

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 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) | 0.42 | 3.31 | 11.41 | 3.17 | 3.32 | 5.11 | 5.34 | 7.66 | 7.22 | 7.43 |
| <i>Growth return (after fees)</i> | <i>0.15</i> | <i>2.42</i> | <i>8.77</i> | <i>-1.98</i> | <i>-1.81</i> | <i>-0.13</i> | <i>-0.19</i> | <i>0.90</i> | <i>-0.11</i> | <i>0.13</i> |
| <i>Distribution return</i> | <i>0.28</i> | <i>0.87</i> | <i>2.44</i> | <i>4.03</i> | <i>4.24</i> | <i>4.39</i> | <i>4.70</i> | <i>5.92</i> | <i>6.51</i> | <i>6.46</i> |
| Total return (after fees)¹ | 0.43 | 3.29 | 11.20 | 2.05 | 2.43 | 4.26 | 4.51 | 6.82 | 6.39 | 6.60 |
| Benchmark | 0.54 | 0.53 | 0.82 | 1.91 | 3.66 | 3.08 | 3.49 | 4.07 | 4.70 | 4.82 |
| Active return (after fees) ² | -0.11 | 2.76 | 10.38 | 0.14 | -1.23 | 1.18 | 1.02 | 2.75 | 1.69 | 1.78 |

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

¹ 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).

² 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 0.43% in the month of September, underperforming the benchmark (50% Bloomberg AusBond Bank Bill Index, 50% Bloomberg AusBond Composite Index) by 0.11%. On a before fees basis the fund returned 0.42% for the month, underperforming the benchmark by 0.12%.

The month of September saw the first monthly sell-off in Equity market since March with most credit spreads marginally wider with the notable exception of loans (our largest exposure). Globally, the risk remains for another COVID-related shut down in the Northern Hemisphere as temperatures cool and infection rates rise. A number of countries are firmly in a second wave of COVID, albeit with a lesser death-toll to date.

The top contributors to performance included Global Syndicated Loans, Collateralised Loan Obligations (CLO) and Investment Grade Credit; whilst the bottom performing contributors included Bank Capital Securities, Global Hybrids and Equity Securities.

There is a surprisingly high level of confidence given the economic backdrop. Countries around the world are now implementing their own strategies to get back to normal, while dealing with second wave of Covid infections. While research has seen positive developments in vaccine testing, anti-viral and more effective indirect therapies, it is the extraordinary Fiscal and Monetary policy which was rapidly deployed that is bridging the activity deficit. We are now 21 days from the US election which has the potential to surprise markets again and potentially remains a risk should neither candidate win with a clear mandate.

Portfolio Summary Statistics

| | |
|--|------------------|
| Yield to maturity | 4.79% |
| Running yield | 3.16% |
| Credit spread ³ | +429bps |
| Number of issuers | 675 |
| Interest rate duration | 0.64 years |
| Credit duration | 4.68 years |
| Investment grade ⁴ exposure | 49% of portfolio |
| Fund size | A\$2,026,804,656 |

Risk Characteristics

| | |
|---------------------------------------|------|
| 5 Year Volatility ⁵ | 5.53 |
| 5 Year Sharpe Ratio ⁶ | 0.63 |
| 5 Year Tracking Error ⁷ | 5.98 |
| 5 Year Information Ratio ⁸ | 0.34 |

Fund Distributions

| | |
|---|------------------|
| Distribution frequency | Monthly |
| Monthly distribution ⁹ | 0.28% (Sep 2020) |
| Target distribution rate (FY20) ¹⁰ | 3.25% to 3.75% |

³ Spread over the swap rate.

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

⁵ Volatility is Standard Deviation.

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

⁷ Tracking Error is the Standard Deviation of the Active Return (before fees).

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

⁹ 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.

¹⁰ 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 (%)¹

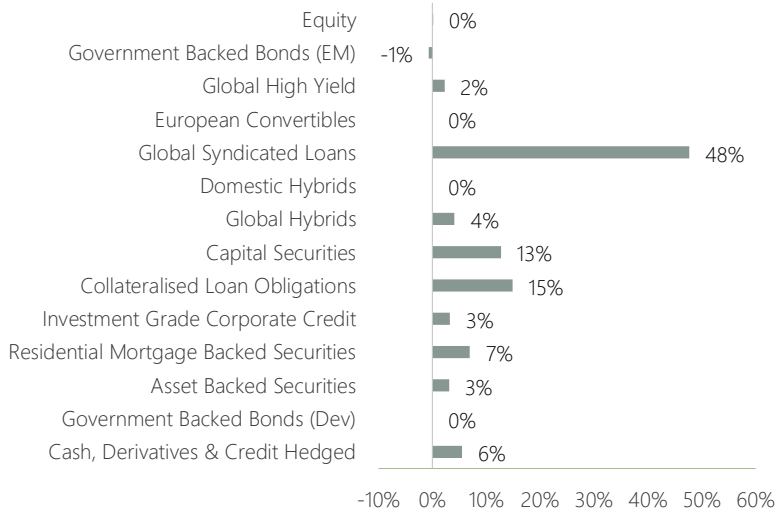
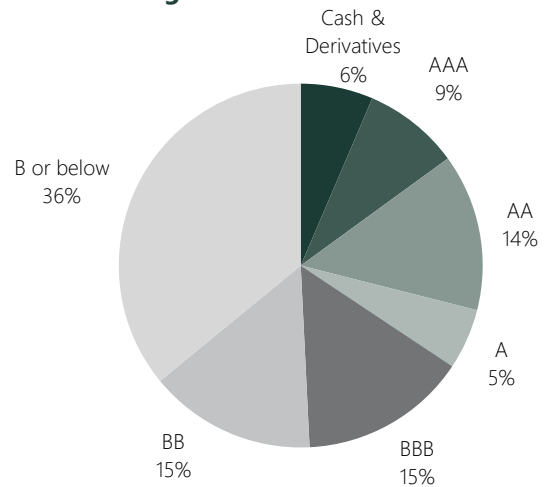
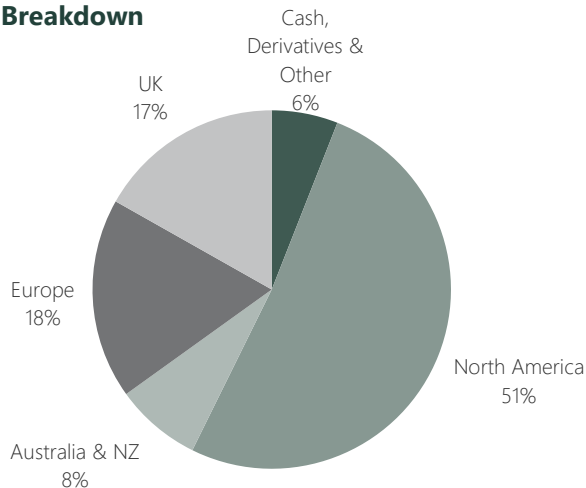
| Financial Year | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | YTD ² |
|----------------|------|------|------|------|------|------|------|------|------|------|------|------|------------------|
| 2021 | 0.29 | 0.28 | 0.28 | - | - | - | - | - | - | - | - | - | 0.87 |
| 2020 | 0.29 | 0.30 | 0.30 | 0.29 | 0.29 | 0.29 | 0.30 | 0.29 | 0.34 | 0.33 | 0.33 | 0.73 | 3.95 |
| 2019 | 0.33 | 0.33 | 0.32 | 0.33 | 0.33 | 0.34 | 0.33 | 0.34 | 0.34 | 0.34 | 0.33 | 0.33 | 3.97 |
| 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 |

Source: Fidante Partners

Past distributions are no indication of future distributions.

¹ Calculated as the cents per unit (CPU) distribution at month end divided by the ex-distribution unit price at the start of the month.

² 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 | 12.1% |
| RMBS | 6.9% |
| Healthcare, Education and Childcare | 6.2% |
| Electronics | 6.0% |
| CLO | 5.7% |

Pricing and Fees

| | |
|------------------------------|------------------|
| Unit frequency pricing | Daily |
| Management fee | 0.72% |
| Recoverable expenses | 0.04% (Sep 2020) |
| Buy/sell spread ³ | +0.600%/-0.600% |
| Entry and exit fees | Nil |
| Minimum initial investment | A\$10,000 |

³ 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"> • Active specialist management • Access to global investment opportunities not typically available to direct retail investors • Highly diversified portfolio • Regular monthly distributions • Daily unit pricing • Australian domiciled trust with more than 15 years' track record • Competitive fee | 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 BAM05 | |
| | | HUB24 | ✓ | | |



30 Jan 18

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PDS: [Bentham Global Income Fund PDS](#)

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