

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 2023 (%)

	1 month	3 months	6 months	1 year	2 year (p.a.)	3 year (p.a.)	5 year (p.a.)	Since inception (p.a.)
Gross return (before fees)	-1.70	-1.54	2.66	4.65	1.39	2.59	2.18	2.90
Growth return (after fees)	-2.22	-3.02	-0.23	-0.66	-2.51	-1.19	-1.55	-0.55
Distribution return	0.49	1.40	2.74	4.89	3.52	3.56	3.37	3.10
Total return (after fees) ¹	-1.73	-1.62	2.52	4.23	1.01	2.37	1.82	2.55
Benchmark	0.30	0.90	1.70	2.89	1.49	1.01	1.17	1.32
Active return (after fees) ²	-2.03	-2.52	0.81	1.34	-0.48	1.36	0.66	1.23

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 Returns

The Bentham Asset Backed Securities Fund had a total return (after fees) of -1.73% in the month of June, underperforming the benchmark (Bloomberg AusBond Bank Bill Index) by 2.03%. On a before fees basis the fund returned -1.70% for the month, underperforming the benchmark by 2.00%.

Portfolio Exposures

The Fund's sector allocations are 27.6% in US Broadly Syndicated Collateralised Loan Obligations (CLO), 24.0% in European CLO, 20.5% in Australian Residential Mortgage Backed Securities (RMBS), 9.5% in Middle Market CLO, 7.4% in UK RMBS, 6.2% in Cash & Derivatives, 1.9% in Credit Card ABS, 1.9% in Aircraft ABS, 0.6% in US Commercial Real Estate (CRE), 0.4% in European RMBS, 0.0% in Personal Loan ABS and 0.0% in Auto ABS.

Contributors

The top performing contributors to performance included US Broadly Syndicated CLO and Australian RMBS; whilst the bottom performing contributors included European CLO and US CRE.

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	5.66%
Running yield	5.46%
Credit spread ³	+197bps
Number of issuers	97
Interest rate duration	5.16 years
Credit duration	3.14 years
Average credit quality ⁴	AA+
Fund size	A\$186,840,521

Risk Characteristics

5 Year Volatility ⁵	4.58
5 Year Sharpe Ratio ⁶	0.22
5 Year Tracking Error ⁷	4.59
5 Year Information Ratio ⁸	0.22

Fund Distributions

Distribution frequency	Monthly
Monthly distribution ⁹	0.49% (Jun 2023)
Target distribution rate (FY23) ¹⁰	1m BBSW + 2.0%

³ Spread over the swap rate.

⁴ 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.

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 Target distribution rates for FY23 set at one month Australian Bank Bill Swap Rate (BBSW) plus 2.0% of the monthly unit price. 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.

Monthly Distribution Returns History (%)¹

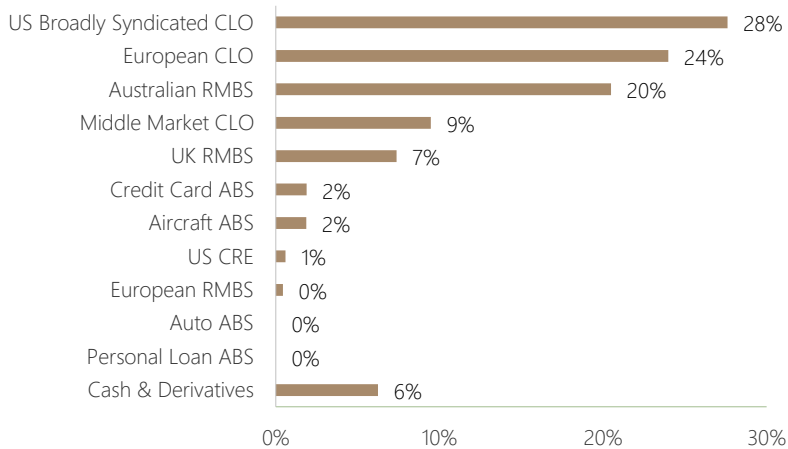
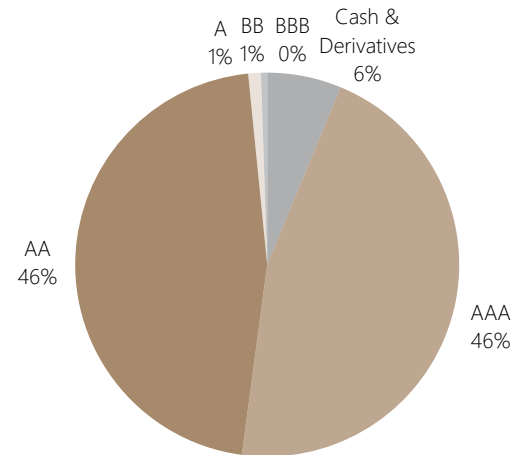
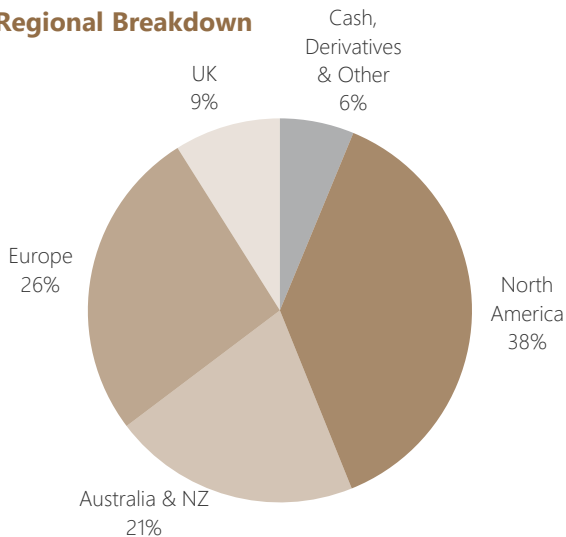
Financial Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD ²
2023	0.26	0.29	0.34	0.40	0.40	0.41	0.41	0.43	0.45	0.46	0.47	0.49	4.89
2022	0.14	0.15	0.14	0.14	0.14	0.14	0.15	0.14	0.15	0.14	0.16	0.69	2.21
2021	0.17	0.17	0.17	0.17	0.17	0.17	0.17	1.83	0.17	0.17	0.17	0.00	3.64
2020	0.24	0.23	0.23	0.23	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

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

Pricing and Fees

Unit frequency pricing	Daily
Management fee	0.35%
Recoverable expenses	0.00% (Jun 2023)
Buy/sell spread ³	+0.200%/-0.200%
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	
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"> • Provides access to the global ABS market • Active specialist management • Portfolio diversified across ABS sectors and regions • High credit quality portfolio • Floating rate asset class, targeting a total return above cash • Low volatility / risk level. Focus on preservation of capital • Regular monthly distributions • Daily unit pricing • Competitive fee 		

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

More information:

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

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