



Bentham High Yield Fund

Monthly fact sheet – November 2017

Portfolio and Market Returns

The Bentham High Yield Fund had a total return (after fees*) of -0.05 percent in the month of November, outperforming the benchmark Merrill Lynch High Yield Cash Pay Constrained Index (hedged into AUD) after fees by 0.20 percent. On a before fees* basis the fund returned -0.05 percent for the month, outperforming the benchmark by 0.20 percent.

Fund Statistics

At month end, the Fund had a yield to maturity of 5.65% and running yield 6.39%, with the credit yield spread[^] increasing by 5 basis points to 333 basis points during the month. The Fund had an interest rate duration of 3.99 years and credit duration of 4.07 years.

High Yield Market

For the month, 13 of the 24 industries had positive returns. The top performing industries in November were Food And Drug, Utility and Energy with returns (sector performance in USD terms) of 0.84%, 0.55% and 0.40% respectively. The worst performing industries were Telecommunications, Wireless Communications and Consumer Products with returns of -3.79%, -1.36% and -1.25% respectively.

The credit yield spread[^] for the Index increased by 11 basis points during the month to 357 basis points.

Portfolio Exposures

The Fund's asset allocations are 94.2% in High Yield Bonds, 0.0% in Syndicated Loans and 5.1% in Cash & Derivative Hedges.

The Fund's three largest industry exposures are 10.2% in Buildings and Real Estate, 8.4% in Broadcasting and Entertainment and 8.3% in Finance. The Fund's top three company exposures are 1.8% in Valeant Pharmaceuticals, 1.4% in HCA Inc and 1.4% in iStar Inc. During the month, the Fund increased its exposure to Acrisure, Llc, Burger King and Entegris, Inc.; with decreased exposures to T-Mobile Usa Inc and Nexstar Broadcasting Inc.

* For information about return calculations after fees please refer to Table 1.

** Annual Distribution Return (Year-to-Date) is calculated as the Total Return (after fees) minus Growth Return. Total Returns (after fees) are calculated using pre-distribution month end withdrawal unit price and assumes all distributions are reinvested. Growth Returns equal the percentage change in the unit price.

[^] Credit yield spread is yield to maturity above the AUD forward bank bill curve (duration adjusted swap rates).

Table 1: Portfolio Returns

| As at 30 Nov 17 | Total Return (after fees)° % | Gross Return (before fees)°° % | Benchmark* % | Active Return (after fees) % | Active Return (before fees) % | Std Dev | Tracking Error^^ | Info Ratio~ |
|----------------------------|------------------------------|--------------------------------|--------------|------------------------------|-------------------------------|---------|------------------|-------------|
| 1 Month | -0.05 | -0.05 | -0.25 | 0.20 | 0.20 | | | |
| 3 Months | 1.50 | 1.64 | 1.12 | 0.38 | 0.52 | | | |
| 6 Months | 3.06 | 3.35 | 2.46 | 0.59 | 0.89 | | | |
| 1 Year | 11.21 | 11.94 | 9.91 | 1.30 | 2.03 | 2.48 | 0.71 | 2.86 |
| 2 Year (p.a.) | 10.65 | 11.43 | 11.62 | -0.97 | -0.19 | 3.82 | 1.85 | -0.11 |
| 3 Years (p.a.) | 7.34 | 8.12 | 7.05 | 0.29 | 1.07 | 4.48 | 1.78 | 0.60 |
| 5 Years (p.a.) | 8.16 | 8.95 | 7.84 | 0.32 | 1.11 | 4.01 | 1.68 | 0.66 |
| 7 Years (p.a.) | 9.79 | 10.61 | 9.50 | 0.29 | 1.11 | 4.15 | 2.13 | 0.52 |
| 10 Years (p.a.) | 9.99 | 10.82 | 9.89 | 0.10 | 0.93 | 9.32 | 3.88 | 0.24 |
| 15 Years (p.a.) | 10.73 | 11.50 | 10.94 | -0.21 | 0.56 | 7.96 | 3.37 | 0.17 |
| Since Inception (p.a.)** | 8.68 | 9.41 | 9.00 | -0.32 | 0.41 | 7.87 | 3.19 | 0.13 |
| Positive months | | 170 | 158 | | | | | |
| Negative months | | 59 | 71 | | | | | |
| Positive months (%) | | 74.2 | 69.0 | | | | | |
| Negative months (%) | | 25.8 | 31.0 | | | | | |
| Average monthly return (%) | | 77.8 | 75.5 | | | | | |
| Fund Size AUD**** | | \$93.8M | | | | | | |
| Months since inception | | 229 | | | | | | |
| Current Buy/Sell Spread | +0.240%/-0.240% | | | | | | | |

Source: Fidante Partners, Bloomberg

Past performance is not necessarily indicative of future performance. Returns may be volatile and may vary from year to year.

*Benchmark is the Merrill Lynch US High Yield Cash Pay Constrained Index (AUD Hedged)

**The inception date of the fund is 15-Oct-1998

^^Tracking Error is the Standard Deviation of the Active Return (before fees).

~Information Ratio is the Active Return (before fees) divided by the Tracking Error.

°Total Returns (after fees and expenses) are calculated using pre-distribution month end withdrawal unit prices and assumes all distributions are reinvested.

°°Gross Returns (before fees) are calculated by adding back the fees and expenses deducted. Please refer to the PDS for more information on fees and expenses.

°°° Active Return is the difference between the Total Return or the Gross Return and the return of the Benchmark.

**** The FUM amount shown includes inter-funding. Bentham strategies inter-fund for portfolio construction purposes.

Table 2: Distribution History (% of Net Asset Value)*

| Financial Year | Sep | Dec | Mar | Jun | YTD** |
|----------------|------|------|------|------|-------|
| 2018 | 1.25 | | | | 1.26 |
| 2017 | 1.20 | 1.21 | 1.15 | 1.03 | 5.11 |
| 2016 | 1.22 | 1.24 | 1.29 | 2.43 | 6.14 |
| 2015 | 1.76 | 1.62 | 0.00 | 3.10 | 6.67 |
| 2014 | 2.43 | 2.91 | 2.42 | 1.94 | 10.43 |
| 2013 | 1.53 | 2.32 | 2.57 | 3.07 | 10.37 |

Source: Fidante Partners

Past distributions are no indication of future distributions.

* Calculated as the cents per unit (CPU) distribution at month end divided by the ex-distribution unit price at the start of the month.

** Annual Distribution Return (Year-to-Date) is calculated as the Total Return (after fees) minus Growth Return. Total Returns (after fees) are calculated using pre-distribution month end withdrawal unit price and assumes all distributions are reinvested. Growth Returns equal the percentage change in the unit price.

Contact us

Retail Investors: Fidante Partners Investor Services on 13 51 53.

Advisers: Fidante Partners Adviser Services on 1800 195 853 or your State Business Development Manager.

Institutional Investors / Consultants: institutional@benthamam.com

For more information www.benthamam.com

Unless otherwise specified, any information contained in this publication is current as at the date of this publication and is provided by Fidante Partners Services Limited ABN 44 119 605 373, AFSL 320505 (Fidante Partners), the responsible entity and issuer of interests in the Bentham High Yield Fund (Fund). Bentham Asset Management Pty Ltd ABN 92 140 833 674 AFSL 356199 (Bentham) is the investment manager of the Fund. It is intended to be general information only and not financial product advice and has been prepared without taking into account any person's objectives, financial situation or needs. Each person should, therefore, consider its appropriateness having regard to these matters and the information in the product disclosure statement (PDS) and any additional information brochure (AIB) for the Fund before deciding whether to acquire or continue to hold an interest in the Fund. If you acquire or hold an interest in the Fund, we will receive the fees and other benefits, which are disclosed in the PDS and any AIB for the Fund. Neither Fidante Partners nor a Fidante Partners related company and our respective employees receive any specific remuneration for any advice provided to you. However, financial advisers may receive fees or commissions if they provide advice to you or arrange for you to invest in the Fund. Bentham, some or all Fidante Partners related companies and directors of those companies may benefit from fees, commissions and other benefits received by another group company. Neither Fidante Partners nor any related party of Fidante Partners nor any investment manager nor any sub-adviser guarantees the repayment of your capital or the performance of any Fund or any particular taxation consequence of investing. Past performance is not a reliable indicator of future performance. The PDS and any AIB can be obtained from your financial adviser, our Investor Services team on 13 51 53, or on our website www.fidante.com.au. Please also refer to the Financial Services Guide on the Fidante Partners website.