

Bentham Global Income Fund NZD
December 2020
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 31 December 2020 (%)

	1 month	3 months	6 months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Gross return (before fees)	1.32	4.50	7.86	6.86	4.39	6.28	6.38
Growth return (after fees)	1.00	3.58	6.00	0.99	-1.91	-0.34	-0.38
Distribution return	0.29	0.89	1.81	4.91	5.44	5.78	5.94
Total return (after fees)¹	1.29	4.47	7.81	5.90	3.52	5.44	5.56
Benchmark	-0.12	0.01	0.57	2.61	3.45	3.24	3.68
Active return (after fees) ²	1.41	4.47	7.24	3.29	0.08	2.20	1.87

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 NZD had a total return (after fees) of 1.29% in the month of December, outperforming the benchmark (50% Bloomberg AusBond Bank Bill Index (hedged to NZD), 50% Bloomberg AusBond Composite Index (hedged to NZD)) by 1.41%. On a before fees basis the fund returned 1.32% for the month, outperforming the benchmark by 1.43%.

The year ended (at very long last) with continued strong market performance and despite the escalation of COVID cases and lockdowns in parts of Europe. Markets rallied with the first vaccinations being rolled out in the UK and US as investors looked towards the return to normality at some point in 2021. The US election result was also positive for markets with the Democrats, led by Joe Biden, winning the US Presidency and ultimately control of the Senate.

The top contributors to performance included Investment Grade Credit, Global Syndicated Loans and Bank Capital Securities; whilst the bottom performing contributors included Residential Mortgage Backed Securities (RMBS), Equity Securities and Global Hybrids.

With the start of the new calendar year comes a new administration, Brexit done and dusted, and hope for global vaccinations putting Covid to bed. This along with global coordinated monetary and fiscal policy has had equity and bond Markets fizzed up. Yet, we note that credit is not dependant on central banks or politicians, nor on earnings growth or dividends that have the potential to be cut. Credit sits high in the capital structure, protected by equity/shares. Credit risk premiums will likely provide an increasingly important way of achieving a positive real return in a potentially low return environment. The starting point for government bond yields is low and below the current inflation rate.

Portfolio Summary Statistics

Yield to maturity	4.25%
Running yield	3.24%
Credit spread ³	+341bps
Number of issuers	696
Interest rate duration	0.17 years
Credit duration	4.43 years
Investment grade ⁴ exposure	51% of portfolio
Fund size	NZ\$66,459,750

Risk Characteristics

5 Year Volatility ⁵	5.47
5 Year Sharpe Ratio ⁶	0.83
5 Year Tracking Error ⁷	5.96
5 Year Information Ratio ⁸	0.51

Fund Distributions

Distribution frequency	Monthly
Monthly distribution ⁹	0.29% (Dec 2020)
Target distribution rate (FY21) 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 NZBond 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 FY2021 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 2020 and assumes the Fund continues to achieve an equivalent yield for FY2021. Actual distributions, however, can differ from this setting because of future matters which are not known or able to be presently identified.

Bentham Global Income Fund NZD
December 2020
Monthly Distribution Returns History (%)¹

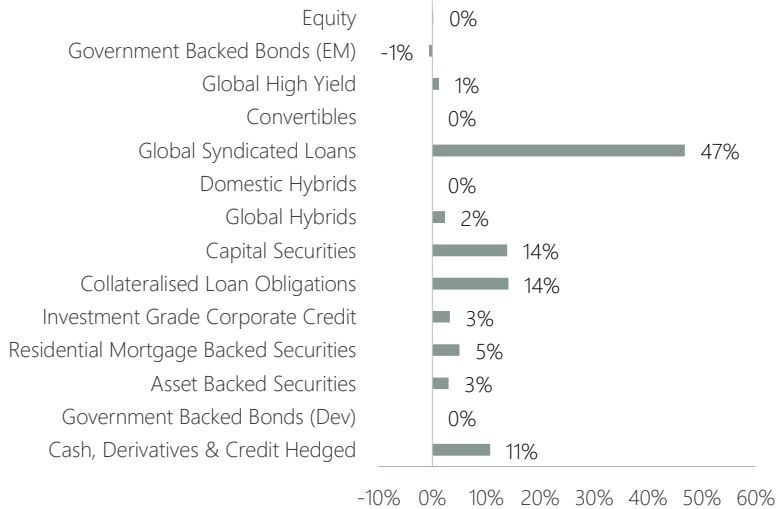
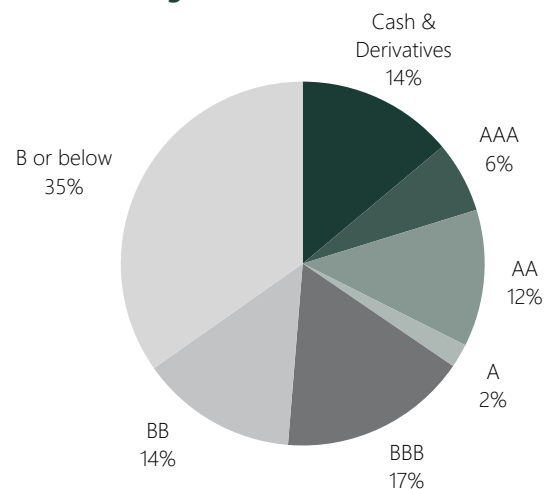
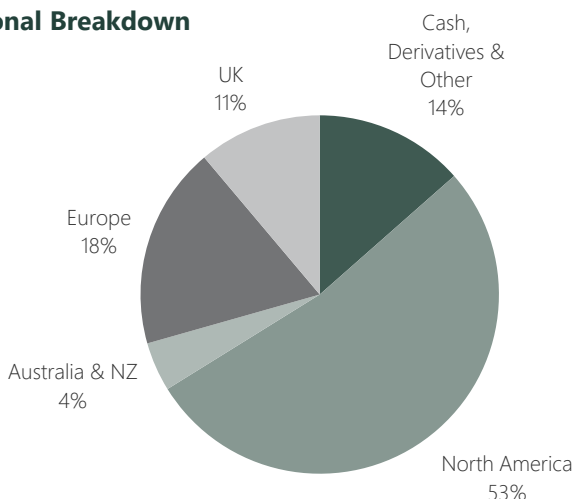
Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2021	0.28	0.28	0.28	0.29	0.29	0.29	-	-	-	-	-	-	1.81
2020	0.30	0.31	0.31	0.31	0.30	0.31	0.31	0.31	1.33	0.34	0.32	0.32	4.80
2019	0.37	0.37	0.37	0.37	0.38	0.37	0.37	0.38	0.38	0.38	0.37	3.20	7.18
2018	0.41	0.37	0.38	0.37	0.38	0.37	0.37	0.38	0.38	0.38	0.38	0.37	4.67
2017	0.42	0.41	0.41	0.42	0.41	0.42	0.40	0.42	0.41	0.41	0.41	2.39	7.56
2016	0.46	0.45	0.46	0.46	0.46	0.46	0.46	0.46	0.47	0.45	0.46	0.48	5.38

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	13.3%
Aerospace and Defense	6.3%
Healthcare, Education and Childcare	6.2%
Electronics	5.4%
RMBS	5.0%

Pricing and Fees

Unit frequency pricing	Daily
Management fee	0.77%
Recoverable expenses	0.00% (Dec 2020)
Buy/sell spread ³	+0.425%/-0.425%
Entry and exit fees	Nil
Minimum initial investment	NZ\$50,000

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.

Bentham Global Income Fund NZD
December 2020

Fund Overview		Platform Availability	
Portfolio Manager	Richard Quin	AEGIS	✓
Inception date	30 September 2013	FNZ (including One Answer and Wealthview)	✓
ARSN code	165 696 417		
Benchmark	50% Bloomberg Ausbond Composite Bond Index (hedged to NZD) and 50% Bloomberg Ausbond Bank Bill Index (hedged to NZD)		
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		
Credit quality	Actively managed. Minimum exposure of 50% to investment grade rated securities		
Interest rate exposure	Actively managed		
Currency	Aims to be fully hedged to NZD		
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 • Fund track record 5+ years • Strategy track record 15+ years • Competitive fee 		



04 Dec 18

More information:
Retail Investors: Fidante Partners Investor Services on 13 51 53 or info@fidante.com.au
Advisers: New Zealand Advisers, contact The Investment Store on 0800 331 041

Institutional Investors / Consultants: contact The Investment Store on 0800 331 041

Website: www.benthamam.com
PDS: [Bentham Global Income Fund NZD PDS](#)

Morningstar: The Morningstar Analyst Rating™ for Bentham Global Income Fund is 'Silver' as of 04/12/2018. © 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. 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 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. Please also refer to the Financial Services Guide on the Bentham website.