

# Bentham Wholesale High Yield Fund

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## Monthly fact sheet – February 2017

### Portfolio and Market Returns

The Bentham Wholesale High Yield Fund had a total return (after fees\*) of 1.38 percent in the month of February, underperforming the benchmark Merrill Lynch High Yield Cash Pay Constrained Index (hedged into AUD) after fees by 0.23 percent. On a before fees\* basis the fund returned 1.34 percent for the month, underperforming the benchmark by 0.27 percent.

### Fund Statistics

At month end, the Fund had a yield to maturity of 6.19% and running yield 7.09%, with the credit yield spread<sup>^</sup> decreasing by 38 basis points to 355 basis points during the month. The Fund had an interest rate duration of 3.92 years and credit duration of 3.80 years.

### High Yield Market

For the month, 22 of the 24 industries had positive returns. The top performing industries in February were Cable/Wireless Video, Healthcare and Broadcasting with returns (sector performance in USD terms) of 3.53%, 3.32% and 2.35% respectively. The worst performing industries were Energy, Consumer Durables and Consumer Products with returns of -0.22%, 0.00% and 0.72% respectively.

The credit yield spread<sup>^</sup> for the Index decreased by 27 basis points during the month to 366 basis points.

### Portfolio Exposures

The Fund's asset allocations are 92.2% in High Yield Bonds, 0.0% in Syndicated Loans and 7.8% in Cash & Derivative Hedges.

The Fund's three largest industry exposures are 9.9% in Broadcasting and Entertainment, 9.8% in Buildings and Real Estate and 7.4% in Oil and Gas. The Fund's top three company exposures are 1.8% in Block Communications Inc, 1.7% in HCA Inc and 1.5% in Altice Financing. During the month, the Fund increased its exposure to Post Holdings Inc, Kaiser Aluminum Corp and Ctr Partnership/Caretrst; with decreased exposures to Parsley Energy Llc/Finan, Care Capital Properties and Optimas Oe Solution Hldg.

\*For information about return calculations after fees please refer to the tables on page 2.

\*\* 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.

<sup>^</sup>Credit yield spread is yield to maturity above the duration adjusted risk free bond rate

**Table 1: Portfolio Returns**

As at 28 Feb 17	Total Return (after fees) <sup>o</sup> %	Gross Return (before fees) <sup>oo</sup> %	Benchmark* %	Active Return (after fees) %	Active Return (before fees) %	Std Dev	Tracking Error <sup>^^</sup>	Info Ratio <sup>~</sup>
1 Month	1.38	1.34	1.61	-0.23	-0.27			
3 Months	5.34	5.52	5.13	0.21	0.39			
6 Months	6.27	6.61	5.93	0.34	0.68			
1 Year	18.77	19.50	23.15	-4.38	-3.65	3.48	2.20	-1.66
2 Year (p.a.)	7.13	7.93	7.17	-0.05	0.76	5.13	2.11	0.36
3 Years (p.a.)	6.55	7.33	6.49	0.05	0.83	4.59	1.96	0.43
5 Years (p.a.)	9.23	10.05	9.09	0.14	0.96	4.08	1.77	0.54
7 Years (p.a.)	11.12	11.97	10.83	0.29	1.14	4.41	2.44	0.47
10 Years (p.a.)	9.58	10.41	9.43	0.15	0.97	9.40	3.94	0.25
15 Years (p.a.)	10.44	11.20	10.68	-0.24	0.52	8.22	3.43	0.15
Since Inception (p.a.)**	8.73	9.46	9.12	-0.39	0.34	8.02	3.25	0.11
Positive months		162	151					
Negative months		58	69					
Positive months (%)		73.64	68.64					
Negative months (%)		26.36	31.36					
Average month (%)		0.78	0.77					
Fund Size AUD		\$88.20M						
Months since inception		220						

\*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

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

<sup>oo</sup>Gross returns are calculated by adding back the Management Costs deducted. Please refer to the PDS for more information on management costs.

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

Source: Fidante Partners, Bloomberg

**Table 2: Distribution History (% of NAV)\***

Financial Year	Sep	Dec	Mar	Jun	YTD**
2017	1.20	1.21	0.00	0.00	2.62
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
2012	2.77	0.78	3.20	4.38	11.82
2011	0.96	4.26	2.64	6.69	16.38

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.

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