

**Bentham Global Income Fund NZD**
**July 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 31 July 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)	2.86	-0.56	0.73	3.58	5.28	4.74	6.03
Growth return (after fees)	2.09	-2.04	-1.70	-0.80	-0.23	-1.25	-0.50
Distribution return	0.63	1.15	1.87	3.41	4.64	5.15	5.71
<b>Total return (after fees)<sup>1</sup></b>	<b>2.72</b>	<b>-0.89</b>	<b>0.17</b>	<b>2.61</b>	<b>4.41</b>	<b>3.90</b>	<b>5.21</b>
Benchmark	1.85	0.93	-2.07	-3.71	-0.28	1.53	2.59
Active return (after fees) <sup>2</sup>	0.88	-1.82	2.24	6.32	4.70	2.37	2.62

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 and Market Returns**

The Bentham Global Income Fund NZD had a total return (after fees) of 2.72% in the month of July, outperforming the benchmark (50% Bloomberg AusBond Bank Bill Index (hedged to NZD), 50% Bloomberg AusBond Composite Index (hedged to NZD)) by 0.88%. On a before fees basis the fund returned 2.86% for the month, outperforming the benchmark by 1.02%.

July was a strong month for the performance of bond, equity and credit markets. Credit spreads decreased steadily over the month and government bond yields finished lower, especially in Australia. In terms of market events in July, the Federal Reserve (Fed) hiked interest rates by 75 basis points as expected. In prepared comments, Fed Chairman Powell stated that "the labour market is extremely tight and inflation much too high".

The top contributors to performance included Global Syndicated Loans, Capital Securities and Global Hybrids; whilst the bottom performing contributors included Asset Backed Securities (ABS), Collateralised Loan Obligations (CLO) and Bond.

However, the market interpreted some of the Fed comments as dovish and markets are now anticipating a slower increase in interest rates followed by rate cuts late next year, which has helped markets rally in July. However, we expect asset prices to remain under pressure as the tighter financial conditions start to negatively impact fundamentals. It does not particularly help that Central Banks are still in the process of tightening monetary conditions globally.

On the data front, US GDP contracted -0.9% on an annualised basis in Q2 following the -1.6% decline in Q1. Headline consumer price index (year-on-year) came in above consensus at 9.1% in June. In the US, unemployment ticked even lower to 3.5% with the latest print. The monthly return for the Bentham High Yield Fund benefited from both credit spreads and interest rate rallying. In our multi-sector credit funds (the Defensive Income Fund, Global Income Fund and Global Opportunities Fund), we had actively increased the interest rate duration in June which benefited returns in July. The positive interest rate duration exposure was a significant contributor to returns in July, while returns also benefited from a decrease in credit spreads.

**Portfolio Summary Statistics**

Yield to maturity	7.75%
Running yield	7.25%
Credit spread <sup>3</sup>	+401bps
Number of issuers	666
Interest rate duration	3.47 years
Credit duration	3.68 years
Investment grade <sup>4</sup> exposure	64% of portfolio
Fund size	NZ\$123,907,944

**Risk Characteristics**

5 Year Volatility <sup>5</sup>	5.26
5 Year Sharpe Ratio <sup>6</sup>	0.66
5 Year Tracking Error <sup>7</sup>	5.73
5 Year Information Ratio <sup>8</sup>	0.56

**Fund Distributions**

Distribution frequency	Monthly
Monthly distribution <sup>9</sup>	0.63% (Jul 2022)
Target distribution rate (FY23) <sup>10</sup>	7.5%

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

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

<sup>5</sup> Volatility is Standard Deviation.

<sup>6</sup> Sharpe Ratio is the excess return over the Bloomberg NZBond 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> Bentham intends to achieve the distribution rate for FY2023 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 2022 and assumes the Fund continues to achieve an equivalent yield for FY2023. 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**
**July 2022**
**Monthly Distribution Returns History (%)<sup>1</sup>**

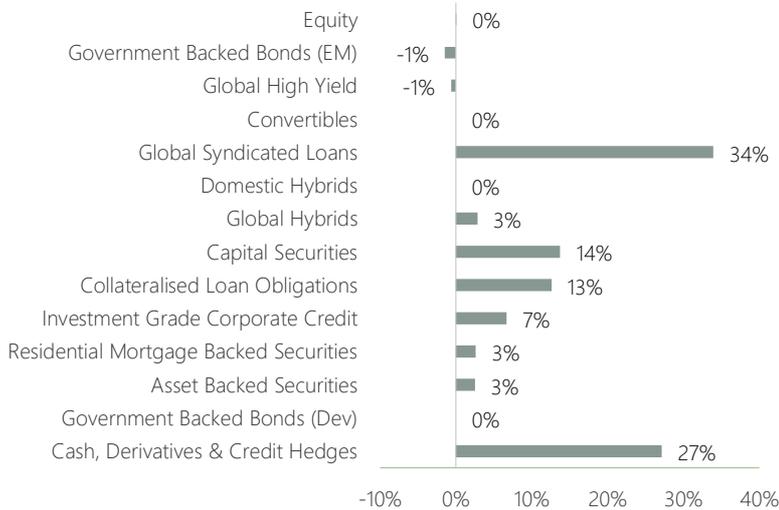
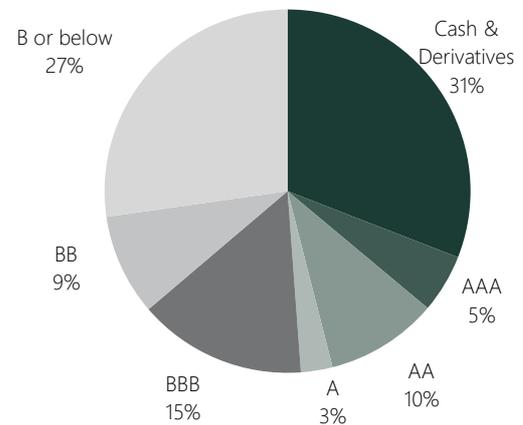
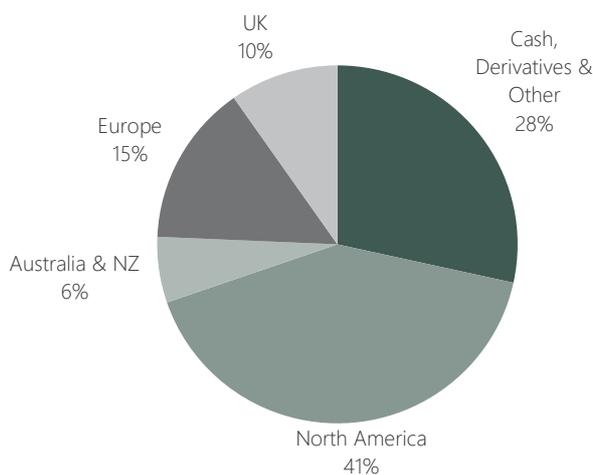
Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD <sup>2</sup>
2023	0.63	-	-	-	-	-	-	-	-	-	-	-	0.63
2022	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.24	0.25	0.24	0.26	0.28	2.96
2021	0.28	0.28	0.28	0.29	0.29	0.29	0.29	0.28	0.30	0.85	0.84	1.12	5.83
2020	0.30	0.31	0.31	0.31	0.30	0.31	0.31	0.31	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

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)**

Banking	15.8%
Aerospace and Defense	7.0%
Electronics	6.0%
Healthcare, Education and Childcare	5.7%
Diversified/Conglomerate Service	3.6%

**Pricing and Fees**

Unit frequency pricing	Daily
Management fee	0.77%
Recoverable expenses	0.00% (Jul 2022)
Buy/sell spread <sup>3</sup>	+0.430%/-0.430%
Entry and exit fees	Nil
Minimum initial investment	NZ\$50,000

<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.

# Bentham Global Income Fund NZD

July 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"> <li>• Active specialist management</li> <li>• Access to global investment opportunities not typically available to direct retail investors</li> <li>• Highly diversified portfolio</li> <li>• Regular monthly distributions</li> <li>• Daily unit pricing</li> <li>• Fund track record 5+ years</li> <li>• Strategy track record 15+ years</li> <li>• Competitive fee</li> </ul>		



04 Dec 18

**More information:**

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