104,351	108,662	41,388	44,210	558,152	581,761	175,437	141,891
Total assets		107,537	110,533	44,645	44,787	740,723	715,592	200,899	152,097
Liabilities									
Collateral and margin accounts		—	—	—	—	99,267	55,823	4,177	1,218
Distributions payable	3	1,539	309	480	231	10,386	5,211	923	1,090
Payables	8	138	192	33	34	31,986	3,962	1,846	638
Financial liabilities at fair value through profit or loss	6	789	1,497	284	567	84,100	76,313	8,396	5,274
Total liabilities (excluding net assets attributable to unitholders)		2,466	1,998	797	832	225,739	141,309	15,342	8,220
Net assets attributable to unitholders - Equity	2	105,071	108,535	43,848	43,955	—	—	—	—
Net assets attributable to unitholders - Liability	2	—	—	—	—	514,984	574,283	185,557	143,877

Statements of financial position (continued)

As at 30 June

		Bentham Defensive Income Fund	
	Notes	2023 \$'000	2 June 2021 to 30 June 2022 \$'000
Assets			
Cash and cash equivalents	13	1,989	4,170
Collateral and margin accounts		6,348	2,588
Receivables	4	779	252
Financial assets at fair value through profit or loss	5	33,305	31,206
Total assets		42,421	38,216
Liabilities			
Collateral and margin accounts		2,108	689
Distributions payable	3	171	1,836
Payables	8	507	80
Financial liabilities at fair value through profit or loss	6	3,355	1,960
Total liabilities (excluding net assets attributable to unitholders)		6,141	4,565
Net assets attributable to unitholders - Equity	2	—	33,651
Net assets attributable to unitholders - Liability	2	36,280	—

The statements of financial position should be read in conjunction with the accompanying notes.

Statements of changes in unitholder funds

For the year ended 30 June

The following Trusts are single or multi-class respectively classify net assets attributable to unitholders as equity or liability as set out in note 2.

	Notes	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Classification of net assets attributable to unitholders as at 30 June		Equity	Equity	Equity	Equity	Liability	Liability	Liability	Liability
As at 1 July - Opening Balance		108,535	68,919	43,955	51,880	574,283	587,803	143,877	141,328
Applications for units		16,300	58,467	5,719	245	20,423	123,976	47,075	14,912
Units issued upon reinvestment of distributions		2,167	898	3,467	3,068	26,835	14,665	5,883	1,799
Redemptions of units		(17,742)	(12,109)	(9,603)	(6,563)	(80,261)	(135,707)	(9,612)	(7,761)
Distributions paid and payable	3	(9,262)	(3,082)	(3,735)	(2,138)	—	—	—	—
Total comprehensive income/(loss) for the year attributable to unitholders - Equity		3,158	(1,053)	3,262	(1,294)	—	—	—	—
Movement in foreign currency translation reserve - Equity		1,915	(3,505)	783	(1,243)	—	—	—	—
Movements in net assets attributable to unitholders - Liability		—	—	—	—	(26,296)	(16,454)	(1,666)	(6,401)
As at 30 June - Closing Balance	2	105,071	108,535	43,848	43,955	514,984	574,283	185,557	143,877

Statements of changes in unitholder funds (continued)

For the year ended 30 June

		Bentham Defensive Income Fund	
		2023	2 June 2021 to 30 June 2022
	Notes	\$'000	\$'000
Classification of net assets attributable to unitholders as at 30 June		Liability	Equity
Opening Balance		33,651	—
Reclassification from Equity - 1 July 2022		(33,651)	—
Reclassification to Liability - 1 July 2022		33,651	—
Applications for units		3,656	37,069
Units issued upon reinvestment of distributions		3,418	440
Redemptions of units		(3,000)	—
Distributions paid and payable	3	—	(2,299)
Total comprehensive income/(loss) for the year attributable to unitholders - Equity		—	(1,559)
Movements in net assets attributable to unitholders - Liability		(1,445)	—
As at 30 June - Closing Balance	2	36,280	33,651

The statements of changes in unitholder funds should be read in conjunction with the accompanying notes.

Statements of cash flows

For the year ended 30 June

	Notes	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments at fair value through profit or loss		22,412	10,754	12,371	26,810	333,363	384,212	78,874	54,724
Purchase of financial instruments at fair value through profit or loss		(13,843)	(54,699)	(5,770)	(20,638)	(339,910)	(322,828)	(122,383)	(63,775)
Dividends received		—	—	—	—	26	—	—	—
Interest received		693	158	22	37	78,288	19,606	9,932	2,595
Distributions received		—	—	—	—	26,329	—	—	—
Other income received		65	60	24	38	408	356	11	8
Interest paid		(428)	(18)	—	(18)	(56,489)	(13,760)	(4,105)	(266)
Net management costs paid		(81)	(82)	(36)	(52)	(3,072)	(2,142)	(156)	(136)
Other expenses paid		—	—	—	(36)	(403)	(352)	(42)	(2)
Net cash inflows/(outflows) from operating activities	13	8,818	(43,827)	6,611	6,141	38,540	65,092	(37,869)	(6,852)
Cash flows from financing activities									
Proceeds from applications by unitholders		16,376	58,402	5,719	132	20,476	123,923	47,062	14,911
Payments for redemptions by unitholders		(17,815)	(12,025)	(9,603)	(6,563)	(80,261)	(202,934)	(10,112)	(7,266)
Distributions paid		(5,720)	(2,666)	(26)	(10)	(12,759)	(10,027)	(1,983)	(545)
Net cash inflows/(outflows) from financing activities		(7,159)	43,711	(3,910)	(6,441)	(72,544)	(89,038)	34,967	7,100
Net increase/(decrease) in cash and cash equivalents		1,659	(116)	2,701	(300)	(34,004)	(23,946)	(2,902)	248

Statements of cash flows (continued)

For the year ended 30 June

	Notes	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and cash equivalents at the beginning of the year		986	965	385	620	66,393	87,717	8,086	7,842
Effects of exchange rate changes on cash and cash equivalents		(453)	137	(171)	65	3,485	2,622	151	(4)
Cash and cash equivalents at the end of the year	13	2,192	986	2,915	385	35,874	66,393	5,335	8,086

Statements of cash flows (continued)

For the year ended 30 June

		Bentham Defensive Income Fund	
		2 June 2021 to 30 June 2022	
	Notes	2023 \$'000	\$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		15,028	10,392
Purchase of financial instruments at fair value through profit or loss		(19,098)	(43,467)
Interest received		2,878	717
Other income received		6	6
Interest paid		(1,574)	(118)
Net management costs paid		(112)	(139)
Other expenses paid		(101)	(106)
Net cash inflows/(outflows) from operating activities	13	(2,973)	(32,715)
Cash flows from financing activities			
Proceeds from applications by unitholders		3,656	37,069
Payments for redemptions by unitholders		(3,000)	—
Distributions paid		(3)	(23)
Net cash inflows/(outflows) from financing activities		653	37,046
Net increase/(decrease) in cash and cash equivalents		(2,320)	4,331
Cash and cash equivalents at the beginning of the year		4,170	—
Effects of exchange rate changes on cash and cash equivalents		139	(161)
Cash and cash equivalents at the end of the year	13	1,989	4,170

The statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. Basis of preparation and overarching significant accounting policies

These financial statements cover the below listed Trusts (the Trusts) as individual entities. The Trusts are Australian registered managed investment schemes and were constituted on the below dates. The Trusts will terminate on the below dates unless terminated earlier in accordance with the provisions of the Trusts' Constitutions:

Trust name	Constitution date	Termination date
Bentham Global Income Fund NZD	20 September 2013	20 September 2093
Bentham Syndicated Loan Fund NZD	20 September 2013	20 September 2093
Bentham Global Opportunities Fund	8 June 2016	7 June 2096
Bentham Asset Backed Securities Fund	8 June 2016	8 June 2096
Bentham Defensive Income Fund	4 May 2021	3 May 2101

The financial report of the Trusts for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 15 September 2023.

The nature of the operating and principal activities of the Trusts are described in the Directors' report.

1.1. Basis of preparation

Basis of preparation

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Furthermore the financial statements have been prepared on a going concern basis as the Trusts are expected to generate sufficient funds to enable them to pay their debts as and when they fall due.

The Trusts are for-profit entities for the purposes of preparing financial statements.

The statements of financial position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial instruments, and in instances where a Trust treats unitholder funds as a liability, net assets attributable to unitholders. The amounts expected to be recovered or settled beyond twelve months after the end of each reporting period cannot be reliably determined. Bentham Global Income Fund NZD's and Bentham Syndicated Loan Fund NZD's functional currency is New Zealand dollars and all amounts in the financial statements have been converted to the presentation currency in accordance with AASB 121 The Effects of Changes in Foreign Exchange Rates.

1. Basis of preparation and overarching significant accounting policies (continued)

Unless stated otherwise, the financial report is presented in Australian dollars and has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

New accounting standards and interpretations

All new accounting standards that are applicable to the Trusts for the 30 June 2023 reporting period have been adopted and do not have a material impact on the financial statements.

There are no new accounting standards and interpretations that have been issued, but not yet effective, that are material to the financial statements or have been early adopted for the 30 June 2023 reporting period.

Foreign currency

For Bentham Global Income Fund NZD and Bentham Syndicated Loan Fund NZD, items included in these Trusts' financial statements are measured using the currency of the primary economic environment in which it operates (the 'functional currency'). This is the New Zealand dollar, which reflects the currency of the economy in which Bentham Global Income Fund NZD and Bentham Syndicated Loan Fund NZD compete for funds and are regulated. The Australian dollar is the Trusts' presentation currency.

Both the presentation currency and the functional currency of the other Trusts are Australian dollars.

Transactions in foreign currency are translated into the Trusts' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into Australian dollars at the foreign exchange rate ruling at the statements of financial position date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the historical exchange rate as at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated to the functional currency using the exchange rate ruling at the date when the fair value was determined.

Transactions and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Foreign exchange differences arising on translation are recognised in the statements of comprehensive income.

1. Basis of preparation and overarching significant accounting policies (continued)

Comparatives

Bentham Defensive Income Fund was constituted on 4 May 2021, and commenced its operations on 2 June 2021, hence the comparative values cover the period from 2 June 2021 to 30 June 2022, which is for a period of more than 12 months. Hence, the comparative information is not completely comparable.

Where necessary, comparative figures have been reclassified to conform to any changes in presentation made in this financial report.

Rounding of amounts

Unless otherwise stated, monetary amounts contained in this report and the Directors' report have been rounded to the nearest \$1,000 under the option available to the Trusts under Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191.

Including different registered scheme financial reports in a single document

The registered schemes have applied ASIC's Corporations Instrument 2015/839, which allows registered schemes with a common, or related, Responsible Entity to include their financial statements in adjacent columns in a single financial report.

1.2. Summary of significant accounting policies

Investment income and interest expense

Investment income may include net gains or losses from financial instruments. Where applicable, these net gains include all realised and unrealised fair value changes. Any foreign exchange differences, interest, dividends and distributions are recorded as separate line items in the statements of comprehensive income. Where applicable, interest income and interest expense are recognised using the effective interest method, and dividend and distribution income are recognised when the Trusts' right to receive payment is established.

The Trusts have not applied hedge accounting.

Expenses

Expenses are recognised on an accrual basis at the fair value of the consideration paid or payable for services rendered.

Expenses may include management costs, operation costs and transaction costs. Management costs include management fees and recoverable expenses as permitted by the Trusts' governing documents. Expenses may also include performance fees if permitted by the Trusts' governing documents. Expenses are recognised in the statements of comprehensive income.

Taxes

Under the current legislation, the Trusts are not subject to income tax as all assessable income, exempt income and non-assessable income will be attributed to unitholders under the AMIT regime.

1. Basis of preparation and overarching significant accounting policies (continued)

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, the portion of the gain that is subject to capital gains tax will be attributed so that the Trusts are not subject to capital gains tax.

Realised capital losses are not attributed to unitholders but are retained in the Trusts to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is attributed to unitholders.

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

The Trusts currently incur withholding tax on investment income imposed by certain countries. Such income is recorded gross of withholding tax in the statements of comprehensive income.

Goods and services (GST)

The Trusts qualify for Reduced Input Tax Credits (RITC) at various applicable rates.

Revenues, expenses and assets are recognised net of the amount of GST, except when the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statements of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Cash and cash equivalents

Cash and cash equivalents are financial assets with fixed or determinable payments and comprise of cash at bank, cash held with custodian and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are recognised at fair value. For the purposes of the statements of cash flows, cash and cash equivalents are stated net of any outstanding bank overdrafts.

Payments and receipts relating to the purchase and sale of investment securities at fair value are classified as cash flows from operating activities, as movements in the fair value of these securities form a part of the Trusts' income generating activity.

1. Basis of preparation and overarching significant accounting policies (continued)

Collateral and margin accounts

Collateral and margin accounts represent short term investments which are not held for the purpose of meeting short term cash commitments. They may also include restricted deposits for derivative financial instruments and/or for securities sold short. Margin accounts represent cash deposits held by or due to brokers as collateral against open derivative contracts.

Collateral and margin accounts are measured at amortised cost using the effective interest method less any expected credit losses.

Financial instruments

Classification

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition/derecognition

The Trusts recognise financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Trusts have transferred substantially all risks and rewards of ownership.

Measurement

At initial recognition, the Trusts measure financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statements of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are presented in the statements of comprehensive income. For further details on how the fair values of financial instruments are determined please refer to note 11.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are categorised as financial assets - fair value through profit or loss. The classification depends on the definition and the purpose for which the investments were acquired. The classification of investments is determined at initial recognition and evaluated at each reporting date.

1. Basis of preparation and overarching significant accounting policies (continued)

Purchases and sales of financial assets are recognised on the date on which the Trusts commit to purchase or sell the asset. A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Trusts have transferred their rights to receive cash flows from the asset, or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Trusts have:

- Transferred substantially all of the risks and rewards of the asset; or
- Neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Trusts include in this category short-term non-financing receivables including cash collateral posted on derivative contracts, accrued income and other receivables.

Financial liabilities at fair value through profit or loss

The Trusts may make short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or they may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through profit or loss.

Derivative contracts that have a negative fair value are presented as financial liabilities at fair value through profit or loss. Securities subject to repurchase agreements continue to be recognised in the statements of financial position as the risks and rewards of ownership remain within the investment portfolio. Collateral received is classified as 'Repurchase agreement bonds' and are accounted for as financial assets at fair value through profit and loss. Collateral provided is classified as 'Repurchase agreements' and are accounted for as financial liabilities at fair value through profit or loss. The difference between the sale price and the repurchase price is charged to interest expense in the statements of comprehensive income using the effective interest rate method over the expected life of the agreements.

Net assets attributable to unitholders

Units issued by the Trusts are redeemable for cash at the unitholders' option at any time based on the redemption price. The fair value of redeemable units are measured using the redemption unit price at the reporting date if unitholders were to exercise their right to redeem units in the Trusts.

Units are classified as equity when they satisfy the following criteria under AASB 132 Financial Instruments: Presentation (AASB 132):

- the puttable financial instrument entitles the holder to a pro rata share of net assets in the event of the Trusts' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Trusts, and it is not a contract settled in the Trusts' own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss and cannot be guaranteed.

As at 30 June 2023, unitholder funds are classified as equity when they satisfy all the criteria under AASB 132 and as a liability when they do not satisfy all the criteria under AASB 132.

1. Basis of preparation and overarching significant accounting policies (continued)

Use of estimates

The Trusts may hold financial instruments for which quoted market prices are readily available. The Trusts may also hold certain financial instruments, for example over-the-counter derivatives or unquoted securities, that are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Models are calibrated by back testing to actual transactions to ensure that outputs are reliable.

2. Net assets attributable to unitholders

As stipulated in the Trusts' Constitutions, each unit represents a right to an individual share in the respective Trusts and does not extend to a right to the underlying assets of the Trusts.

The number of separate classes of units in the below listed Trusts are as follows.

Trust	Separate classes of units
Bentham Global Income Fund NZD	One
Bentham Syndicated Loan Fund NZD	One
Bentham Global Opportunities Fund	Two
Bentham Asset Backed Securities Fund	Two
Bentham Defensive Income Fund	Two

Each unit in the Trust has the same rights, preferences and restrictions attaching to it as all other units of each respective Trust.

Applications received for units in the Trusts are recorded net of any entry fees payable prior to the issue of units in the Trusts. Redemptions from the Trusts are recorded gross of any exit fees payable after the cancellation of units redeemed.

Income not distributed is included in net assets attributable to unitholders. Where unitholder funds are classified as a liability, movements in net assets attributable to unitholders are recognised in the statements of comprehensive income as finance costs. Where unitholder funds are classified as equity, movements in net assets attributable to unitholders are recognised in the statements of changes in unitholder funds.

Terms and conditions on units

Each unit issued confers upon the unitholder an equal interest in the Trusts, and is of equal value per class. A unit does not confer any interest in any particular asset or investment of the Trusts. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

2. Net assets attributable to unitholders (continued)

- have their units redeemed;
- receive income distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Trusts.

The rights, obligations and restrictions attached to each unit are identical in all respects.

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

Net assets attributable to unitholders	Bentham Global Income Fund NZD Class A		Bentham Syndicated Loan Fund NZD Class A		Bentham Global Opportunities Fund Class F		Bentham Global Opportunities Fund Class I	
	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000
Classification of net assets attributable to unitholders as at 30 June	Equity	Equity	Equity	Equity	Liability	Liability	Liability	Liability
Opening Balance	128,706	108,535	62,985	43,955	86,351	83,042	523,443	491,241
Applications for units	18,907	16,300	8,023	5,719	7,006	7,006	13,989	13,417
Units issued upon reinvestment of distributions	2,540	2,167	4,921	3,467	127	122	28,529	26,713
Redemptions of units	(20,774)	(17,742)	(13,433)	(9,603)	(202)	(197)	(85,538)	(80,064)
Distributions paid and payable	—	(9,262)	—	(3,735)	—	—	—	—
Total comprehensive income/(loss) for the year attributable to unitholders - Equity	—	3,158	—	3,262	—	—	—	—
Movements in foreign currency translation - Equity	—	1,915	—	783	—	—	—	—
Movements in net assets attributable to unitholders - Liability	—	—	—	—	—	(4,188)	—	(22,108)
As at 30 June 2023 - Closing Balance	129,379	105,071	62,496	43,848	93,282	85,785	480,423	429,199

2. Net assets attributable to unitholders (continued)

Net assets attributable to unitholders	Bentham Asset Backed Securities Fund Class F		Bentham Asset Backed Securities Fund Class I		Bentham Defensive Income Fund Class A		Bentham Defensive Income Fund Class I	
	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000
Classification of net assets attributable to unitholders as at 30 June	Liability	Liability	Liability	Liability	Equity	Equity	Liability	Liability
Opening Balance	111,832	106,579	38,527	37,298	—	—	37,479	33,651
Reclassification from Equity - 1 July 2022	—	—	—	—	—	—	(37,479)	(33,651)
Reclassification to Liability - 1 July 2022	—	—	—	—	—	—	37,479	33,651
Applications for units	28,536	27,879	19,594	19,196	580	577	3,412	3,079
Units issued upon reinvestment of distributions	5,978	5,752	134	131	5	5	3,803	3,413
Redemptions of units	—	—	(9,800)	(9,612)	—	—	(3,335)	(3,000)
Distributions paid and payable	—	—	—	—	—	—	—	—
Total comprehensive income/(loss) for the year attributable to unitholders - Equity	—	—	—	—	—	—	—	—
Movements in net assets attributable to unitholders - Liability	—	(1,265)	—	(401)	—	(20)	—	(1,425)
As at 30 June 2023 - Closing Balance	146,346	138,945	48,455	46,612	585	562	41,359	35,718

2. Net assets attributable to unitholders (continued)

Net assets attributable to unitholders	Bentham Global Income Fund NZD Class A		Bentham Syndicated Loan Fund NZD Class A		Bentham Global Opportunities Fund Class F		Bentham Global Opportunities Fund Class I	
	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000
Classification of net assets attributable to unitholders as at 30 June	Equity	Equity	Equity	Equity	Liability	Liability	Liability	Liability
As at 1 July 2021 - Opening Balance	76,757	68,919	67,153	51,880	184,492	182,034	419,287	405,769
Applications for units	64,362	58,467	168	245	179	179	127,828	123,797
Units issued upon reinvestment of distributions	989	898	4,098	3,068	2,284	2,258	12,738	12,407
Redemptions of units	(13,402)	(12,109)	(8,434)	(6,563)	(100,604)	(100,107)	(36,410)	(35,600)
Distributions paid and payable	—	(3,082)	—	(2,138)	—	—	—	—
Total comprehensive income/(loss) for the year attributable to unitholders - Equity	—	(1,053)	—	(1,294)	—	—	—	—
Movements in foreign currency translation - Equity	—	(3,505)	—	(1,243)	—	—	—	—
Movements in net assets attributable to unitholders - Liability	—	—	—	—	—	(1,322)	—	(15,132)
As at 30 June 2022 - Closing Balance	128,706	108,535	62,985	43,955	86,351	83,042	523,443	491,241

2. Net assets attributable to unitholders (continued)

Net assets attributable to unitholders	Bentham Asset Backed Securities Fund Class F		Bentham Asset Backed Securities Fund Class I		Bentham Defensive Income Fund Class I	
	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000
Classification of net assets attributable to unitholders as at 30 June	Liability	Liability	Liability	Liability	Equity	Equity
Opening Balance	110,067	109,468	31,464	31,860	—	—
Applications for units	—	—	14,747	14,912	37,033	37,069
Units issued upon reinvestment of distributions	1,765	1,751	48	48	446	440
Redemptions of units	—	—	(7,732)	(7,761)	—	—
Distributions paid and payable	—	—	—	—	—	(2,299)
Total comprehensive income/(loss) for the year attributable to unitholders - Equity	—	—	—	—	—	(1,559)
Movements in net assets attributable to unitholders - Liability	—	(4,640)	—	(1,761)	—	—
As at 30 June 2022 - Closing Balance	111,832	106,579	38,527	37,298	37,479	33,651

	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Total net assets attributable to unitholders	105,071	108,535	43,848	43,955	514,984	574,283	185,557	143,877

	Bentham Defensive Income Fund	
	2023 \$'000	2 June 2021 to 30 June 2022 \$'000
Total net assets attributable to unitholders	36,280	33,651

On 1 July 2022, the first units were issued for Class A of the Bentham Defensive Income Fund.

2. Net assets attributable to unitholders (continued)

Capital risk management

The Trusts consider their unitholder funds as capital. The amount of unitholder funds can change significantly as the Trusts are subject to applications and redemptions at the discretion of unitholders. Applications and redemptions are reviewed relative to the liquidity of the Trusts' underlying assets by the Responsible Entity. Under the terms of the Trusts' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

Net realised capital losses

At the end of the reporting period, the Trusts had net realised capital losses available to offset against future net realised capital gains. Net realised capital losses are not finalised for taxation purposes, and may change due to calculation adjustment, denial, offset or recoupment and are as follows:

As at 30 June	2023	2022
Net realised capital losses	\$	\$
Bentham Global Income Fund NZD	2,685,589	2,776,444
Bentham Syndicated Loan Fund NZD	1,267,364	2,243,289
Bentham Global Opportunities Fund	4,218,451	2,416,612

Trusts not mentioned above do not have net realised capital losses.

3. Distributions to unitholders

In accordance with the Trusts' Constitutions, the Trusts distribute income adjusted for amounts determined by the Responsible Entity to unitholders by cash or reinvestment. Where unitholder funds are classified as a liability, these distributions are recognised in the statements of comprehensive income as finance costs. Where unitholder funds are classified as equity, these distributions are recognised in the statements of changes in unitholder funds.

The distributions for the year are presented below in dollars ('000) and cents per unit (CPU) for each class.

3. Distributions to unitholders (continued)

Distributions	Bentham Global Income Fund NZD Class A		Bentham Syndicated Loan Fund NZD Class A		Bentham Global Opportunities Fund Class F		Bentham Global Opportunities Fund Class I	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - July 2022	675	0.58	230	0.47	—	—	—	—
Distributions paid - August 2022	686	0.60	234	0.51	—	—	—	—
Distributions paid - September 2022	678	0.53	248	0.53	1,753	1.92	9,902	1.87
Distributions paid - October 2022	680	0.57	262	0.54	—	—	—	—
Distributions paid - November 2022	705	0.57	276	0.56	—	—	—	—
Distributions paid - December 2022	722	0.58	296	0.59	1,748	1.91	9,523	1.86
Distributions paid - January 2023	685	0.57	292	0.59	—	—	—	—
Distributions paid - February 2023	732	0.59	334	0.61	—	—	—	—
Distributions paid - March 2023	728	0.58	356	0.63	1,774	1.90	9,683	1.85
Distributions paid - April 2023	731	0.58	361	0.64	—	—	—	—
Distributions paid - May 2023	701	0.58	366	0.66	—	—	—	—
Distributions payable - June 2023	1,539	1.29	480	0.83	1,730	1.85	8,656	1.80
Total distributions - 30 June 2023	9,262	7.62	3,735	7.16	7,005	7.58	37,764	7.38
Distributions paid - July 2021	190	0.24	170	0.24	—	—	—	—
Distributions paid - August 2021	196	0.24	163	0.26	—	—	—	—
Distributions paid - September 2021	209	0.24	161	0.26	1,518	0.86	3,581	0.84
Distributions paid - October 2021	213	0.24	159	0.27	—	—	—	—
Distributions paid - November 2021	270	0.24	165	0.28	—	—	—	—
Distributions paid - December 2021	271	0.24	178	0.29	1,523	0.86	3,610	0.84
Distributions paid - January 2022	275	0.24	171	0.30	—	—	—	—
Distributions paid - February 2022	287	0.24	176	0.30	—	—	—	—
Distributions paid - March 2022	283	0.24	180	0.31	779	0.88	3,710	0.86
Distributions paid - April 2022	285	0.24	186	0.33	—	—	—	—
Distributions paid - May 2022	294	0.24	198	0.35	—	—	—	—
Distributions payable - June 2022	309	0.24	231	0.37	754	0.87	4,457	0.85
Total distributions - 30 June 2022	3,082	2.88	2,138	3.56	4,574	3.47	15,358	3.39

3. Distributions to unitholders (continued)

Distributions	Bentham Asset Backed Securities Fund Class F		Bentham Asset Backed Securities Fund Class I		Bentham Defensive Income Fund Class A		Bentham Defensive Income Fund Class I	
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - July 2022	281	0.25	103	0.25	—	0.42	136	0.37
Distributions paid - August 2022	327	0.29	121	0.29	—	0.42	137	0.38
Distributions paid - September 2022	364	0.32	134	0.33	—	0.42	137	0.37
Distributions paid - October 2022	418	0.37	158	0.37	—	0.41	135	0.37
Distributions paid - November 2022	436	0.38	170	0.39	—	0.41	135	0.37
Distributions paid - December 2022	453	0.40	181	0.40	—	0.41	137	0.37
Distributions paid - January 2023	457	0.40	179	0.40	—	0.41	149	0.37
Distributions paid - February 2023	485	0.42	188	0.43	—	0.42	153	0.38
Distributions paid - March 2023	501	0.43	190	0.44	—	0.41	152	0.37
Distributions paid - April 2023	567	0.46	205	0.47	—	0.41	153	0.37
Distributions paid - May 2023	635	0.46	223	0.47	2	0.41	159	0.37
Distributions payable - June 2023	691	0.47	232	0.48	2	0.37	169	0.41
Total distributions - 30 June 2023	5,615	4.65	2,084	4.72	4	4.92	1,752	4.50
Distributions paid - July 2021	156	0.14	47	0.14	—	—	39	0.13
Distributions paid - August 2021	162	0.15	49	0.15	—	—	41	0.13
Distributions paid - September 2021	156	0.14	48	0.14	—	—	47	0.13
Distributions paid - October 2021	156	0.14	48	0.14	—	—	39	0.10
Distributions paid - November 2021	157	0.14	56	0.14	—	—	39	0.10
Distributions paid - December 2021	157	0.14	57	0.14	—	—	39	0.10
Distributions paid - January 2022	157	0.14	57	0.14	—	—	39	0.10
Distributions paid - February 2022	158	0.14	57	0.14	—	—	39	0.10
Distributions paid - March 2022	158	0.14	57	0.14	—	—	38	0.10
Distributions paid - April 2022	157	0.14	55	0.14	—	—	38	0.10
Distributions paid - May 2022	176	0.16	63	0.16	—	—	44	0.12
Distributions payable - June 2022	827	0.74	263	0.68	—	—	1,836	4.90
Total distributions - 30 June 2022	2,577	2.31	857	2.25	—	—	2,278	6.11

3. Distributions to unitholders (continued)

	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total distributions paid and payable - 30 June	9,262	3,082	3,735	2,138	44,769	19,932	7,699	3,434
							Bentham Defensive Income Fund	
								2 June 2021 to 30 June 2022
							2023	2022
							\$'000	\$'000
Total distributions paid and payable - 30 June							1,756	2,299

The first units for Bentham Defensive Income Fund Class A were issued on 1 July 2022.

The component of the final distribution for the year which was unpaid at the reporting date is shown in the statements of financial position.

4. Receivables

Receivables may include GST RITC, application monies, interest, dividends, trust distributions and other income accrued and unsettled trade purchases. They are recognised when the right to receive payment is established and are generally recovered within 30 days. The Trusts measure expected credit losses on a 12-month basis. Given the nature of the Trusts' receivables and the limited exposure of the Trusts to credit risk, no material expected credit losses have been recognised.

Amounts recoverable from related entities have no fixed repayment term and are non-interest-bearing.

All receivables are considered current.

4. Receivables (continued)

As at 30 June	Note	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Application for units receivable		88	316	—	—	—	53	14	1
Amounts due from the Responsible Entity	12	68	69	30	31	240	249	—	—
Distributions receivable		579	427	301	154	2,418	1,343	—	—
GST receivable		7	16	6	7	98	89	2	2
Interest receivable		53	57	5	—	34,834	4,955	3,644	641
Outstanding trade settlements		199	—	—	—	7,036	—	—	—
Total receivables		994	885	342	192	44,626	6,689	3,660	644

As at 30 June	Bentham Defensive Income Fund	
	2023 \$'000	2022 \$'000
GST receivable	2	2
Interest receivable	777	250
Total receivables	779	252

5. Financial assets at fair value through profit or loss

As at 30 June	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Derivatives								
Credit default swaps	—	—	—	—	1,527	883	—	—
Cross currency swaps	76	70	—	—	1,013	6,079	—	2,760
Exchange traded options	—	—	—	—	234	2,883	—	—
Forward currency contracts	139	7	69	7	659	1,817	686	151
FX options	—	—	—	—	78	1,222	—	—
Index credit default swaps	—	—	—	—	4,993	7,949	—	—
Interest rate swaps	—	—	—	—	26,414	40,918	1,313	—
Overnight indexed swaps	—	—	—	—	77,839	7,363	—	—
Swaptions	—	—	—	—	—	19,038	—	—
Total return swaps	—	—	—	—	—	57	—	—
Total derivatives	215	77	69	7	112,757	88,209	1,999	2,911
Unlisted unit trusts								
Unlisted unit trusts	104,136	108,585	41,319	44,203	331,915	384,996	—	—
Total unlisted unit trusts	104,136	108,585	41,319	44,203	331,915	384,996	—	—
Debt securities								
Asset-backed securities	—	—	—	—	6,310	8,993	6,931	11,306
Collateralised debt obligations	—	—	—	—	—	—	—	1,347
Collateralised loan obligations	—	—	—	—	16,824	9,210	112,847	100,918
Convertible notes	—	—	—	—	—	430	—	—
Corporate bonds	—	—	—	—	38,613	44,720	—	—
Exchange traded funds	—	—	—	—	6,851	—	—	—
Floating rate notes	—	—	—	—	43,437	10,348	—	—

5. Financial assets at fair value through profit or loss (continued)

As at 30 June	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Debt securities								
Mortgage-backed securities	—	—	—	—	1,445	1,883	53,660	25,409
Repurchase agreements	—	—	—	—	—	32,972	—	—
Total debt securities	—	—	—	—	113,480	108,556	173,438	138,980
Total financial assets at fair value through profit or loss	104,351	108,662	41,388	44,210	558,152	581,761	175,437	141,891

5. Financial assets at fair value through profit or loss (continued)

As at 30 June	Bentham Defensive Income Fund	
	2023 \$'000	2022 \$'000
Derivatives		
Credit default swaps	—	43
Cross currency swaps	—	135
Exchange traded options	6	112
Forward currency contracts	151	299
FX options	5	21
Index credit default swaps	54	242
Interest rate swaps	176	91
Total derivatives	392	943
Debt securities		
Asset-backed securities	1,720	1,589
Collateralised loan obligations	9,661	7,554
Corporate bonds	2,711	5,528
Floating rate notes	5,526	2,022
Mortgage-backed securities	13,295	13,570
Total debt securities	32,913	30,263
Total financial assets at fair value through profit or loss	33,305	31,206

Bentham Global Income Fund NZD's investment in unlisted unit trusts at year end consisted of an investment in Bentham Global Income Fund as disclosed in note 12.

Bentham Syndicated Loan Fund NZD's and Bentham Global Opportunities Fund's investment in unlisted unit trusts at year end consisted of an investment in Bentham Syndicated Loan Fund as disclosed in note 12.

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in notes 10 and 11 respectively.

6. Financial liabilities at fair value through profit or loss

As at 30 June	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Derivatives								
Credit default swaps	—	—	—	—	3,750	5,511	—	—
Cross currency swaps	89	223	—	—	9,661	9,676	4,076	4,660
Exchange traded options	—	—	—	—	55	630	—	—
Forward currency contracts	700	1,274	284	567	2,556	671	278	614
FX options	—	—	—	—	—	121	—	—
Index credit default swaps	—	—	—	—	5,633	6,400	—	—
Interest rate swaps	—	—	—	—	16,985	8,041	2,016	—
Overnight indexed swaps	—	—	—	—	44,749	11,579	2,026	—
Total return swaps	—	—	—	—	711	1,301	—	—
Total derivatives	789	1,497	284	567	84,100	43,930	8,396	5,274
Debt securities								
Repurchase agreements	—	—	—	—	—	32,383	—	—
Total debt securities	—	—	—	—	—	32,383	—	—
Total financial liabilities at fair value through profit or loss	789	1,497	284	567	84,100	76,313	8,396	5,274

6. Financial liabilities at fair value through profit or loss (continued)

As at 30 June	Bentham Defensive Income Fund	
	2023 \$'000	2022 \$'000
Derivatives		
Credit default swaps	11	—
Cross currency swaps	1,487	1,002
Exchange traded options	1	25
Forward currency contracts	364	277
FX options	—	4
Index credit default swaps	88	162
Interest rate swaps	1,098	325
Overnight indexed swaps	306	—
Total return swaps	—	165
Total derivatives	3,355	1,960
Total financial liabilities at fair value through profit or loss	3,355	1,960

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in notes 10 and 11 respectively.

7. Derivative financial instruments

In the normal course of business, the Trusts enter into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Trusts' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Trusts against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and

7. Derivative financial instruments (continued)

- adjusting asset exposures within the parameters set in the investment strategies, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Trusts.

The Trusts hold the following derivative instruments:

Credit default swaps

A credit default swap is a credit derivative used to hedge credit risk or take a position on a basket or credit entity. It is an agreement between two parties whereby one party pays the other a fixed coupon for the specified term of the agreement. The other party makes no payment unless a specified credit event occurs.

Unlike a credit default swap, which is an over-the-counter derivative, an index credit default swap is a standardised credit security.

Forward currency contracts

A forward currency contract is primarily used by the Trusts to hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Trusts agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing market price at the end of each reporting period. The Trusts recognise a gain or loss equal to the change in fair value at the end of each reporting period.

Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. The Trusts are exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

Swaps

Swaps are derivative instruments in which two counter parties agree to exchange one stream of cash flow against another stream. Swaps may include cross currency swaps, equity swaps, FX rate swaps, inflation linked swaps, interest rate swaps, overnight indexed swaps, total return swaps and zero-coupon swaps.

Swaptions

A swaption is an option to enter into an interest rate swap. In exchange for an option premium, the buyer gains the right but not the obligation to enter into a specified swap agreement with the issuer on a specified future date.

Refer to notes 5 and 6 for further information on derivative assets and liabilities.

7. Derivative financial instruments (continued)

An overview of the risk exposures and fair value measurements relating to derivative financial instruments are included in notes 10 and 11 respectively.

8. Payables

Payables represent unsecured non-derivative, non-interest-bearing financial liabilities in respect of goods and services provided to the Trusts prior to the end of the financial year. Payables may include redemptions payable, accrued expenses and unsettled purchases of financial instruments which are unpaid by the Trusts at the reporting date. Amounts are generally paid within 30 days.

Amounts payable to related entities have no fixed repayment term and are non-interest-bearing.

All payables are considered current.

As at 30 June	Notes	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Amounts owing to the Responsible Entity	12	73	75	33	34	471	451	14	12
Redemptions of units payable		31	102	—	—	—	—	—	500
Interest payable		34	15	—	—	31,515	3,511	1,832	126
Total payables		138	192	33	34	31,986	3,962	1,846	638

As at 30 June	Notes	Bentham Defensive Income Fund	
		2023 \$'000	2022 \$'000
Amounts owing to the Responsible Entity	12	10	13
Interest payable		497	67
Total payables		507	80

9. Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. As at 30 June 2023 there are no financial assets and financial liabilities that have been offset in the statements of financial position (2022: \$Nil).

Master netting arrangement – not currently enforceable

The Trusts present the fair value of their derivative financial assets and liabilities on a gross basis in the statements of financial position. Certain derivative financial assets and liabilities are subject to legally enforceable master netting arrangements, such as an International Swaps and Derivatives Association (ISDA) master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

An ISDA agreement does not meet the criteria for offsetting in the statements of financial position as the Trusts do not have any current legally enforceable right to offset recognised amounts. The right to offset is enforceable only on the occurrence of a future event such as a default.

As at 30 June 2023, if these netting arrangements were applied to derivative financial instruments, derivative financial assets and derivative financial liabilities would be as follows:

As at 30 June	Derivative financial assets - netting arrangements		Derivative financial liabilities - netting arrangements	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trust Name				
Bentham Global Income Fund NZD	2	78	576	1,648
Bentham Syndicated Loan Fund NZD	—	—	215	561
Bentham Global Opportunities Fund	42,724	49,528	14,066	5,248
Bentham Defensive Income Fund	5	241	2,968	1,259

Refer to notes 5 and 6 for further details on derivative financial instruments presented on a gross basis.

10. Financial risk management

Overview

The Trusts activities can expose the Trusts to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

10. Financial risk management (continued)

The Trusts' overall risk management program focuses on ensuring compliance with the Trusts' governing documents and seeks to maximise the returns derived for the level of risk to which the Trusts are exposed. The Trusts may use derivative financial instruments to alter certain risk exposures. The Responsible Entity is responsible for identifying the financial risks that arise from these financial instruments and for ensuring there are mechanisms in place to manage these risks.

The allocation of assets between the various types of financial instruments are determined by the Trusts' Asset Manager who manages the Trusts' assets to achieve the Trusts' investment objectives.

Divergence from target allocations and the composition of the assets are monitored on a regular basis.

The Responsible Entity has a Risk Management Strategy in place for managing risk and the key elements of the Risk Management Framework (RMF). The risks covered by the RMF include, but are not limited to, financial risks, for example: market, investment, pricing risks, funding, liquidity and counterparty risk; as well as regulatory, strategic and operational risks. The key elements for managing these risks include:

- Documented policies and procedures;
- Post trade investment compliance monitoring by teams not involved in the dealing and investment management activity;
- Segregation of the dealing and investment management function from the investment administration and settlement function;
- Independently sourced valuations for securities;
- A risk and compliance team and Responsible Entity management team with separate reporting lines;
- Clearly defined reporting lines and accountability for managing risks;
- Clearly defined responsibility for maintaining the RMF and monitoring compliance with it; and
- Oversight of risk management activity and the risk profile of the business by the Board of the Responsible Entity and various risk and compliance and committees that the Responsible Entity, and its ultimate parent, have established.

As part of its Risk Management Strategy, the Trusts may use derivatives including exchange traded derivatives, to manage exposures resulting from changes in index prices, equity risks and exposures arising from forecast transactions.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk includes (amongst others) three types of risk: interest rate risk (due to fluctuations in interest rates), currency risk (due to fluctuations in foreign exchange rates), and equity price risk (due to fluctuations in market prices).

The Trusts are exposed to market risks influencing investment valuations. The Trusts may utilise derivatives to manage this risk.

Price risk

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

10. Financial risk management (continued)

The summarised sensitivity analysis section below sets out how this component of price risk is managed and measured. Investments are classified in the statements of financial position at fair value through profit or loss.

All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

As the majority of the Trusts' investments are carried at fair value with fair value changes through profit or loss, changes in market conditions will directly affect net investment income.

The Asset Manager mitigates this price risk through diversification and a rigorous selection of securities and other financial instruments within specified limits as disclosed in the Trusts' governing documents. Price risk mainly arises from the possible change in the fair value of the Trusts' equity holdings. Price risk sensitivity on the Trusts' equity holdings are disclosed in the summarised sensitivity analysis section of this note. The analysis assumes the price of these investments increased/decreased by 10% (2022: 10%).

Daily monitoring of trade restrictions and derivative exposure against limits is undertaken with any breach of these limit restrictions reported in accordance with the RMF.

Foreign exchange risk

Trusts that invest in international assets are exposed to foreign exchange risk. Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Asset Manager may enter into derivatives contracts (such as forwards, swaps, options and futures) through approved foreign exchange dealers to minimise risk. However, the use of these contracts must be consistent with the investment strategies and restrictions of the Trusts, and agreed acceptable level of foreign exchange risk.

The Trusts hold both monetary and non monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

The Trusts also enter into forward currency contracts principally to hedge the foreign exchange risk implicit in the value of the portfolio securities denominated in foreign currencies and to secure a particular exchange rate for a planned purchase or sale of securities. The term of these contracts rarely exceeds 12 months and may not necessarily indicate the total effect on the Trusts' net assets attributable to unitholders of future movements in foreign exchange rates.

The Trusts' underlying investments include foreign currency fixed interest securities. To manage foreign exchange risk, the Trusts may be fully or partially hedged back to Australian dollars as outlined in the Trusts' governing documents.

The table below summarises the Trusts' exposure to foreign exchange risk. Bentham Global Opportunities Fund holds investments in foreign currencies other than those noted in the table, which have been grouped under the 'other' heading. These investments relate to amounts held in JPY and NOK, which are individually immaterial to the financial statements.

Trusts not included in the tables below do not have significant exposure to foreign exchange risk.

10. Financial risk management (continued)**Bentham Global Income Fund NZD**

As at 30 June 2023

	AUD A\$'000	NZD A\$'000	USD A\$'000	Total A\$'000
Assets				
Cash and cash equivalents	972	1,211	9	2,192
Receivables	983	11	—	994
Financial assets at fair value through profit or loss	104,275	76	—	104,351
Total assets	106,230	1,298	9	107,537
Liabilities				
Distributions payable	1,539	—	—	1,539
Payables	130	8	—	138
Financial liabilities at fair value through profit or loss	364	425	—	789
Total liabilities	2,033	433	—	2,466
Net assets attributable to unitholders	104,197	865	9	105,071

10. Financial risk management (continued)**Bentham Global Income Fund NZD**

As at 30 June 2022

	AUD A\$'000	NZD A\$'000	USD A\$'000	Total A\$'000
Assets				
Cash and cash equivalents	95	883	8	986
Receivables	865	20	—	885
Financial assets at fair value through profit or loss	108,592	70	—	108,662
Total assets	109,552	973	8	110,533
Liabilities				
Distributions payable	309	—	—	309
Payables	183	9	—	192
Financial liabilities at fair value through profit or loss	339	1,158	—	1,497
Total liabilities	831	1,167	—	1,998
Net assets attributable to unitholders	108,721	(194)	8	108,535

10. Financial risk management (continued)**Bentham Syndicated Loan Fund NZD**

As at 30 June 2023

	AUD A\$'000	USD A\$'000	NZD A\$'000	Total A\$'000
Assets				
Cash and cash equivalents	1,324	13	1,578	2,915
Receivables	342	—	—	342
Financial assets at fair value through profit or loss	41,388	—	—	41,388
Total assets	43,054	13	1,578	44,645
Liabilities				
Distributions payable	480	—	—	480
Payables	33	—	—	33
Financial liabilities at fair value through profit or loss	167	—	117	284
Total liabilities	680	—	117	797
Net assets attributable to unitholders	42,374	13	1,461	43,848

10. Financial risk management (continued)**Bentham Syndicated Loan Fund NZD**

As at 30 June 2022

	AUD A\$'000	USD A\$'000	NZD A\$'000	Total A\$'000
Assets				
Cash and cash equivalents	92	7	286	385
Receivables	192	—	—	192
Financial assets at fair value through profit or loss	44,210	—	—	44,210
Total assets	44,494	7	286	44,787
Liabilities				
Distributions payable	231	—	—	231
Payables	34	—	—	34
Financial liabilities at fair value through profit or loss	480	—	87	567
Total liabilities	745	—	87	832
Net assets attributable to unitholders	43,749	7	199	43,955

10. Financial risk management (continued)

Bentham Global Opportunities Fund

As at 30 June 2023

	AUD A\$'000	USD A\$'000	EUR A\$'000	GBP A\$'000	NZD A\$'000	CAD A\$'000	OTHER A\$'000	Total A\$'000
Assets								
Cash and cash equivalents	14,706	5,437	13,945	697	691	397	1	35,874
Collateral and margin accounts	45,607	47,083	6,894	971	1,516	—	—	102,071
Receivables	15,767	14,523	2,696	8,375	3,265	—	—	44,626
Financial assets at fair value through profit or loss	352,407	127,632	42,870	33,480	1,763	—	—	558,152
Total assets	428,487	194,675	66,405	43,523	7,235	397	1	740,723
Liabilities								
Collateral and margin accounts	—	70,026	9,851	16,140	2,840	410	—	99,267
Distributions payable	10,386	—	—	—	—	—	—	10,386
Payables	6,060	15,528	1,052	6,543	2,803	—	—	31,986
Financial liabilities at fair value through profit or loss	16,237	47,390	3,658	13,019	3,796	—	—	84,100
Total liabilities	32,683	132,944	14,561	35,702	9,439	410	—	225,739
Net assets attributable to unitholders	395,804	61,731	51,844	7,821	(2,204)	(13)	1	514,984

10. Financial risk management (continued)

Bentham Global Opportunities Fund As at 30 June 2022

	AUD A\$'000	USD A\$'000	EUR A\$'000	GBP A\$'000	NZD A\$'000	CAD A\$'000	OTHER A\$'000	Total A\$'000
Assets								
Cash and cash equivalents	55,717	849	5,964	3,097	765	—	1	66,393
Collateral and margin accounts	10,136	28,984	14,043	7,586	—	—	—	60,749
Receivables	3,691	2,323	454	221	—	—	—	6,689
Financial assets at fair value through profit or loss	423,706	82,914	45,077	30,042	22	—	—	581,761
Total assets	493,250	115,070	65,538	40,946	787	—	1	715,592
Liabilities								
Collateral and margin accounts	17,606	23,156	6,784	8,277	—	—	—	55,823
Distributions payable	5,211	—	—	—	—	—	—	5,211
Payables	1,496	2,374	42	50	—	—	—	3,962
Financial liabilities at fair value through profit or loss	25,040	26,508	10,716	13,504	545	—	—	76,313
Total liabilities	49,353	52,038	17,542	21,831	545	—	—	141,309
Net assets attributable to unitholders	443,897	63,032	47,996	19,115	242	—	1	574,283

10. Financial risk management (continued)

Bentham Asset Backed Securities Fund

As at 30 June 2023

	AUD A\$'000	USD A\$'000	EUR A\$'000	GBP A\$'000	NZD A\$'000	Total A\$'000
Assets						
Cash and cash equivalents	1,986	982	467	1,889	11	5,335
Collateral and margin accounts	3,914	9,413	220	2,022	898	16,467
Receivables	1,128	1,103	574	285	570	3,660
Financial assets at fair value through profit or loss	40,451	73,583	45,361	16,042	—	175,437
Total assets	47,479	85,081	46,622	20,238	1,479	200,899
Liabilities						
Collateral and margin accounts	434	529	—	2,018	1,196	4,177
Distributions payable	923	—	—	—	—	923
Payables	939	241	82	194	390	1,846
Financial liabilities at fair value through profit or loss	1,132	3,874	240	2,060	1,090	8,396
Total liabilities	3,428	4,644	322	4,272	2,676	15,342
Net assets attributable to unitholders	44,051	80,437	46,300	15,966	(1,197)	185,557

10. Financial risk management (continued)**Bentham Asset Backed Securities Fund**

As at 30 June 2022

	AUD A\$'000	USD A\$'000	EUR A\$'000	GBP A\$'000	NZD A\$'000	Total A\$'000
Assets						
Cash and cash equivalents	2,079	1,907	1,065	3,035	—	8,086
Collateral and margin accounts	1,193	106	177	—	—	1,476
Receivables	52	408	159	25	—	644
Financial assets at fair value through profit or loss	16,030	74,548	38,488	12,825	—	141,891
Total assets	19,354	76,969	39,889	15,885	—	152,097
Liabilities						
Collateral and margin accounts	835	383	—	—	—	1,218
Distributions payable	1,090	—	—	—	—	1,090
Payables	558	77	—	3	—	638
Financial liabilities at fair value through profit or loss	3,060	2,018	196	—	—	5,274
Total liabilities	5,543	2,478	196	3	—	8,220
Net assets attributable to unitholders	13,811	74,491	39,693	15,882	—	143,877

10. Financial risk management (continued)

Bentham Defensive Income Fund

As at 30 June 2023

	AUD A\$'000	USD A\$'000	GBP A\$'000	EUR A\$'000	NZD A\$'000	CAD A\$'000	Total A\$'000
Assets							
Cash and cash equivalents	515	591	498	378	6	1	1,989
Collateral and margin accounts	2,192	2,915	651	384	206	—	6,348
Receivables	266	189	100	92	132	—	779
Financial assets at fair value through profit or loss	11,086	7,867	7,658	6,694	—	—	33,305
Total assets	14,059	11,562	8,907	7,548	344	1	42,421
Liabilities							
Collateral and margin accounts	1,200	5	309	317	277	—	2,108
Distributions payable	171	—	—	—	—	—	171
Payables	264	109	44	1	89	—	507
Financial liabilities at fair value through profit or loss	1,162	1,531	334	76	252	—	3,355
Total liabilities	2,797	1,645	687	394	618	—	6,141
Net assets attributable to unitholders	11,262	9,917	8,220	7,154	(274)	1	36,280

10. Financial risk management (continued)

Bentham Defensive Income Fund

For the period 2 June 2021 to 30 June 2022

	AUD A\$'000	USD A\$'000	GBP A\$'000	EUR A\$'000	NZD A\$'000	CAD A\$'000	Total A\$'000
Assets							
Cash and cash equivalents	1,216	1,184	455	809	—	506	4,170
Collateral and margin accounts	401	1,618	103	283	—	183	2,588
Receivables	136	55	18	41	—	2	252
Financial assets at fair value through profit or loss	10,426	6,887	7,447	6,327	—	119	31,206
Total assets	12,179	9,744	8,023	7,460	—	810	38,216
Liabilities							
Collateral and margin accounts	607	—	—	82	—	—	689
Distributions payable	1,836	—	—	—	—	—	1,836
Payables	62	15	—	3	—	—	80
Financial liabilities at fair value through profit or loss	1,063	446	—	451	—	—	1,960
Total liabilities	3,568	461	—	536	—	—	4,565
Net assets attributable to unitholders	8,611	9,283	8,023	6,924	—	810	33,651

The table in the summarised sensitivity analysis section of this note summarises the sensitivities of the Trusts' financial instruments to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened or strengthened by 10% (2022: 10%) against the material foreign currencies to which the Trusts are exposed.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Trusts have established limits on the total interest rate exposure, which are monitored on a daily basis. The Trusts may use derivatives to hedge unexpected increases in interest rates.

The summarised sensitivity analysis section of this note demonstrates the sensitivity of the Trusts' net profit to possible changes in interest rates, with all other variables held constant. The analysis is based on the assumptions that interest rates increased by 100 bps (2022: 100 bps) or decreased by 100 bps (2022: 100 bps).

10. Financial risk management (continued)

The sensitivity of the statements of comprehensive income is the effect of the assumed changes in interest rates on:

- the interest income for one year, based on the floating rate financial assets held at 30 June 2023; and
- changes in the fair value of investments for the year based on revaluing fixed rate financial assets at 30 June 2023.

Summarised sensitivity analysis

The following table summarises the sensitivity of the Trusts' net profit and net assets attributable to unitholders to applicable market risks. The possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, foreign exchange rates and market prices. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Trusts invest. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

Bentham Global Income Fund NZD

	Impact on net profit/Net assets attributable to unitholders											
	Price risk		Interest rate risk				Foreign exchange risk					
	-10%	+10%	-100bps	+100bps	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%
	AUD	AUD	AUD	AUD	AUD	AUD	USD	USD	EUR	EUR	GBP	GBP
A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
30 June 2023	(24)	24	7,649	(7,649)	(526)	526	624	(624)	(11)	11	(18)	18
30 June 2022	21	281	6,797	(6,604)	(218)	304	243	(148)	5	(5)	10	(10)

	Impact on net profit/Net assets attributable to unitholders	
	Foreign exchange risk	
	-10%	+10%
	OTHER	OTHER
A\$'000	A\$'000	
30 June 2023	—	—
30 June 2022	8	(8)

10. Financial risk management (continued)

Bentham Syndicated Loan Fund NZD

	Impact on net profit/Net assets attributable to unitholders											
	Price risk		Interest rate risk				Foreign exchange risk					
	-10%	+10%	-100bps	+100bps	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%
	A\$'000	A\$'000	A\$'000	A\$'000	AUD A\$'000	AUD A\$'000	USD A\$'000	USD A\$'000	GBP A\$'000	GBP A\$'000	EUR A\$'000	EUR A\$'000
30 June 2023	31	(31)	247	(247)	(151)	151	179	(179)	(2)	2	4	(4)
30 June 2022	(39)	39	(6)	4	86	(86)	(94)	94	(6)	6	—	—

Bentham Syndicated Loan Fund NZD

	Impact on net profit/ Net assets attributable to unitholders	
	Foreign exchange risk	
	-10%	+10%
	OTHER A\$'000	OTHER A\$'000
30 June 2023	1	(1)
30 June 2022	(10)	10

Bentham Global Opportunities Fund

	Impact on net profit/Net assets attributable to unitholders											
	Price risk		Interest rate risk				Foreign exchange risk					
	-10%	+10%	-100bps	+100bps	-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%
	A\$'000	A\$'000	A\$'000	A\$'000	USD A\$'000	USD A\$'000	EUR A\$'000	EUR A\$'000	GBP A\$'000	GBP A\$'000	NZD A\$'000	NZD A\$'000
30 June 2023	(250)	250	42,693	(42,693)	7,374	(7,374)	(41)	41	(162)	162	—	—
30 June 2022	(1,794)	3,422	34,935	(34,312)	3,392	(2,675)	(329)	329	(61)	61	20	(20)

10. Financial risk management (continued)

Bentham Global Opportunities Fund

	Impact on net profit/Net assets attributable to unitholders			
	Foreign exchange risk			
	-10%	+10%	-10%	+10%
	CAD	CAD	OTHER	OTHER
	A\$'000	A\$'000	A\$'000	A\$'000
30 June 2023	9	(9)	—	—
30 June 2022	27	(27)	10	(10)

Bentham Asset Backed Securities Fund

	Impact on net profit/Net assets attributable to unitholders											
	Interest rate risk				Foreign exchange risk							
	-100bps		+100bps		-10%	+10%	-10%	+10%	-10%	+10%	-10%	+10%
	USD		USD		EUR	EUR	GBP	GBP	NZD	NZD		
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
30 June 2023	9,635	(9,635)	714	(714)	(11)	11	(2)	2	—	—	—	—
30 June 2022	1,168	(1,080)	96	(96)	(50)	50	—	—	—	—	—	—

Bentham Defensive Income Fund

	Impact on net profit/Net assets attributable to unitholders											
	Price risk		Interest rate risk				Foreign exchange risk					
	-10%	+10%	-100bps		+100bps		-10%	+10%	-10%	+10%	-10%	+10%
	USD		USD		EUR	EUR	CAD	CAD	GBP	GBP		
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
30 June 2023	—	—	1,802	(1,802)	137	(137)	(3)	3	—	—	3	(3)
30 June 2022	(11)	70	795	(766)	19	(10)	(8)	8	1	(1)	—	—

10. Financial risk management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge an obligation. The Trusts aim to ensure that at all times they have appropriate credit risk management policies and practices in place and that the Board and senior management are appropriately informed of the Trusts' credit risks.

Credit risk is not considered to be significant to Bentham Global Income Fund NZD and Bentham Syndicated Loan Fund NZD as these Trusts do not hold any direct investments in debt securities or have significant receivables, however these Trusts are exposed to credit risk due to their investment in the underlying unlisted unit trusts.

The main concentration of credit risk, to which the Trusts are exposed, arises from the Trusts' investment in debt securities. The Trusts are also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables. The Trusts' exposure to credit risk is equal to the fair value of these instruments as disclosed in the statements of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Trusts manage counterparty risk in relation to over-the-counter derivatives by using only counterparties with an acceptable credit rating in accordance with the provisions of the Trusts' policies. Exposures to counterparties are monitored by the Asset Manager on a regular basis.

The credit quality of financial assets and derivatives are managed by the Trusts in accordance with the Trusts' governing documents, by taking into account any applicable external credit rating or internal credit assessment, prior to trading. The Trusts' exposure in each grade is monitored on a regular basis. This review process allows the Responsible Entity to assess the potential loss as a result of credit risk and take corrective action where required. Internal ratings are expressed on the basis of S&P rating definitions. Where an external rating (which will predominantly be Standard & Poor's, Moody's, Fitch, or another reputable credit rating agency) is available, the internal rating will ordinarily be no greater than the lowest external rating assigned. Assets that have not received any rating reference from external credit rating agency have been internally rated using market accepted method.

If no external rating is available, then they are internally rated by the credit risk team and labelled not rated (NR).

The following table details the breakdown by credit rating of the underlying investment assets and derivatives held by the Trusts:

10. Financial risk management (continued)

Bond and derivative credit ratings	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
AAA	5,302	6,695	—	—	8,702	8,824	84,955	56,665
AA+	1,058	2,029	—	—	—	—	17,340	10,775
AA	4,089	10,151	—	—	10,853	4,951	66,998	66,006
AA-	793	1,091	230	352	2,687	4,842	543	587
A+	7,093	11,164	276	310	108,351	74,784	1,455	1,487
A	54	1,037	—	153	222	1,566	887	1,754
A-	65	581	—	—	6,634	6,753	1,071	1,271
BBB+	9,465	5,627	115	112	18,073	979	—	—
BBB	4,345	6,534	238	123	12,924	20,270	—	1,361
BBB-	2,741	6,787	1,531	847	27,127	19,206	1,234	1,984
BB+	1,995	3,547	658	320	23,729	15,831	—	—
BB	3,980	4,984	1,853	1,352	18,430	13,748	954	—
BB-	8,075	7,181	3,839	4,608	50,672	48,325	—	—
B+	10,221	6,453	5,769	4,772	46,341	44,815	—	—
B	18,928	15,097	11,095	13,317	89,150	116,924	—	—
B-	15,839	11,646	9,770	11,022	78,484	95,996	—	—
CCC+	6,240	3,628	3,447	2,947	27,694	28,862	—	—
CCC	2,276	3,319	1,350	3,041	10,842	26,316	—	—
CCC-	1,369	680	828	600	6,650	4,850	—	—
CC	67	353	42	292	337	2,545	—	—
C	—	18	—	16	—	—	—	—
D	—	—	153	—	1,227	—	—	—
NR	356	60	194	26	1,938	5,519	—	—
Total bond and derivative credit ratings	104,351	108,662	41,388	44,210	551,067	545,906	175,437	141,890

10. Financial risk management (continued)

Bond and derivative credit ratings

Rating	Bentham Defensive Income Fund	
	2023 \$'000	2 June 2021 to 30 June 2022 \$'000
AAA	12,245	11,774
AA+	4,039	3,048
AA	8,393	7,039
AA-	155	1,156
A+	677	404
A-	872	—
BBB+	3,103	1,942
BBB	2,333	2,166
BBB-	868	1,459
BB+	602	936
BB	—	896
BB-	—	274
NR	12	—
Total bond and derivative credit ratings	33,299	31,094

Liquidity risk

Liquidity risk is the risk that the Trusts will encounter difficulty in raising funds to meet cash commitments associated with financial instruments. This may result from either the inability to sell financial assets at their fair values, a counterparty failing on repayment of a contractual obligation, or the inability to generate cash inflows as anticipated.

The Trusts aim to ensure that they have sufficient liquidity to meet their obligations on a short term, medium term and long term basis. In the current and preceding year, all payables have no fixed repayment term. The current balance of amounts payable to related entities will be repaid in full within 1 year of the reporting date.

The Trusts' governing documents allow for redemptions of units. The Trusts are therefore exposed to a liquidity risk of meeting unitholders' redemptions at any time.

This risk is controlled through the Trusts' investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Trusts maintain sufficient cash and cash equivalents to meet normal operating requirements.

The Trusts' investments are considered to be readily realisable.

10. Financial risk management (continued)

The investment management process includes the consideration of liquidity, both in terms of market quality and cash flow. In asset construction, securities/investments (including derivatives) are only purchased that meet investment criteria and this includes the assessment of saleability in different market conditions. Before entering into a transaction, consideration is given to (not limited to):

- whether the purpose of the investment is consistent with the investment strategies of the Trusts;
- the ease of selling the security should market conditions change unfavourably;
- whether there are sufficient assets to cover the underlying liabilities of that transaction; and
- the overall liquidity levels for the Trusts.

Under the terms of the Constitutions, the Trusts have the ability to manage liquidity risk by delaying redemptions to unitholders, if necessary, until the funds are available to pay them.

Maturity analysis for financial liabilities

Financial liabilities of the Trusts comprise trade and other payables, distributions payable, collateral and margin accounts and net assets attributable to unitholders. Trade and other payables, distributions payable and collateral and margin accounts have no contractual maturities but are typically settled within 30 days.

The table below analyses the Trusts' derivative financial liabilities based on their contractual maturity. The Trusts may, at their discretion, settle derivative financial liabilities prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the derivative instruments.

10. Financial risk management (continued)

Bentham Global Income Fund NZD

30 June 2023

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Beyond 12 months \$'000	Total \$'000
Cross currency swaps	—	89	—	—	89
Forward currency contracts	685	15	—	—	700
Total derivative financial liabilities	685	104	—	—	789

30 June 2022

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Beyond 12 months \$'000	Total \$'000
Cross currency swaps	—	—	223	—	223
Forward currency contracts	981	293	—	—	1,274
Total derivative financial liabilities	981	293	223	—	1,497

Bentham Syndicated Loan Fund NZD

30 June 2023

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Beyond 12 months \$'000	Total \$'000
Forward currency contracts	284	—	—	—	284
Total derivative financial liabilities	284	—	—	—	284

30 June 2022

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Beyond 12 months \$'000	Total \$'000
Forward currency contracts	410	157	—	—	567
Total derivative financial liabilities	410	157	—	—	567

10. Financial risk management (continued)

Bentham Global Opportunities Fund

30 June 2023

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Beyond 12 months \$'000	Total \$'000
Credit default swaps	—	772	—	2,978	3,750
Cross currency swaps	1,456	—	115	8,090	9,661
Exchange traded options	9	46	—	—	55
Forward currency contracts	1,908	648	—	—	2,556
FX options	—	—	—	—	—
Index credit default swaps	—	305	103	5,225	5,633
Interest rate swaps	—	—	—	16,985	16,985
Overnight indexed swaps	1,590	4,197	—	38,962	44,749
Total return swaps	—	711	—	—	711
Total derivative financial liabilities	4,963	6,679	218	72,240	84,100

Bentham Global Opportunities Fund

30 June 2022

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Beyond 12 months \$'000	Total \$'000
Credit default swaps	—	35	—	5,476	5,511
Cross currency swaps	—	3,123	1,667	4,886	9,676
Exchange traded options	493	137	—	—	630
Forward currency contracts	626	45	—	—	671
FX options	15	21	85	—	121
Index credit default swaps	—	—	—	6,400	6,400
Interest rate swaps	—	299	—	7,742	8,041
Overnight indexed swaps	—	—	—	11,579	11,579
Total return swaps	—	1,301	—	—	1,301
Total derivative financial liabilities	1,134	4,961	1,752	36,083	43,930

10. Financial risk management (continued)**Bentham Asset Backed Securities Fund****30 June 2023**

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Beyond 12 months \$'000	Total \$'000
Cross currency swaps	—	490	—	3,586	4,076
Forward currency contracts	278	—	—	—	278
Interest rate swaps	—	—	—	2,016	2,016
Overnight indexed swaps	—	—	—	2,026	2,026
Total derivative financial liabilities	278	490	—	7,628	8,396

Bentham Asset Backed Securities Fund**30 June 2022**

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Beyond 12 months \$'000	Total \$'000
Cross currency swaps	—	2,024	358	2,278	4,660
Forward currency contracts	614	—	—	—	614
Interest rate swaps	—	—	—	—	—
Overnight indexed swaps	—	—	—	—	—
Total derivative financial liabilities	614	2,024	358	2,278	5,274

10. Financial risk management (continued)

Bentham Defensive Income Fund 30 June 2023

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Beyond 12 months \$'000	Total \$'000
Credit default swaps	—	—	—	11	11
Cross currency swaps	—	—	—	1,487	1,487
Exchange traded options	—	1	—	—	1
Forward currency contracts	364	—	—	—	364
Index credit default swaps	—	—	—	88	88
Interest rate swaps	—	—	—	1,098	1,098
Overnight indexed swaps	—	—	—	306	306
Total derivative financial liabilities	364	1	—	2,990	3,355

Bentham Defensive Income Fund 30 June 2022

	Less than 1 month \$'000	1-6 months \$'000	6-12 months \$'000	Beyond 12 months \$'000	Total \$'000
Cross currency swaps	—	—	—	1,002	1,002
Exchange traded options	16	9	—	—	25
Forward currency contracts	98	179	—	—	277
FX options	1	1	2	—	4
Index credit default swaps	—	—	—	162	162
Interest rate swaps	—	—	—	325	325
Total return swaps	—	165	—	—	165
Total derivative financial liabilities	115	354	2	1,489	1,960

11. Fair value measurement

All financial assets and financial liabilities included in the statements of financial position are carried at fair value.

In accordance with AASB 13 Fair Value Measurement the Trusts are required to disclose fair value measurements by level using the fair value hierarchy. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Fair value in an active market (level 1)

The fair values of financial assets and liabilities traded in active markets are based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices at the reporting date, while financial liabilities are priced at current offer prices.

The quoted market price used for financial assets held by the Trusts is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Trusts hold derivatives with offsetting market risks, they use mid-market prices as a basis for establishing fair value for the offsetting risk positions and apply this bid or asking price to the net open position, as appropriate.

Fair value in an inactive or unquoted market (level 2 and level 3)

The fair values of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of other substantially similar instruments, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the reporting date applicable for an instrument with similar terms and conditions. For other pricing models, inputs are based on market data at the end of the reporting period.

The fair values of derivatives that are not exchange traded are estimated at the amount that the Trusts would receive or pay to terminate the contract at reporting date taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black Scholes option valuation model.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such trusts.

The tables below set out the Trusts' financial assets and liabilities measured at fair value through profit or loss according to the fair value hierarchy.

11. Fair value measurement (continued)

As at 30 June	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Financial assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Level 1 financial assets								
Exchange traded funds	—	—	—	—	6,851	—	—	—
Exchange traded options	—	—	—	—	234	2,883	—	—
Total level 1 financial assets	—	—	—	—	7,085	2,883	—	—
Level 2 financial assets								
Asset-backed securities	—	—	—	—	6,310	8,993	6,931	11,306
Collateralised debt obligations	—	—	—	—	—	—	—	1,347
Collateralised loan obligations	—	—	—	—	16,824	9,210	112,847	100,918
Convertible notes	—	—	—	—	—	430	—	—
Corporate bonds	—	—	—	—	38,613	44,720	—	—
Credit default swaps	—	—	—	—	1,527	883	—	—
Cross currency swaps	76	70	—	—	1,013	6,079	—	2,760
Floating rate notes	—	—	—	—	43,437	10,348	—	—
Forward currency contracts	139	7	69	7	659	1,817	686	151
FX options	—	—	—	—	78	1,222	—	—
Index credit default swaps	—	—	—	—	4,993	7,949	—	—
Interest rate swaps	—	—	—	—	26,414	40,918	1,313	—
Mortgage-backed securities	—	—	—	—	1,445	1,883	53,660	25,409
Overnight indexed swaps	—	—	—	—	77,839	7,363	—	—
Repurchase agreements	—	—	—	—	—	32,972	—	—
Swaptions	—	—	—	—	—	19,038	—	—
Total return swaps	—	—	—	—	—	57	—	—
Unlisted unit trusts	104,136	108,585	41,319	44,203	331,915	384,996	—	—
Total level 2 financial assets	104,351	108,662	41,388	44,210	551,067	578,878	175,437	141,891

11. Fair value measurement (continued)

As at 30 June	Bentham Defensive Income Fund	
	2023	2022
Financial assets	\$'000	\$'000
Level 1 financial assets		
Exchange traded options	6	112
Total level 1 financial assets	6	112
Level 2 financial assets		
Asset-backed securities	1,720	1,589
Collateralised loan obligations	9,661	7,554
Corporate bonds	2,711	5,528
Credit default swaps	—	43
Cross currency swaps	—	135
Floating rate notes	5,526	2,022
Forward currency contracts	151	299
FX options	5	21
Index credit default swaps	54	242
Interest rate swaps	176	91
Mortgage-backed securities	13,295	13,570
Total level 2 financial assets	33,299	31,094

11. Fair value measurement (continued)

As at 30 June	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Financial liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Level 1 financial liabilities								
Exchange traded options	—	—	—	—	55	630	—	—
Total level 1 financial liabilities	—	—	—	—	55	630	—	—
Level 2 financial liabilities								
Credit default swaps	—	—	—	—	3,750	5,511	—	—
Cross currency swaps	89	223	—	—	9,661	9,676	4,076	4,660
Forward currency contracts	700	1,274	284	567	2,556	671	278	614
FX options	—	—	—	—	—	121	—	—
Index credit default swaps	—	—	—	—	5,633	6,400	—	—
Interest rate swaps	—	—	—	—	16,985	8,041	2,016	—
Overnight indexed swaps	—	—	—	—	44,749	11,579	2,026	—
Repurchase agreements	—	—	—	—	—	32,383	—	—
Total return swaps	—	—	—	—	711	1,301	—	—
Total level 2 financial liabilities	789	1,497	284	567	84,045	75,683	8,396	5,274

11. Fair value measurement (continued)

As at 30 June	Bentham Defensive Income Fund	
	2023	2022
Financial liabilities	\$'000	\$'000
Level 1 financial liabilities		
Exchange traded options	1	—
Total level 1 financial liabilities	1	—
Level 2 financial liabilities		
Credit default swaps	11	—
Cross currency swaps	1,487	1,002
Exchange traded options	—	25
Forward currency contracts	364	277
FX options	—	4
Index credit default swaps	88	162
Interest rate swaps	1,098	325
Overnight indexed swaps	306	—
Total return swaps	—	165
Total level 2 financial liabilities	3,354	1,960

Bentham Syndicated Loan Fund NZD's and Bentham Global Opportunities Fund's investment in unlisted trusts at year end consisted of an investment in Bentham Syndicated Loan Fund and Bentham Global Income Fund NZD's investment in unlisted trusts at year end consisted of an investment in Bentham Global Income Fund. Refer to note 12 for further details.

12. Related party transactions

Responsible Entity

The Responsible Entity of the Trusts is Fidante Partners Limited whose immediate parent company is Challenger Funds Management Holdings Pty Limited and ultimate parent company is Challenger Limited.

12. Related party transactions (continued)

Key management personnel

Directors

Key management personnel includes persons who were Directors of Fidante Partners Limited at any time during the financial year and up to the date of the report as follows:

A Bofinger	Director	
J Coomer	Director	(Resigned 26 June 2023)
R Grimes	Director	(Resigned 22 November 2022)
A Judin	Director	(Appointed 13 July 2023)
J O'Keeffe	Director	
V Rodriguez	Director	(Appointed 9 December 2022)
T Roxburgh	Director	(Appointed 13 July 2023)
Y Sodhi	Director	(Resigned 30 May 2023)

Other key management personnel

The Responsible Entity is considered to be the key management personnel with authority for the strategic direction and management of the Trusts.

The Asset Manager, Bentham Asset Management Pty Limited, is a related party to the Trusts as it is a member of the same group as the Responsible Entity.

Key management personnel unitholdings

At 30 June 2023 no key management personnel held units in the Trusts (2022: Nil).

Key management personnel compensation

No amount was paid by the Trusts directly to the Directors of the Responsible Entity.

Compensation is paid to the Responsible Entity in the form of fees and is disclosed below.

Responsible Entity's fees and other transactions

Under the terms of the Trusts' Constitutions the Responsible Entity is entitled to receive management costs, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders). For the year ended 30 June 2023 these rates are as follows:

12. Related party transactions (continued)

For the year ended 30 June	Trust name	Class	Fee Rate	
			2023 %	2022 %
	Bentham Global Income Fund NZD	Class A	0.77	0.77
	Bentham Syndicated Loan Fund NZD	Class A	0.84	0.84
	Bentham Global Opportunities Fund	Class F	0.55	0.55
		Class I	1.05	1.05
	Bentham Asset Backed Securities Fund	Class I	0.35	0.35
	Bentham Defensive Income Fund	Class A	0.40	—
		Class I	0.30	0.35

These fees are inclusive of GST, net of RITC available to the Trusts per annum. As the underlying unit trusts, being Bentham Global Income Fund NZD, Bentham Syndicated Loan Fund NZD, and Bentham Global Opportunities Fund, incurred the above listed management fees, the Trusts received a management fee rebate in respect of these amounts to achieve a net management fee to the unitholders of the Trusts in accordance with the current product disclosure statement.

Class F of Bentham Asset Backed Securities Fund is not subject to management fees.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts receivable and payable at year end between the Trusts and the Responsible Entity were as follows:

For the year ended 30 June	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Management fees for the year	845,024	744,142	329,117	400,424	5,300,938	4,796,296	144,421	125,742
Management fee rebate for the year	852,858	736,146	330,479	398,760	3,011,424	3,445,179	—	—
Management fees payable	73,157	74,582	32,680	33,722	449,291	429,885	14,406	11,827
Reimbursable expenses for the year	—	—	—	—	281,693	269,172	—	—
Reimbursable expenses payable	—	—	—	—	21,699	20,773	—	—
Management fee rebate receivable	68,187	68,905	29,831	30,992	240,158	248,853	—	—

12. Related party transactions (continued)

For the year ended 30 June	Bentham Defensive Income Fund	
	2023	2022
	\$	\$
Management fees for the year	84,351	122,661
Reimbursable expenses for the year	16,645	17,284
Management fees payable	9,977	11,270
Reimbursable expenses payable	—	1,547

Related party unitholdings

Parties related to the Trusts (including Fidante Partners Limited, its related parties and other schemes managed by Fidante Partners Limited), held units in the Trusts as follows:

Bentham Asset Backed Securities Fund

For the year ended 30 June 2023

Unitholder	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)	Interest held (%)	Distributions paid/payable by the Trust (\$)
Bentham Global Income Fund	111,832,429	34,513,497	—	146,345,926	75.13	5,615,404
Total related party unitholdings	111,832,429	34,513,497	—	146,345,926	75.13	5,615,404

For the year ended 30 June 2022

Unitholder	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)	Interest held (%)	Distributions paid/payable by the Trust (\$)
Bentham Global Income Fund	110,065,970	1,766,459	—	111,832,429	74.38	111,832,429
Total related party unitholdings	110,065,970	1,766,459	—	111,832,429	74.38	111,832,429

12. Related party transactions (continued)

Bentham Defensive Income Fund

For the year ended 30 June 2023

Unitholder	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)	Interest held (%)	Distributions paid/payable by the Trust (\$)
Bentham Asset Management	11	—	—	11	—	—
Total related party unitholdings	11	—	—	11	—	—

For the year ended 30 June 2022

Unitholder	No. of units held opening (Units)	No. of units acquired (Units)	No. of units disposed (Units)	No. of units held closing (Units)	Interest held (%)	Distributions paid/payable by the Trust (\$)
Bentham Asset Management	—	11	—	11	—	—
Total related party unitholdings	—	11	—	11	—	—

No other related parties to the Trusts held units at year end.

Investments

The Trusts held investments in the following entities which are also managed by Fidante Partners Limited or its related parties:

Bentham Global Income Fund NZD

For the year ended 30 June	Fair value of investment		Interest held		Distributions received/receivable	
	2023	2022	2023	2022	2023	2022
	\$	\$	%	%	\$	\$
Bentham Global Income Fund	104,136,334	108,584,986	3.84	4.38	7,126,521	3,160,474
Total investments	104,136,334	108,584,986	3.84	4.38	7,126,521	3,160,474

12. Related party transactions (continued)

Bentham Syndicated Loan Fund NZD

For the year ended 30 June	Fair value of investment		Interest held		Distributions received/ receivable	
	2023	2022	2023	2022	2023	2022
	\$	\$	%	%	\$	\$
Bentham Syndicated Loan Fund	41,318,785	45,838,065	2.15	2.17	2,991,610	1,725,295
Total investments	41,318,785	45,838,065	2.15	2.17	2,991,610	1,725,295

Bentham Global Opportunities Fund

For the year ended 30 June	Fair value of investment		Interest held		Distributions received/ receivable	
	2023	2022	2023	2022	2023	2022
	\$	\$	%	%	\$	\$
Bentham Syndicated Loan Fund	331,914,952	384,995,673	17.31	18.92	27,403,959	14,756,779
Total investments	331,914,952	384,995,673	17.31	18.92	27,403,959	14,756,779

No other related parties to the Trusts held investments at year end.

13. Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities

Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities

For the year ended 30 June	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Reconciliation of profit/(loss) to operating cash flow								
Net profit/(loss) before finance costs for the year attributable to unitholders	3,158	(1,053)	3,262	(1,294)	18,473	3,478	6,033	(2,967)
Net (gains)/losses on financial instruments at fair value through profit or loss	5,001	7,461	96	4,005	(152,069)	(223,745)	1,147	3,137
Net foreign exchange (gains)/losses	(806)	(3,105)	(349)	(1,010)	181,613	239,661	(245)	2,231
Participation in dividend and distribution reinvestment plans	(6,983)	(3,454)	(2,848)	(2,677)	—	(22,874)	—	—
Proceeds from sale of financial instruments at fair value through profit or loss	22,412	10,754	12,371	26,810	333,363	384,212	78,874	54,724
Purchase of financial instruments at fair value through profit or loss	(13,843)	(54,699)	(5,770)	(20,638)	(339,910)	(322,828)	(122,383)	(63,775)
Net change in receivables and other assets	(138)	229	(150)	962	(30,954)	4,986	(3,003)	(320)
Net change in payables and other liabilities	17	40	(1)	(17)	28,024	2,202	1,708	118
Net cash inflows/(outflows) from operating activities	8,818	(43,827)	6,611	6,141	38,540	65,092	(37,869)	(6,852)

13. Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities (continued)

For the year ended 30 June	Bentham Defensive Income Fund	
	2023 \$'000	2 June 2021 to 30 June 2022 \$'000
Reconciliation of profit/(loss) to operating cash flow		
Net profit/(loss) before finance costs for the year attributable to unitholders	311	(1,559)
Net (gains)/losses on financial instruments at fair value through profit or loss	1,120	833
Net foreign exchange (gains)/losses	(234)	1,258
Proceeds from sale of financial instruments at fair value through profit or loss	15,028	10,392
Purchase of financial instruments at fair value through profit or loss	(19,098)	(43,467)
Net change in receivables and other assets	(527)	(252)
Net change in payables and other liabilities	427	80
Net cash inflows/(outflows) from operating activities	(2,973)	(32,715)

Components of cash and cash equivalents

As at 30 June	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank, on hand and at custodian	2,192	986	2,915	385	35,874	66,393	5,335	8,086
Total cash and cash equivalents	2,192	986	2,915	385	35,874	66,393	5,335	8,086

As at 30 June	Bentham Defensive Income Fund	
	2023 \$'000	2022 \$'000
Cash at bank, on hand and at custodian	1,989	4,170
Total cash and cash equivalents	1,989	4,170

13. Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities (continued)

Non-cash investing and financing activities

For the year ended 30 June	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Reinvestment of unitholder distributions	2,167	898	3,467	3,068	26,835	14,665	5,883	1,799
Participation in dividend and distribution reinvestment plans	6,983	3,454	2,848	2,677	—	22,874	—	—

For the year ended 30 June	Bentham Defensive Income Fund	
	2023 \$'000	2 June 2021 to 30 June 2022 \$'000
Reinvestment of unitholder distributions	3,418	440

14. Remuneration of auditor

For the year ended 30 June	Bentham Global Income Fund NZD		Bentham Syndicated Loan Fund NZD		Bentham Global Opportunities Fund		Bentham Asset Backed Securities Fund	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Amounts received or due and receivable by Ernst & Young for:								
Audit and review of the financial report of the Trusts	10,600	10,100	10,600	10,100	10,600	10,100	10,900	10,400
Total remuneration of auditor	10,600	10,100	10,600	10,100	10,600	10,100	10,900	10,400

14. Remuneration of auditor (continued)

	Bentham Defensive Income Fund	
	2023	2022
For the year ended 30 June		
Amounts received or due and receivable by Ernst & Young for:	\$	\$
Audit and review of the financial report of the Trusts	10,900	10,400
Total remuneration of auditor	10,900	10,400

The cost incurred for auditing the financial report of the Trusts is paid directly by the Responsible Entity.

15. Events occurring after the reporting period

No significant events have occurred since the reporting date which would impact on the financial position of the Trusts as at 30 June 2023 or on the results and cash flows of the Trusts for the year ended on that date.

16. Contingent assets and liabilities and commitments

At balance date the Trusts have no contingent assets, liabilities or commitments (30 June 2022: Nil).

Directors' declaration

In the opinion of the Directors of the Responsible Entity for the below listed Trusts:

- Bentham Global Income Fund NZD
 - Bentham Syndicated Loan Fund NZD
 - Bentham Global Opportunities Fund
 - Bentham Asset Backed Securities Fund
 - Bentham Defensive Income Fund
- a. the financial statements and notes set out on pages 10 to 80 are in accordance with the Corporations Act 2001, including:
- i. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Trusts' financial position as at 30 June 2023 and of their performance for the financial year ended on that date;
- b. the financial statements and notes comply with International Financial Reporting Standards as disclosed in note 1.1; and
- c. there are reasonable grounds to believe that the Trusts will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.

On behalf of the Board of Fidante Partners Limited.



A Judin
Director

Sydney
15 September 2023



**Building a better
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Independent auditor's report

To the unitholders of the following Bentham Asset Management Managed Trusts (the "Trusts"):

- Bentham Global Income Fund NZD
- Bentham Syndicated Loan Fund NZD
- Bentham Global Opportunities Fund
- Bentham Asset Backed Securities Fund
- Bentham Defensive Income Fund

Opinion

We have audited the financial report of the Trusts, which comprises the statements of financial position as at 30 June 2023, the statements of comprehensive income, statements of changes in unitholder funds and statements of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trusts is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Trusts' financial position as at 30 June 2023 and of their financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Trusts in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Information other than the financial report and auditor's report thereon

The directors of Fidante Partners Limited as the Responsible Entity of the Trusts (the "Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Trusts' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trusts or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts' internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trusts' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trusts to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Ernst & Young

Rita Da Silva

Rita Da Silva
Partner
Sydney
15 September 2023

Directory

Responsible Entity

Fidante Partners Limited
ABN 94 002 835 592
AFSL 234 668

Registered office and principal place of business

Level 2
5 Martin Place
Sydney NSW 2000

Custodian

Citigroup Pty Limited
Level 23
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Sydney NSW 2000

Auditor

For the Responsible Entity and the Trusts
Ernst & Young
200 George Street
Sydney NSW 2000

Asset Manager

Bentham Asset Management Pty Limited
Level 12
179 Elizabeth Street
Sydney NSW 2000

