

## Investment Objective

To provide exposure to investment grade global asset backed securities (ABS) and generate stable income with some capital growth.

### Fund Performance as at 30 June 2021 (%)

	1 month	3 months	6 months	1 year	2 year (p.a.)	3 year (p.a.)	Since inception (p.a.)
Gross return (before fees)	0.10	0.56	1.46	5.04	2.47	2.71	3.55
Growth return (after fees)	0.05	0.14	-1.06	1.50	-0.90	-0.90	0.31
Distribution return	0.00	0.34	2.52	3.64	3.02	3.27	2.91
<b>Total return (after fees)<sup>1</sup></b>	<b>0.05</b>	<b>0.48</b>	<b>1.47</b>	<b>5.14</b>	<b>2.12</b>	<b>2.37</b>	<b>3.22</b>
Benchmark	0.00	0.01	0.01	0.06	0.45	0.96	1.25
Active return (after fees) <sup>2</sup>	0.05	0.47	1.45	5.09	1.67	1.41	1.97

Source: Fidante Partners. 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 Returns

The Bentham Asset Backed Securities Fund had a total return (after fees) of 0.05% in the month of June, outperforming the benchmark (Bloomberg AusBond Bank Bill Index) by 0.05%. On a before fees basis the fund returned 0.10% for the month, outperforming the benchmark by 0.10%.

## Portfolio Exposures

The Fund's sector allocations are 29.0% in US Broadly Syndicated Collateralised Loan Obligations (CLO), 24.3% in European CLO, 15.0% in UK Residential Mortgage Backed Securities (RMBS), 8.9% in Middle Market CLO, 6.8% in Cash & Derivatives, 5.5% in Australian RMBS, 4.0% in Aircraft ABS, 2.9% in US Commercial Real Estate (CRE), 2.8% in Credit Card ABS, 0.5% in Auto ABS, 0.3% in European RMBS and 0.1% in Personal Loan ABS.

## Contributors

The top performing contributors to performance included US Broadly Syndicated CLO and Middle Market CLO; whilst the bottom performing contributors included European CLO and Aircraft ABS.

## Outlook

The Fund remains focused on the higher rated tranches of ABS issuance, offering investors a high credit quality, higher yielding, secured alternatives to investment grade corporate and government bonds, with low interest rate risk.

We place a high value on the structural benefits ("terms") typically included in global ABS structures to help preserve the principal of investors in the higher-rated tranches, such as cashflow priority, security, seniority, and reduction in leverage over time.

### Portfolio Summary Statistics

Yield to maturity	2.63%
Running yield	1.76%
Credit spread <sup>3</sup>	+138bps
Number of issuers	77
Interest rate duration	0.35 years
Credit duration	3.88 years
Average credit quality <sup>4</sup>	AA
Fund size	A\$141,475,087

### Risk Characteristics

1 Year Volatility <sup>5</sup>	0.77
1 Year Sharpe Ratio <sup>6</sup>	6.45
1 Year Tracking Error <sup>7</sup>	0.77
1 Year Information Ratio <sup>8</sup>	6.51

### Fund Distributions

Distribution frequency	Monthly
Monthly distribution <sup>9</sup>	0.00% (Jun 2021)
Target distribution rate (FY21) <sup>10</sup>	1m BBSW + 1.75% to 2.25%

<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 FY21 set at one month Australian Bank Bill Swap Rate (BBSW) plus a range of 1.75% to 2.25% of the monthly unit price. 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.

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

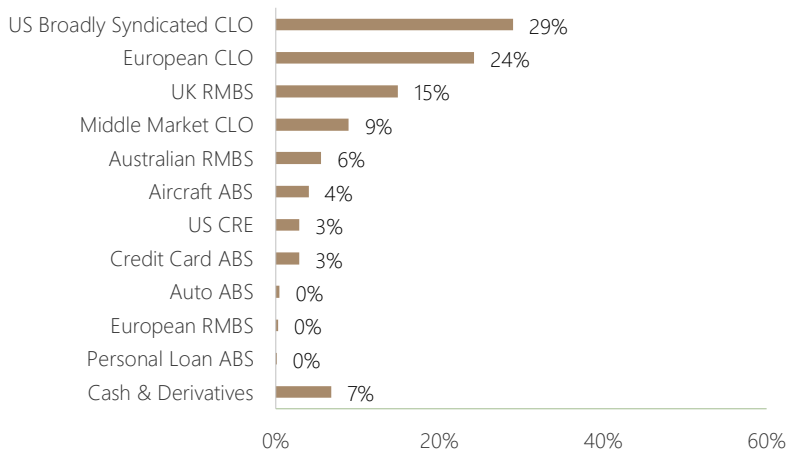
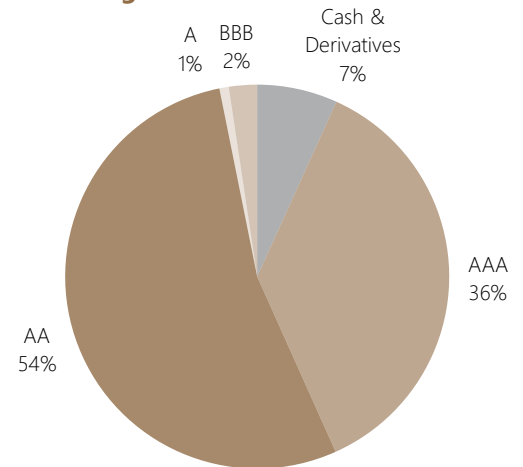
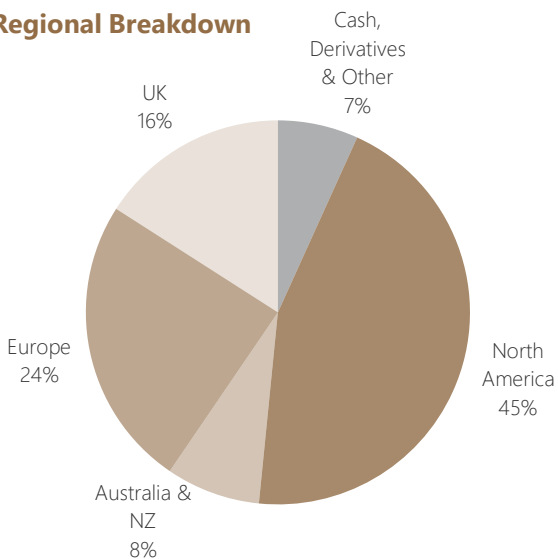
Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD <sup>2</sup>
2021	0.17	0.17	0.17	0.17	0.17	0.17	0.17	1.83	0.17	0.17	0.17	0.00	3.64
2020	0.24	0.23	0.23	0.23	0.22	0.21	0.22	0.21	0.21	0.17	0.15	0.15	2.45
2019	0.31	0.30	0.30	0.30	0.30	0.30	0.32	0.31	0.29	0.30	0.28	0.41	3.75
2018	0.28	0.29	0.29	0.28	0.28	0.29	0.29	0.29	0.29	0.30	0.31	0.14	3.38
2017					0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.29	

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**

**Pricing and Fees**

Unit frequency pricing	Daily
Management fee	0.35%
Recoverable expenses	0.00% (Jun 2021)
Buy/sell spread <sup>3</sup>	+0.150%/-0.150%
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	
Portfolio Manager	Richard Quin	Asgard eWrap	✓
Inception date	31 October 2016	Asgard Infiniti-Select	✓
APIR code	HOW2852AU	Asgard Master Trust	✓
Benchmark	Bloomberg AusBond Bank Bill Index	BT Panorama	✓
Performance objective	To exceed the Benchmark (cash) by 1.5% p.a. post fees over rolling three year periods	BT Wrap	✓
Investment universe	Includes global asset backed securities, securitised debt, government bonds, government backed bonds, cash and derivatives	HUB24	✓
Credit quality objective	Minimum A-	Netwealth	✓
Credit risk	Minimum 90% exposure to investment grade* rated securities and cash equivalents	ASX mFund Settlement Service	BAM06
Interest rate risk	Largely floating rate		
Currency	Aims to be fully hedged to AUD		
Fund features	<ul style="list-style-type: none"> <li>• Provides access to the global ABS market</li> <li>• Active specialist management</li> <li>• Portfolio diversified across ABS sectors and regions</li> <li>• High credit quality portfolio</li> <li>• Floating rate asset class, targeting a total return above cash</li> <li>• Low volatility / risk level. Focus on preservation of capital</li> <li>• Regular monthly distributions</li> <li>• Daily unit pricing</li> <li>• Competitive fee</li> </ul>		
* An assigned credit rating of BBB-/Baa3 or better by a credit rating agency.			

**More information:**
**Fund Information (for Wholesale and Institutional investors):**

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**PDS:** [Bentham Asset Backed Securities Fund PDS](#)

This material has been prepared by Bentham Asset Management Pty Limited (ABN 92 140 833 674) (**Bentham**), the investment manager of Bentham Asset Backed Securities Fund (ARSN 622 644 866) (**Fund**). Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (**Fidante**), is the responsible entity of the Fund(s). Other than information which is identified as sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this material, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The PDS for the Fund, issued by Fidante, should be considered before deciding whether to acquire or hold units in the Fund. The PDS can be obtained by calling 13 51 53 or visiting [www.fidante.com](http://www.fidante.com). Neither Fidante nor any of its respective related bodies corporate guarantees the performance of the Fund, any particular rate of return or return of capital. Past performance is not a reliable indicator of future performance. Any projections are based on assumptions which we believe are reasonable, but are subject to change and should not be relied upon. Bentham and Fidante have entered into arrangements in connection with the distribution and administration of financial products to which this material relates. In connection with those arrangements, Bentham and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties.