

### Fund Aim

To provide investors with a diversified exposure to the global syndicated loan market with an active allocation to investments in different industries, issuers and geographies.

### Fund Performance as at 31 July 2020 (%)

	1 month	3 months	6 months	1 year	3 years (p.a.)	5 years (p.a.)	7 years (p.a.)	10 years (p.a.)	15 years (p.a.)	Since inception (p.a.)
Gross return (before fees)	1.60	6.66	-6.10	-3.64	1.70	3.79	4.89	7.10	7.37	7.62
Growth return (after fees)	1.21	6.24	-8.70	-8.66	-3.84	-1.97	-1.57	-0.92	-1.08	-0.61
Distribution return	0.39	1.00	1.80	3.75	4.53	4.80	5.53	7.08	7.54	7.32
<b>Total return (after fees)<sup>1</sup></b>	<b>1.60</b>	<b>7.24</b>	<b>-6.91</b>	<b>-4.91</b>	<b>0.69</b>	<b>2.83</b>	<b>3.96</b>	<b>6.17</b>	<b>6.45</b>	<b>6.71</b>
Benchmark	1.80	6.96	-4.88	-3.13	1.65	3.26	4.03	5.96	5.83	5.99
Active return (after fees) <sup>2</sup>	-0.20	0.28	-2.03	-1.78	-0.97	-0.43	-0.08	0.21	0.63	0.71

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

<sup>1</sup> Total 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 Syndicated Loan Fund had a total return (after fees) of 1.60% in the month of July, underperforming the benchmark (Credit Suisse Leveraged Loan Index hedged into AUD) by 0.20%. On a before fees basis the fund returned 1.60% for the month, underperforming the benchmark by 0.20%.

### Fund Statistics

At month end, the Fund had a yield to maturity of 5.70% and running yield of 4.55%, with the credit yield spread decreasing by 43 bps to 549 bps during the month. The Fund had an interest rate duration of 1.42 years and credit duration of 3.76 years.

### Leveraged Loan Market

The discount margin (3 year) for the Index decreased by 71 bps during the month to 629 bps.

The top performing leveraged loan industries in July were Retail, Metals/Minerals and Healthcare with returns (sector performance in USD terms) of 3.66%, 2.92% and 2.46% respectively. The worst performing loan industries were Aerospace, Media/Telecommunications and Utility with returns of -0.63%, 1.40% and 1.49% respectively.

### Portfolio Exposures

The Fund's three largest industry exposures are 10.4% in Electronics, 8.3% in Healthcare, Education and Childcare and 7.1% in Chemicals, Plastics and Rubber. The Fund's top three company exposures are 1.2% in Epicor Software, 1.0% in Solera and 0.9% in Numericable. During the month, the Fund increased its exposure to Epicor Software, Tech 6 and Graham Packaging; with decreased exposures to Champ Acquisition, James Hardie International and Kestra Advisor Services.

### Portfolio Summary Statistics

Yield to maturity	5.70%
Running yield	4.55%
Credit spread <sup>3</sup>	+549bps
Number of issuers	366
Interest rate duration	1.42 years
Credit duration	3.76 years
Average credit quality <sup>4</sup>	B+
Fund size	A\$2,925,274,678

### Risk Characteristics

5 Year Volatility <sup>5</sup>	7.33
5 Year Sharpe Ratio <sup>6</sup>	0.29
5 Year Tracking Error <sup>7</sup>	0.96
5 Year Information Ratio <sup>8</sup>	0.55

### Fund Distributions

Distribution frequency	Monthly
Monthly distribution <sup>9</sup>	0.39% (Jul 2020)
Target distribution rate (FY20) <sup>10</sup>	1m BBSW + 4.25% to 4.75%

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

<sup>4</sup> The average credit quality is calculated using a duration adjusted Moody's Weighted Average Rating Factor (WARF) for both the S&P and Moody's security credit ratings within a portfolio.

<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> Target distribution rates for FY20 set at one month Australian Bank Bill Swap Rate (BBSW) plus a range of 3.0% to 3.5% of the monthly unit price. Bentham intends to achieve the distribution rate for FY2020 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 2019 and assumes the Fund continues to achieve an equivalent yield for FY2020. 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>**

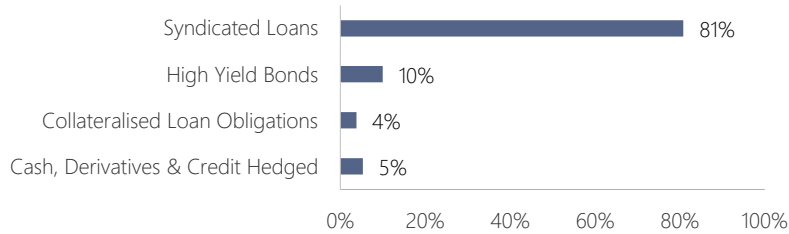
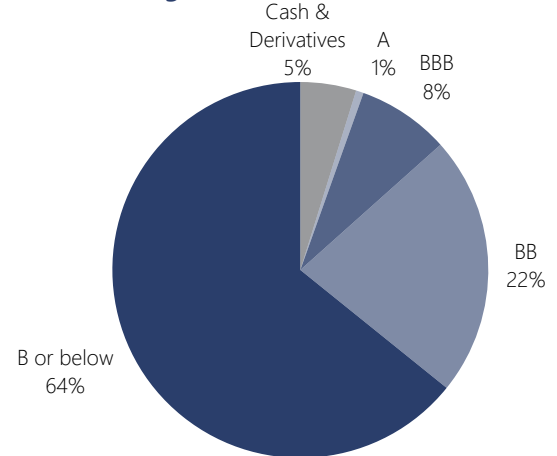
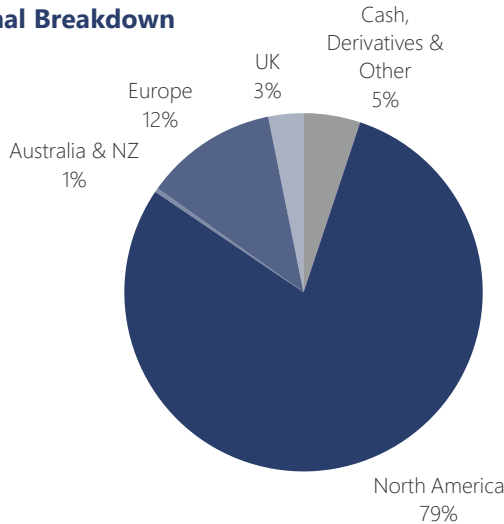
Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD <sup>2</sup>
2021	0.39	-	-	-	-	-	-	-	-	-	-	-	0.39
2020	0.37	0.35	0.35	0.36	0.34	0.33	0.34	0.34	0.33	0.29	0.28	0.28	3.70
2019	0.41	0.41	0.40	0.41	0.40	0.41	0.42	0.41	0.41	0.39	0.38	0.37	4.83
2018	0.45	0.41	0.40	0.41	0.40	0.41	0.42	0.42	0.42	0.42	0.43	0.45	5.16
2017	0.45	0.47	0.44	0.45	0.45	0.45	0.44	0.45	0.45	0.44	0.45	0.45	5.79
2016	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.41	0.39	0.39	0.29	4.65

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.

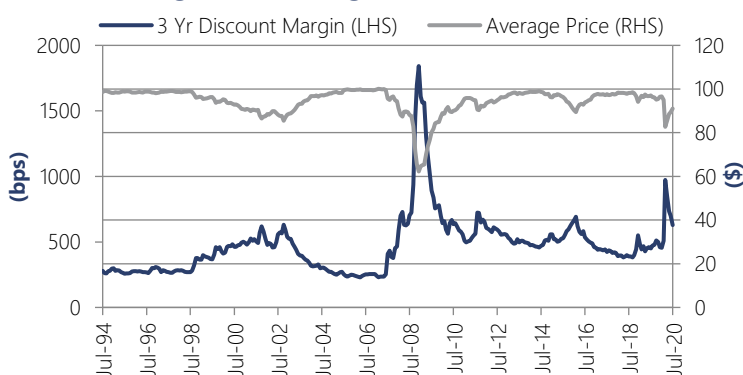
**Portfolio Asset Allocation**

**Credit Rating Breakdown**

**Regional Breakdown**

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

Electronics	10.4%
Healthcare, Education and Childcare	8.3%
Chemicals, Plastics and Rubber	7.1%
Buildings and Real Estate	6.7%
Telecommunications	6.1%

**Pricing and Fees**

Unit frequency pricing	Daily
Management fee	0.77%
Recoverable expenses	0.06% (Jul 2020)
Buy/sell spread <sup>3</sup>	+0.875%/-0.875%
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.

**Discount Margin and Average Price of US Loan Market**


Source: Credit Suisse

# Bentham Syndicated Loan Fund

July 2020

Fund Overview	
Portfolio Manager	Tom Flannery and Richard Quin
Inception date	16 August 2004
APIR code	CSA0046AU
Benchmark	Credit Suisse Leveraged Loan Index (hedged into Australian dollars)
Return objective	The Fund aims to achieve investment returns above the Benchmark over the suggested investment time frame
Suggested investment time frame	Medium term, minimum 3 years
Fund aim	To provide investors with a diversified exposure to the global syndicated loan market with an active allocation to investments in different industries, issuers and geographies
Interest rate risk	Predominantly floating rate
Currency	Hedged into Australian dollars
Fund features	<ul style="list-style-type: none"> <li>• Access to global senior secured syndicated loans which are not generally available to direct retail investors</li> <li>• Regular monthly distributions</li> <li>• High running yield with low interest rate risk</li> <li>• Australian domiciled trust with a 15+ year track record</li> <li>• Loans are valued to market prices daily – with daily unit pricing</li> </ul>

Platform Availability & mFund Code			
AMP eWrap	✓	OnePath PortfolioOne	✓
AMP PortfolioCare	✓	Macquarie Wrap Super Manager	✓
AMP Wealthview	✓	Macquarie Wrap Investment	✓
Asgard eWrap	✓	MLC Wrap – IDPS	✓
Asgard Master Trust	✓	MLC Wrap – Super	✓
North	✓	MLC Navigator	✓
Summit	✓	Netwealth – Private	✓
BT Panorama	✓	Oasis	✓
BT Wrap	✓	PowerWrap	✓
FirstWrap	✓	uXchange	✓
Hillross Portfolio Care	✓	ASX mFund Settlement Service	<b>BAM04</b>
HUB24	✓		



**More information:**

**Retail Investors:** Fidante Partners Investor Services on 13 51 53 or [info@fidante.com.au](mailto:info@fidante.com.au)

**Advisers:** Please contact [funds@benthamam.com](mailto:funds@benthamam.com) or call 02 9994 7929

**Institutional Investors / Consultants:** [institutional@benthamam.com](mailto:institutional@benthamam.com)

**Website:** [www.benthamam.com](http://www.benthamam.com)

**PDS:** [Bentham Syndicated Loan Fund PDS](#)

**Zenith:** The Zenith Investment Partners ("Zenith") Australian Financial Services License No. 226872 rating (assigned March 2019) 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>.

Unless otherwise specified, any information contained in this publication is current as at the date of this publication and is provided by Bentham Asset Management Pty Ltd ABN 92 140 833 674 AFSL 356199 (Bentham). Fidante Partners Limited (Fidante) (ABN 94 002 835 592, AFSL 234668) is the responsible entity and issuer of interests in the Bentham Global Income Fund NZD ARSN 165 696 417, Bentham Syndicated Loan Fund NZD ARSN 165 696 300 and the Bentham Asset Backed Securities Fund ARSN 622 644 866, and Fidante Partners Services Limited ABN 44 119 605 373, AFSL 320505 (Fidante Partners), is the responsible entity and issuer of interests in the Bentham Global Income Fund ARSN 105 898 271, Bentham Professional Global Income Fund ARSN 109 991 095, Bentham Syndicated Loan Fund ARSN 110 077 159, Bentham Professional Syndicated Loan Fund ARSN 111 433 071 and Bentham High Yield Fund ARSN 088 907 224 (known as the Funds). 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 generally disclosed in the PDS and any AIB for the Fund. Neither Bentham nor a 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. Past performance is not a reliable indicator of future performance. Neither Bentham nor Fidante Partners nor any of their related entities guarantees the performance of the Fund, nor capital invested in the Fund. 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.benthamam.com.au](http://www.benthamam.com.au). Please also refer to the Financial Services Guide on the Bentham website.