

### Investment Objective

The Fund provides exposure to global credit markets and aims to generate income with some potential for capital growth over the medium to long term.

### Fund Performance as at 30 September 2018

	1 month	3 months	6 months	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception (p.a.)
<b>Gross return (before fees)</b>	<b>0.91</b>	<b>1.73</b>	<b>2.25</b>	<b>6.26</b>	<b>7.34</b>	<b>6.77</b>	<b>9.71</b>	<b>8.19</b>
<i>Growth return (after fees)</i>	<i>0.55</i>	<i>0.57</i>	<i>-0.88</i>	<i>0.63</i>	<i>1.85</i>	<i>0.97</i>	<i>2.36</i>	<i>0.56</i>
<i>Distribution return</i>	<i>0.32</i>	<i>1.00</i>	<i>2.79</i>	<i>4.91</i>	<i>4.73</i>	<i>5.03</i>	<i>6.53</i>	<i>6.82</i>
<b>Total return (after fees)<sup>1</sup></b>	<b>0.88</b>	<b>1.57</b>	<b>1.90</b>	<b>5.54</b>	<b>6.57</b>	<b>5.99</b>	<b>8.89</b>	<b>7.38</b>
Benchmark	-0.13	0.53	1.19	2.80	2.41	3.24	4.40	4.92
Active return (after fees) <sup>2</sup>	1.01	1.04	0.71	2.74	4.16	2.75	4.49	2.46

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

<sup>1</sup> Total Net Return (after fees) is calculated using pre-distribution month end withdrawal unit prices, and assumes all income is reinvested in additional units. Total Return equals Growth return (after fees) plus Distribution return (after fees).

<sup>2</sup> Active Return of the Fund is the difference between the Total Return and the return of the Benchmark. 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.

### Portfolio and Market Returns

The Bentham Global Income Fund had a total return (after fees) of 0.88% in the month of September, outperforming the benchmark (50% Bloomberg AusBond Bank Bill Index, 50% Bloomberg AusBond Composite Index) after fees by 1.01%. On a before fees basis the fund returned 0.91% for the month, outperforming the benchmark by 1.05%.

September was a strong month for credit and challenging month for government bonds as market volatility generally subsided. It was a strong quarter for developed markets with US Equities outperforming and US economic data showing continued strength in Animal Spirits, ultimately outweighing concerns around the escalating US-China trade war. The US initially targeted \$34 billion of Chinese products with a 25% tariff in early July. Tariffs on another \$16 billion began in late August, before a 10% tariff was implemented on a further \$200 billion of Chinese goods in September (set to rise to 25% in January).

As expected, the US hiked to 2.25% and rates continued to move higher. Positive economic data continued in the United States despite Hurricane Florence. The top performing contributors to performance included Global Syndicated Loans, Collateralised Loan Obligations and Global Hybrids; whilst the bottom performing contributors included Investment Grade Credit, European Convertibles and RMBS.

We remain cautious on rates especially given the most recent economic prints with unemployment dropping to new lows in the U.S. (3.7%). The "Double Barrel Year" continues to be both an interesting and challenging market to navigate for traditional assets, especially those with fixed cash flows. Our outlook for global credit markets remains cautiously optimistic even as we continue to wind-down our short rates position towards neutral. We expect that the improving macroeconomic environment in the US will continue to be supportive of credit markets and bearish for most bond markets, and potentially even for equities. Markets now anticipate the 4th hike of 2018 to be in December (76.2% priced in).

### Portfolio Summary Statistics

Yield to maturity	4.91%
Running yield	4.40%
Credit spread <sup>3</sup>	+240bps
Number of issuers	647
Interest rate duration	-1.93 years
Credit duration	4.30 years
Investment grade <sup>4</sup> exposure	67% of portfolio
Fund size	A\$2,476,390,917

### Risk Characteristics

5 Year Volatility <sup>5</sup>	3.12
5 Year Sharpe Ratio <sup>6</sup>	1.47
5 Year Tracking Error <sup>7</sup>	3.80
5 Year Information Ratio <sup>8</sup>	0.93

### Fund Distributions

Distribution frequency	Monthly
Monthly distribution <sup>9</sup>	0.32% (Sep 2018)
Target distribution rate (FY19) <sup>10</sup>	3.75% to 4.25%

<sup>3</sup> Spread over the swap rate.

<sup>4</sup> An assigned credit rating of BBB-/Baa3 or better by a credit rating agency.

<sup>5</sup> Volatility is Standard Deviation.

<sup>6</sup> Sharpe Ratio is the excess return over the Bloomberg AusBond Bank Bill Index (before fees) divided by Standard Deviation.

<sup>7</sup> Tracking Error is the Standard Deviation of the Active Return (before fees).

<sup>8</sup> Information Ratio is the Active Return (before fees) divided by the Tracking Error.

<sup>9</sup> Calculated as the cents per unit (CPU) distribution at the month end divided by the ex-distribution unit price at the start of the month.

<sup>10</sup> Bentham intends to achieve the distribution rate for FY2019 with taxable income. If there is a shortfall of taxable income, the distribution may possibly include a capital return. The current distribution rate setting was based on the running yield of the Fund as at 30 June 2018 and assumes the Fund continues to achieve an equivalent yield for FY2019. Actual distributions, however, can differ from this setting because of future matters which are not known or able to be presently identified.

**Monthly Distribution Returns History (%)<sup>1</sup>**

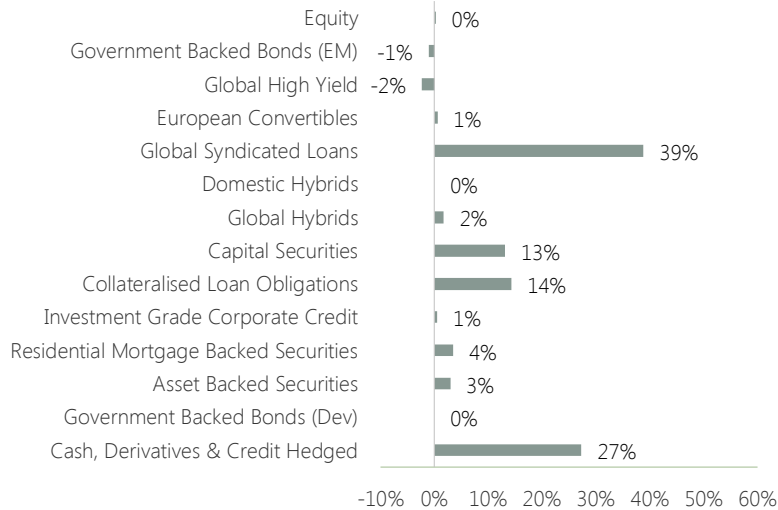
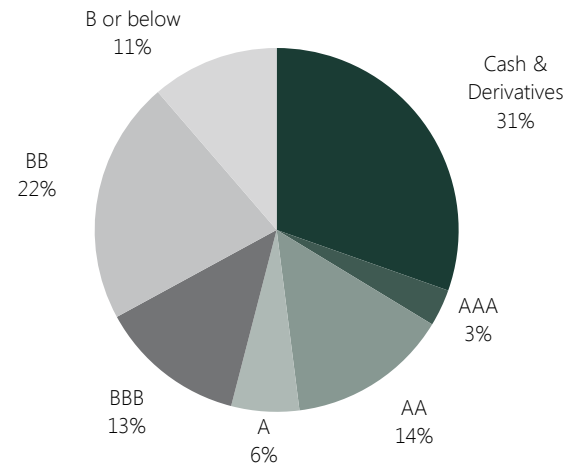
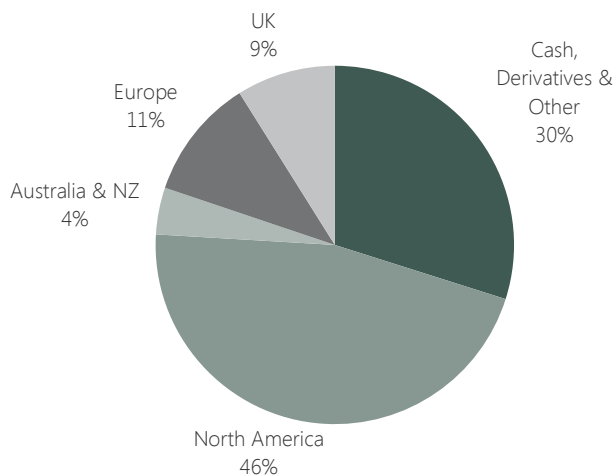
Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD <sup>2</sup>
2019	0.33	0.33	0.32	-	-	-	-	-	-	-	-	-	1.00
2018	0.37	0.33	0.34	0.33	0.33	0.33	0.34	0.33	0.33	0.34	0.54	0.90	4.96
2017	0.37	0.37	0.37	0.37	0.37	0.37	0.38	0.37	0.37	0.37	0.37	0.36	4.88
2016	0.36	0.38	0.36	0.37	0.37	0.37	0.38	0.38	0.38	0.36	0.38	0.37	4.32
2015	0.44	0.43	0.44	0.44	0.44	0.42	0.44	0.44	0.43	0.43	0.43	0.77	5.58
2014	0.50	0.49	0.50	0.49	0.50	0.49	0.50	0.50	0.50	0.50	0.50	0.07	5.94

Source: Fidante Partners

Past distributions are no indication of future distributions.

<sup>1</sup> 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>2</sup> Annual distribution return (Year-to-Date) is calculated as the Total Return (after fees) minus Growth Return. Total Return (after fees) is calculated using pre-distribution month end withdrawal unit price, and assumes distributions are reinvested. Growth Return equals the percentage change in unit price.

**Portfolio Asset Allocation**

**Credit Rating Breakdown**

**Regional Breakdown**

**Top 5 Industry Exposures (Moody's SIC)**

Banking	11.2%
Electronics	5.2%
Insurance	4.9%
Chemicals, Plastics and Rubber	4.7%
Diversified/Conglomerate Service	4.4%

**Pricing and Fees**

Unit frequency pricing	Daily
Management fee	0.72%
Recoverable expenses	0.02% (Sep 2018)
Buy/sell spread <sup>3</sup>	+0.215%/-0.215%
Entry and exit fees	Nil
Minimum initial investment	A\$10,000

<sup>3</sup> Buy/sell spread is retained in the Fund to cover transaction costs. It is not paid to the Investment Manager. The buy/sell spread is reviewed on a monthly basis to ensure it fairly reflects market transaction costs.

Fund Overview		Platform Availability & mFund Code			
Portfolio Manager	Richard Quin	AMP Flexi Super MT	✓	OnePath OneAnswer	✓
Inception date	16 September 2003	AMP PortfolioCare	✓	OnePath PortfolioOne	✓
APIR code	CSA0038AU	AMP PPS	✓	IOOF – Pursuit Select	✓
Benchmark	50% Bloomberg Ausbond Composite Bond Index and 50% Bloomberg Ausbond Bank Bill Index	AMP Wealthview	✓	Macquarie Wrap Super Manager	✓
Investment universe	Global credit and fixed interest markets, including but not limited to, government backed bonds, securitised credit, global syndicated loans, global high yield bonds, equities and derivatives	Asgard eWrap	✓	Macquarie Wrap Investment	✓
Credit quality	Actively managed. Minimum exposure of 50% to investment grade rated securities	Asgard Infiniti-Select	✓	MLC Wrap – IDPS	✓
Interest rate exposure	Actively managed	Asgard Master Trust	✓	MLC Wrap – Super	✓
Currency	Aims to be fully hedged to AUD	North	✓	MLC Navigator	✓
Fund features	<ul style="list-style-type: none"> <li>• Active specialist management</li> <li>• Access to global investment opportunities not typically available to direct retail investors</li> <li>• Highly diversified portfolio</li> <li>• Regular monthly distributions</li> <li>• Daily unit pricing</li> <li>• Australian domiciled trust with more than 14 years' track record</li> <li>• Competitive fee</li> </ul>	Summit	✓	Netwealth – Public	✓
		BT Panorama	✓	Oasis	✓
		BT Wrap	✓	Perpetual Wealth Focus	✓
		Federation	✓	PowerWrap	✓
		FirstWrap	✓	Synergy	✓
		Grow Wrap	✓	uXchange	✓
		Hillross Portfolio Care	✓	ASX mFund Settlement Service <b>BAM05</b>	
		HUB24	✓		

Rated by Lonsec



30 Jan 18

**More information:**
**Retail Investors:** Fidante Partners Investor Services on 13 51 53 or [info@fidante.com.au](mailto:info@fidante.com.au)
**Advisers:** Fidante Partners Adviser Services on 1800 195 853 or your State Business Development Manager

**Institutional Investors / Consultants:** [institutional@benthamam.com](mailto:institutional@benthamam.com)
**Website:** [www.benthamam.com](http://www.benthamam.com)
**PDS:** [Bentham Global Income Fund PDS](#)

**Lonsec:** The Lonsec Rating (assigned October 2017) presented in this document is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445. The Rating is limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial product(s). Past performance information is for illustrative purposes only and is not indicative of future performance. It is not a recommendation to purchase, sell or hold Bentham Asset Management product(s), and you should seek independent financial advice before investing in this product(s). The Rating is subject to change without notice and Lonsec assumes no obligation to update the relevant document(s) following publication. Lonsec receives a fee from the Fund Manager for researching the product(s) using comprehensive and objective criteria. For further information regarding Lonsec's Ratings methodology, please refer to our website at: <http://www.lonsecresearch.com.au/research-solutions/our-ratings>.

**Zenith:** The Zenith Investment Partners ("Zenith") Australian Financial Services License No. 226872 rating (assigned March 2018) referred to in this document is limited to "General Advice" (as defined by the Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Zenith usually charges the product issuer, fund manager or a related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessment's and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>.

**Morningstar:** The Morningstar Analyst Rating™ for Bentham Global Income Fund is 'Silver' as of 30/01/2018. © 2018 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'class service' have been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. Refer to our Financial Services Guide (FSG) for more information at [www.morningstar.com.au/s/fsg.pdf](http://www.morningstar.com.au/s/fsg.pdf). You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.

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 Global Income 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](http://www.fidante.com.au). Please also refer to the Financial Services Guide on the Fidante Partners website.