

## November 2023 - Monthly Report

Performance	1 month %	3 Months %	CYTD %	1 year %	3 years % p.a.	5 years % p.a.	Inception %
Fund return (gross) <sup>1</sup>	1.1	1.6	11.4	10.5	-	-	6.2
Fund return (net) <sup>2</sup>	1.1	1.5	11.4	10.5	-	-	6.1

<sup>1</sup>Returns are calculated before fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures.

<sup>2</sup>Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures. **Past performance is not a reliable indicator of future performance. Past performance figures that are less than 12 months are for informational purposes only and are not to be relied upon when considering the likely future performance of the Fund. Data Source: Fidante Partners Limited, 30 November 2023.**

### Underlying Fund

The Fund primarily invests in a diversified portfolio of global liquid and illiquid asset classes via its investment in the CION Ares Diversified Credit Fund (**Underlying Fund**). The Fund also invests in cash and foreign exchange hedging instruments. In this report, where we refer to the Fund's investments we generally do so on a 'look-through' basis; that is, we are referring to the underlying assets that the Fund is exposed to through its investment in the Underlying Fund.

### Underlying Fund Overview

The Underlying Fund's investment objective is to provide superior risk-adjusted returns across various market cycles by investing in a diversified portfolio of liquid and illiquid asset classes. The Underlying Fund seeks to capitalize on market inefficiencies and relative value opportunities throughout the entire global credit spectrum. The Underlying Fund seeks to achieve its investment objective by employing an opportunistic, dynamic, and unconstrained global credit investments strategy based on absolute and relative value considerations and its analysis of credit markets. It seeks risk-adjusted returns over full market cycles by creating and managing a portfolio with balanced exposures to multiple industry sectors and geographic regions, systematically allocating capital across multiple segments of the global fixed-income markets, including U.S. and non-U.S. credit instruments.

### Underlying Fund Facts<sup>5</sup>

<b>Portfolio managers</b>	Mitch Goldstein and Greg Margolies
<b>Inception date</b>	12 July 2017
<b>Management fee</b>	1.25% p.a.
<b>Performance fee</b>	15% subject to a hurdle rate of 1.5% per quarter (6% annualised), and subject to a catch-up feature.
<b>Total Issuers</b>	676
<b>Total Managed Assets<sup>3</sup></b>	US\$4.36BN
<b>Sharpe Ratio<sup>7</sup></b>	1.04
<b>Standard Deviation</b>	3.82%
<b>Yield to Maturity (YTM)</b>	11.34%
<b>Distribution Rate (p.a.)<sup>7</sup></b>	9.43%
<b>Running Yield</b>	11.09%
<b>Interest rate duration</b>	0.61
<b>Spread Duration</b>	2.34

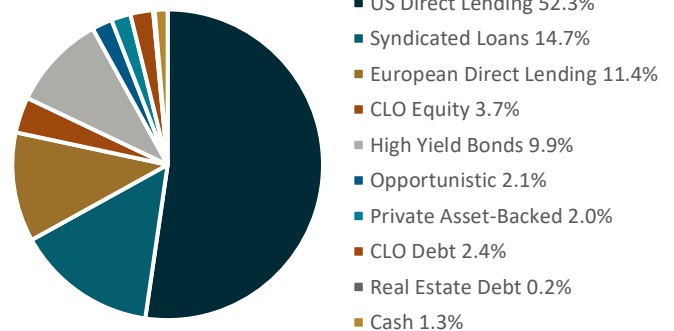
<sup>3</sup>Total assets (including any assets attributable to financial leverage) minus accrued liabilities (other than debt representing financial leverage)

### Fund Facts

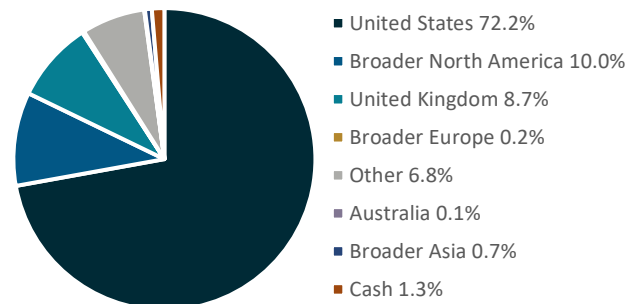
<b>Inception date</b>	17 December 2020
<b>Fund FUM</b>	\$617M
<b>Management Fee</b>	Nil <sup>4</sup>
<b>Performance fee</b>	Nil <sup>4</sup>
<b>Buy/sell spread</b>	+0.25%/-0.00%
<b>Distribution Frequency</b>	Monthly
<b>Distribution Rate<sup>7</sup></b>	0.78%

### Underlying Fund Allocation<sup>5</sup>

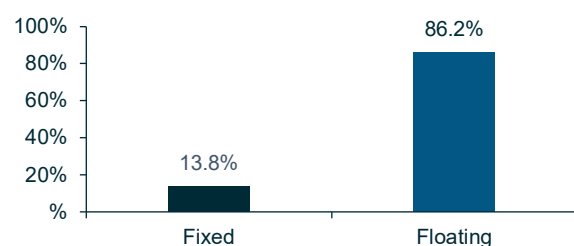
#### Asset Allocation



#### Geographic Allocation



#### Interest Type<sup>6</sup>



<sup>4</sup>The only fee is a recoverable expense, which is currently 3 bps.

<sup>6</sup>Excludes cash, other net assets, and equity instruments.

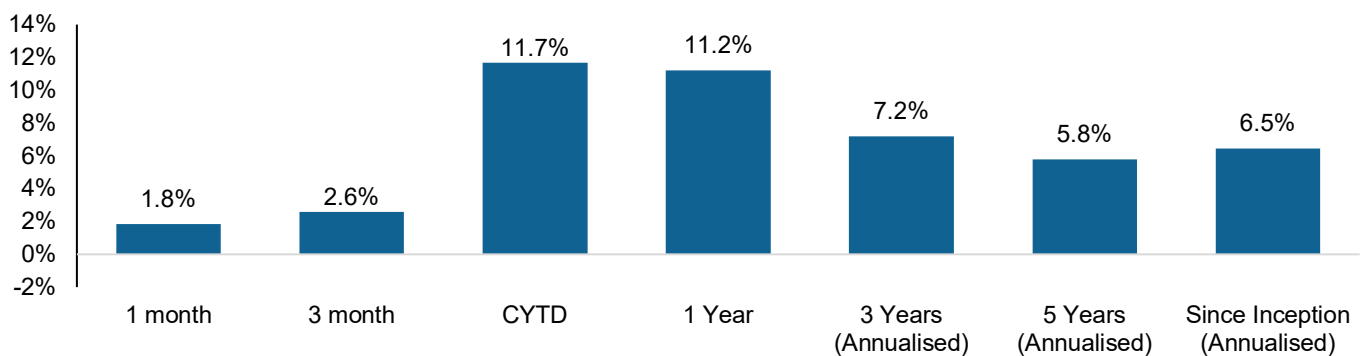
<sup>7</sup>There can be no guarantee that the disbursement rate will accrue at such amount and there is no assurance that distributions will be maintained at the targeted level or at all

Underlying Fund Top 10 Holdings <sup>5</sup>	
Kaseya	1.1%
Mimecast	1.1%
Nielsen	1.0%
High Street Insurance Partners	1.0%
DigiCert	0.9%
TurnPoint Services	0.9%
eCapital	0.9%
European Camping Group	0.9%
RSK Group Limited	0.9%
Platinum Credit	0.8%

Underlying Fund Industry Allocation <sup>5</sup>	
Software and Services	20.8%
Commercial and Professional Services	9.6%
Financial Services	8.8%
Health Care Equipment and Services	8.0%
Structured Products	7.9%
Capital Goods	6.9%
Consumer Services	6.5%
Insurance	5.7%
Other	24.6%
Cash	1.3%

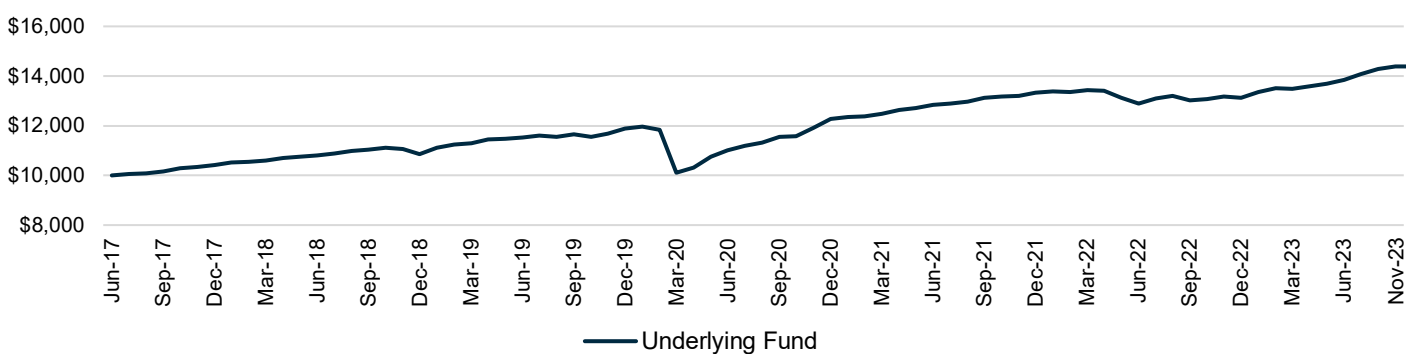
<sup>5</sup> As of 30 November 2023. Holdings and allocations, unless otherwise indicated, are based on the total portfolio and subject to change without notice. Data shown is for informational purposes only and not a recommendation to buy or sell any security.

### Underlying Fund Historical Performance<sup>8</sup>



<sup>8</sup>As of 30 November 2023. Returns of the CION Ares Diversified Credit Fund Class I Shares. Returns are in USD and include reinvestment of distributions and reflect fund expenses inclusive of recoupment of previously provided expense support. The expense ratio was 4.08% as of June 30, 2023 excluding interest expense. Expense ratios are annualised and calculated as a percentage of estimated average net assets. Share values will fluctuate, therefore if repurchased, they may be worth more or less than their original cost. Past performance is not indicative of future results. The performance shown is on a 'look-through' basis to the performance of the Underlying Fund. The performance of the Fund may not exactly replicate the performance of the Underlying Fund.

### Underlying Fund Growth of \$10,000 since Inception (net of fees)<sup>9</sup>



<sup>9</sup>This graph illustrates the performance of a hypothetical \$10,000 investment made in this Fund from the inception date of the product. This is represented as the change in total return at monthly intervals. Total return is a measure of the change in NAV including reinvestment of all distributions and is presented on a net basis reflecting the deduction of fund expenses and applicable fees with expense support provided by CION Ares Management (CAM). The performance quoted represents past performance, is no guarantee of future results and may not provide an adequate basis for evaluating the performance of the Fund over varying market conditions or economic cycles. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.



**For further information, please contact:**

**Fidante Partners Investor Services** | p: 13 51 53 | e: [info@fidante.com.au](mailto:info@fidante.com.au) | w: [www.fidante.com](http://www.fidante.com)

---

The information in this document has been prepared for 'wholesale clients' only. It is current as at the date of publication and is provided by Ares Australia Management Pty Ltd (ABN 51 636 490 732 AFSL 537 666) (AAM), the investment manager of the Ares Diversified Credit Fund (ARSN is 644 797 599) (the Fund). Fidante Partners Limited (ABN 94 002 835 592 AFSL 234668) (Fidante) is a member of the Challenger Limited group of companies (Challenger Group) and the responsible entity of the Fund. Other than information which is identified as sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this material, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable to your circumstances. The Fund's The Fund's Information Memorandum, available at [www.fidante.com](http://www.fidante.com) or through the Fidante Partners Investor Services team at 13 51 53, should be considered before making a decision about whether to buy or hold units in the Fund. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not a reliable indicator of future performance. AAM and Fidante have entered into arrangements in connection with the distribution and administration of financial products to which this material relates. In connection with those arrangements, AAM and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties. Fidante is not an authorised deposit-taking institution (ADI) for the purpose of the *Banking Act 1959* (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.

The rating issued 09/2022 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement, and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit [lonsec.com.au](http://lonsec.com.au) for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.