

Bentham Global Income Fund NZD
April 2022
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 April 2022 (%)

	1 month	3 months	6 months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Gross return (before fees)	0.01	1.30	2.86	4.21	5.42	5.29	6.28
Growth return (after fees)	-0.33	0.34	0.91	-1.06	-0.96	-1.09	-0.28
Distribution return	0.24	0.72	1.49	4.49	5.56	5.58	5.75
Total return (after fees)¹	-0.09	1.07	2.40	3.43	4.60	4.49	5.47
Benchmark	-0.66	-2.98	-2.25	-3.25	0.11	1.45	2.56
Active return (after fees) ²	0.57	4.04	4.65	6.68	4.49	3.04	2.91

Source: Fidante Partners. 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 -0.09% in the month of April, outperforming the benchmark (50% Bloomberg AusBond Bank Bill Index (hedged to NZD), 50% Bloomberg AusBond Composite Index (hedged to NZD)) by 0.57%. On a before fees basis the fund returned 0.01% for the month, outperforming the benchmark by 0.68%.

April was another challenging month for investment markets as bond yields continued to rise on more hawkish comments from central banks. In addition, market sentiment was negatively impacted by the continuing Russian invasion of Ukraine and the widening Covid lockdown in China.

The top contributors to performance included Collateralised Loan Obligations (CLO), Asset Backed Securities (ABS) and Residential Mortgage Backed Securities (RMBS); whilst the bottom performing contributors included Capital Securities, Investment Grade Credit and Global High Yield.

After a strong rebound of global economic growth in 2021, we expect this growth to moderate in 2022 as central banks begin withdrawing monetary stimulus given elevated inflation risk. Credit market fundamentals remain sound on average with brokers and credit rating agencies forecasting default rates to remain well below historical averages. Companies are, however, likely to be facing short-term supply chain issues, tight labour markets and lingering pandemic interruptions.

COVID appears to be in retreat and the world is beginning to reopen. Economic fundamentals are already strong with unemployment low, wages increasing, and prices creating the perfect backdrop for coordinated central bank hikes for the rest of the year across developed markets.

The Russia-Ukraine situation is a new concern this month though we expect that its impact on markets will primarily be inflationary with the biggest impact to the portfolio felt in Western European Financials where the economy is more susceptible to the stagflationary impulse of sudden energy price shocks. Global Energy and wheat and metal prices have surged but we are wary of a sudden reversal (reflected in the backwardation of the futures curves of those commodity prices).

Portfolio Summary Statistics

Yield to maturity	7.20%
Running yield	5.06%
Credit spread ³	+334bps
Number of issuers	728
Interest rate duration	1.82 years
Credit duration	4.37 years
Investment grade ⁴ exposure	51% of portfolio
Fund size	NZ\$124,844,358

Risk Characteristics

5 Year Volatility ⁵	4.95
5 Year Sharpe Ratio ⁶	0.82
5 Year Tracking Error ⁷	5.65
5 Year Information Ratio ⁸	0.68

Fund Distributions

Distribution frequency	Monthly
Monthly distribution ⁹	0.24% (Apr 2022)
Target distribution rate (FY22) ¹⁰	3.00%

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 FY2022 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 2021 and assumes the Fund continues to achieve an equivalent yield for FY2022. 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
April 2022
Monthly Distribution Returns History (%)¹

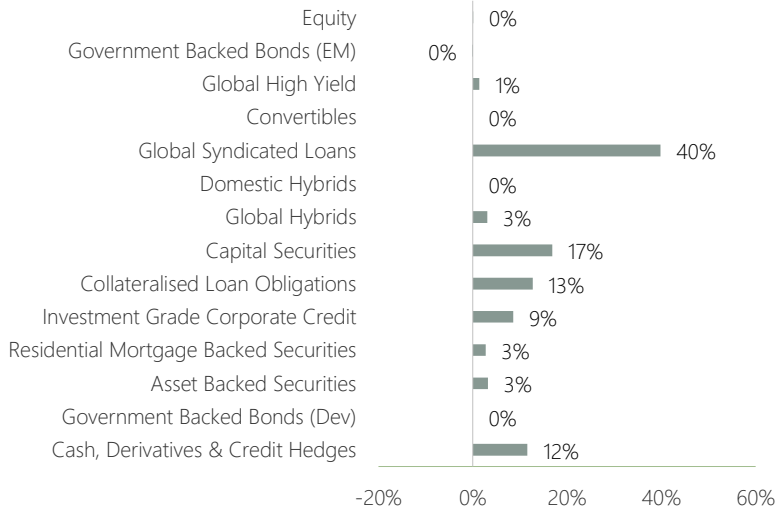
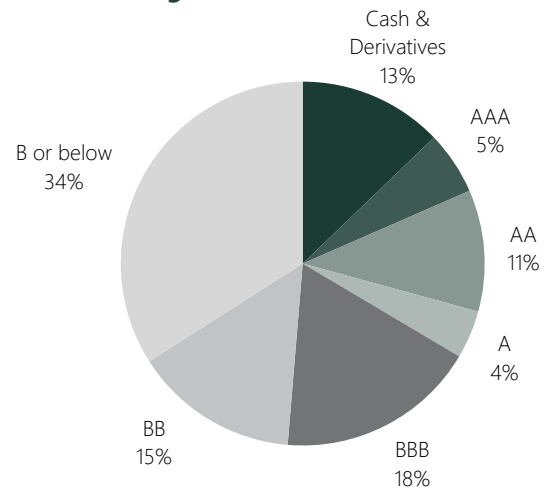
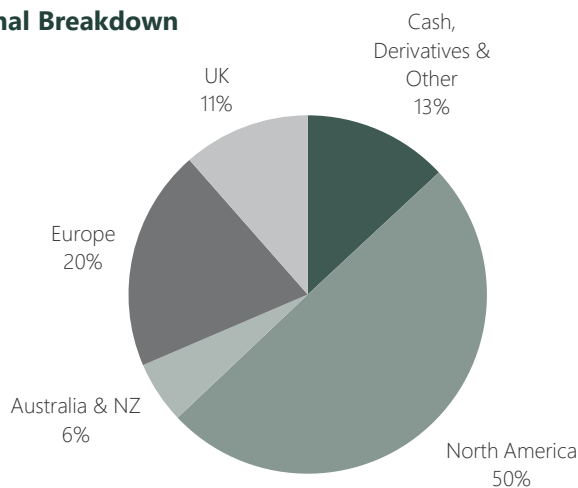
Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2022	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.24	0.25	0.24	-	-	2.51
2021	0.28	0.28	0.28	0.29	0.29	0.29	0.29	0.28	0.30	0.85	0.84	1.12	5.83
2020	0.30	0.31	0.31	0.31	0.30	0.31	0.31	0.31	1.33	0.34	0.32	0.32	4.80
2019	0.37	0.37	0.37	0.37	0.38	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

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	17.8%
Aerospace and Defense	8.4%
Electronics	7.9%
Healthcare, Education and Childcare	6.9%
Diversified/Conglomerate Service	5.0%

Pricing and Fees

Unit frequency pricing	Daily
Management fee	0.77%
Recoverable expenses	0.00% (Apr 2022)
Buy/sell spread ³	+0.290%/-0.290%
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

April 2022

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.

This material has been prepared by Bentham Asset Management ABN 92 140 833 674 AFSL 356199 (Bentham), the investment manager of Bentham Global Income Fund NZD (Fund). Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante) is a member of the Challenger Limited group of companies (**Challenger Group**) and is the responsible entity of the Fund. 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 to your circumstances. The Fund's Target Market Determination and Product Disclosure Statement (PDS) available at www.fidante.com should be considered before making a decision about whether to buy or hold units in the Fund. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information.

Past performance is not a reliable indicator of future performance.

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.

Fidante is not an authorised deposit-taking institution (ADI) for the purpose of the Banking Act 1959 (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.