

# Bentham Wholesale Syndicated Loan Fund NZD

---

## Monthly fact sheet – February 2017

### Portfolio and Market Returns

The Bentham Wholesale Syndicated Loan Fund NZD had a total return (after standard wholesale fees\*) of 0.61 percent in the month of February, underperforming the benchmark Credit Suisse Leveraged Loan Index (hedged into NZD) after fees by 0.07 percent. On a before fees\* basis the fund returned 0.62 percent for the month, underperforming the benchmark by 0.05 percent.

The February monthly distribution paid was 0.47%\*\*.

### Fund Statistics

At month end, the Fund had a yield to maturity of 6.55% and running yield of 6.04%, with the credit yield spread<sup>^</sup> decreasing by 23 basis points to 385 basis points during the month. The Fund had an interest rate duration of 0.5 years and credit duration of 3.49 years.

### Leveraged Loan Market

The top performing leveraged loan industries in February were Metals/Minerals, Energy and Food And Drug with returns (sector performance in USD terms) of 1.72%, 1.18% and 0.85% respectively. The worst performing loan industries were Retail, Forest Prod/Containers and Gaming/Leisure with returns of -0.33%, 0.28% and 0.41% respectively.

The discount margin (3 year) for the Index decreased by 14 basis points during the month to 440 basis points.

### Portfolio Exposures

The Fund's asset allocations are 76.5% in Syndicated Loans, 6.9% in High Yield Bonds, 3.9% in Collateralised Loan Obligations and 12.7% in Cash & Derivative Hedges.

The Fund's three largest industry exposures are 10.0% in Electronics, 8.4% in Diversified/Conglomerate Service and 6.7% in Healthcare, Education and Childcare. The Fund's top three company exposures are 1.0% in HCA Inc, 0.9% in First Data Corporation and 0.9% in Valeant Pharmaceuticals. During the month, the Fund increased its exposure to Change Healthcare Holdings Inc., Xella International S.A. and Symantec Corporation; with decreased exposures to Quikrete Holdings, Inc, DJO Finance LLC and CHS/Community Health Systems, Inc..

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

\*\* The monthly distribution return is calculated as the distribution amount declared for the month-end divided by the ex-distribution unit price at the start of the month. Bentham intends to achieve an average distribution rate of one month New Zealand Bank Bill Swap (NDBB1M) rate plus 3.50% - 4.00% p.a. of the monthly unit price for FY2017 with taxable income. If there is a shortfall of taxable income, the distribution could possibly include a capital return. The current distribution rate setting was based on the running yield of the Fund as at 30

June 2016 and assumes the Fund continues to achieve an equivalent yield for FY2017. Actual distributions, however, can differ from this setting because of future matters which are not known or able to be presently identified.

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

**Table 1: Portfolio Returns**

As at 28 Feb 17	Total Return (after fees) <sup>o</sup> %	Gross Return (before fees) <sup>oo</sup> %	CS LL Index* (NZD) %	Active Return (after fees) %	Active Return (before fees) %	Std Dev	Tracking Error <sup>^^</sup>	Info Ratio <sup>^^</sup>
1 Month	0.61	0.62	0.67	-0.07	-0.05			
3 Months	3.05	3.22	2.56	0.49	0.65			
6 Months	5.77	6.05	5.01	0.76	1.04			
1 Year	15.71	16.62	14.19	1.51	2.43	2.63	0.73	3.32
2 Years (p.a.)	6.89	7.78	6.59	0.30	1.19	3.59	1.01	1.19
3 Years (p.a.)	6.52	7.40	6.41	0.11	1.00	3.11	0.85	1.16
Since Inception (p.a.) <sup>**</sup>	7.10	7.99	6.78	0.32	1.22	2.96	0.84	1.45
Positive months		34	32					
Negative months		7	9					
Positive months (%)		83	78					
Negative months (%)		17	22					
Average month (%)		0.65	0.55					
Fund Size NZD	\$60.7M							
Months since inception	41							

Source: Fidante Partners, State Street & Bloomberg

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

<sup>\*\*</sup>The inception date of the Fund is 30 September 2013.

<sup>^^</sup>Tracking Error is the Standard Deviation of the Active Return (before fees).

<sup>^^</sup>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 (before fees) are calculated by adding back the fees and expenses deducted. Please refer to the PDS for more information on fees and expenses.

<sup>ooo</sup> Active Return is the difference between the Total Return or the Gross Return and the return of the Benchmark.

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

Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD <sup>**</sup>
2017	0.51	0.50	0.49	0.50	0.48	0.41	0.46	0.47					4.03
2016	0.51	0.48	0.47	0.48	0.48	0.46	0.46	0.43	0.45	0.43	0.42	1.14	6.14
2015	0.54	0.55	0.54	0.54	0.57	0.55	0.55	0.54	0.53	0.55	0.56	0.00	6.19
2014				0.51	0.51	0.51	0.51	0.51	0.51	0.52	0.52	5.62	10.04

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.

<sup>\*\*</sup> 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

For retail investors

Contact the Fidante Partners Investor Services team on 13 51 53.

For advisers

Australian advisers, contact your local Fidante Partners Business Development Manager or the Fidante Partners Adviser Services team on 1800 195 835.

New Zealand advisers, contact The Investment Store on 0800 331 041.

Institutional investors and consultants

Australian institutional investors and consultants, contact your local Fidante Partners Institutional Business Development Manager.

New Zealand institutional investors and consultants, contact The Investment Store on 0800 331 041.

## For more information

[www.benthamam.com](http://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 Limited ABN 94 002 835 592, AFSL 234668 (Fidante Partners), the responsible entity and issuer of interests in the Bentham Wholesale Syndicated Loan Fund NZD (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](http://www.fidante.com.au). Please also refer to the Financial Services Guide on the Fidante Partners website.