

Bentham Wholesale Syndicated Loan Fund NZD

Monthly fact sheet – June 2017

Portfolio and Market Returns

The Bentham Wholesale Syndicated Loan Fund NZD had a total return (after standard wholesale fees*) of 0.10 percent in the month of June, outperforming the benchmark Credit Suisse Leveraged Loan Index (hedged into NZD) after fees by 0.10 percent. On a before fees* basis the fund returned 0.13 percent for the month, outperforming the benchmark by 0.12 percent.

The June monthly distribution paid was 2.91%**.

Fund Statistics

At month end, the Fund had a yield to maturity of 6.42% and running yield of 5.93%, with the credit yield spread[^] decreasing by 77 basis points to 271 basis points during the month. The Fund had an interest rate duration of 0.44 years and credit duration of 4.49 years.

Leveraged Loan Market

The top performing leveraged loan industries in June were Utility, Metals/Minerals and Consumer Durables with returns (sector performance in USD terms) of 0.42%, 0.35% and 0.31% respectively. The worst performing loan industries were Energy, Food And Drug and Retail with returns of -3.21%, -1.48% and -1.24% respectively.

The discount margin (3 year) for the Index increased by 8 basis points during the month to 442 basis points.

Portfolio Exposures

The Fund's asset allocations are 77.7% in Syndicated Loans, 6.3% in High Yield Bonds, 4.4% in Collateralised Loan Obligations and 11.6% in Cash & Derivative Hedges.

The Fund's three largest industry exposures are 15.1% in CLO, 10.5% in Banking and 10.0% in Insurance. The Fund's top three company exposures are 2.9% in JPMorgan Chase & Co, 1.0% in Intrawest Holdings S.A.R.L. and 1.0% in First Data Corporation. During the month, the Fund increased its exposure to Brand Energy and Infrastructure Services, Intrawest Operations Group and Nord Anglia Education Finance; with decreased exposures to VENTR 2013-13A, American Axle & Manufacturing and Payless.

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

** 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 30 Jun 17	Total Return (after fees) ^o %	Gross Return (before fees) ^{oo} %	CS LL Index* (NZD) %	Active Return (after fees) %	Active Return (before fees) %	Std Dev	Tracking Error ^{^^}	Info Ratio [~]
1 Month	0.10	0.13	0.00	0.10	0.12			
3 Months	1.82	1.98	0.96	0.86	1.02			
6 Months	3.70	4.03	2.42	1.28	1.61			
1 Year	10.82	11.52	8.84	1.97	2.68	0.00	0.76	3.53
2 Years (p.a.)	6.46	7.32	5.97	0.48	1.35	768.18	1.05	1.29
3 Years (p.a.)	6.32	7.19	5.84	0.49	1.36	768.18	0.90	1.51
Since Inception (p.a.)**	7.02	7.90	6.47	0.55	1.42	1.46	0.84	1.70
Positive months		38	36					
Negative months		7	9					
Positive months (%)		84.4	80.0					
Negative months (%)		15.6	20.0					
Average month (%)		0.64	0.53					
Fund Size NZD	\$62.2M							
Months since inception	45							

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.

**The inception date of the Fund is 30 September 2013.

^{^^}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.

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

^{oo}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.

^{oo} 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**
2017	0.51	0.50	0.49	0.50	0.48	0.41	0.46	0.47	0.45	0.47	0.46	2.91	8.63
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	-	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.

** 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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