

Bentham Syndicated Loan Fund NZD

December 2023

Fund Aim

To provide investors with a diversified exposure to the global syndicated loan market with an active allocation to investments in different industries, issuers and geographies.

Fund Performance as at 31 December 2023

| | 1 month | 3 months | 6 months | 1 year | 3 years (p.a.) | 5 years (p.a.) | 10 Year (p.a.) | Since inception (p.a.) |
|--|-------------|-------------|-------------|--------------|----------------|----------------|----------------|------------------------|
| Gross return (before fees) | 1.23 | 2.62 | 6.10 | 12.67 | 5.71 | 5.28 | 5.72 | 5.90 |
| Growth return (after fees) | 0.31 | -0.13 | 0.54 | 1.07 | -3.69 | -3.40 | -2.72 | -2.53 |
| Distribution return | 0.84 | 2.53 | 5.16 | 10.80 | 8.52 | 7.74 | 7.55 | 7.52 |
| Total return (after fees)¹ | 1.15 | 2.40 | 5.70 | 11.87 | 4.83 | 4.35 | 4.82 | 5.00 |
| Benchmark | 1.58 | 2.77 | 6.32 | 13.06 | 5.83 | 5.25 | 5.14 | 5.26 |
| Active return (after fees) ² | -0.42 | -0.37 | -0.62 | -1.19 | -1.00 | -0.90 | -0.32 | -0.26 |

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 Syndicated Loan Fund NZD had a total return (after fees) of 1.15% in the month of December, underperforming the benchmark (Credit Suisse Leveraged Loan Index hedged into NZD) by 0.42%. On a before fees basis the fund returned 1.23% for the month, underperforming the benchmark by 0.35%.

Fund Statistics

At month end, the Fund had a yield to maturity of 9.84% and running yield of 8.89%, with the credit yield spread decreasing by 26 bps to 477 bps during the month. The Fund had an interest rate duration of 0.52 years and credit duration of 2.76 years.

Leveraged Loan Market

The discount margin (3 year) for the Index decreased by 30 bps during the month to 528 bps.

The top performing leveraged loan industries in December were Consumer Durables, Retail and Housing with returns (sector performance in USD terms) of 2.39%, 2.39% and 2.24% respectively. The worst performing loan industries were Energy, Food And Drug and Food/Tobacco with returns of 1.03%, 1.11% and 1.14% respectively.

Portfolio Exposures

The Fund's three largest industry exposures are 12.9% in Electronics, 8.6% in Healthcare, Education and Childcare and 8.6% in Diversified/Conglomerate Service. The Fund's top three company exposures are 1.1% in Polaris Newco, 0.9% in Hub International and 0.9% in Ukg. During the month, the Fund increased its exposure to Clean Harbors, Nuvei Technologies and Cqp; with decreased exposures to Cornerstone Building Brands, Hornblower Sub and Genuine Financial.

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 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 Target distribution rates for FY24 set at one month New Zealand Bank Bill Swap Rate (BKBM) plus 4.5% of the monthly unit price. Bentham intends to achieve the distribution rate for FY2024 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 2023 and assumes the Fund continues to achieve an equivalent yield for FY2024. Actual distributions, however, can differ from this setting because of future matters which are not known or able to be presently identified.

Portfolio Summary Statistics

| | |
|-------------------------------------|----------------|
| Yield to maturity | 9.84% |
| Running yield | 8.89% |
| Credit spread ³ | +477bps |
| Number of issuers | 377 |
| Interest rate duration | 0.52 years |
| Credit duration | 2.76 years |
| Average credit quality ⁴ | B+ |
| Fund size | NZ\$49,049,643 |

Risk Characteristics

| | |
|---------------------------------------|------|
| 5 Year Volatility ⁵ | 7.08 |
| 5 Year Sharpe Ratio ⁶ | 0.45 |
| 5 Year Tracking Error ⁷ | 0.98 |
| 5 Year Information Ratio ⁸ | 0.04 |

Fund Distributions

| | |
|---|-------------------|
| Distribution frequency | Monthly |
| Monthly distribution ⁹ | 0.84% (Dec 2023) |
| Target distribution rate (FY24) ¹⁰ | 1m NZ BKBM + 4.5% |

Bentham Syndicated Loan Fund NZD
December 2023
Monthly Distribution Returns History (%)¹

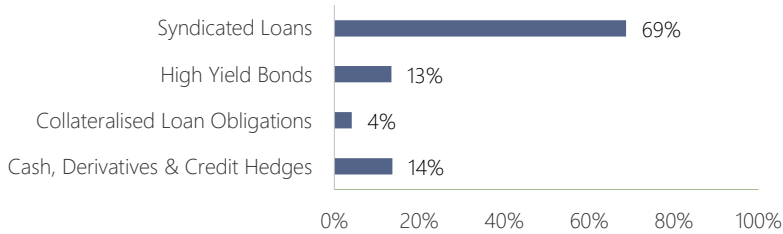
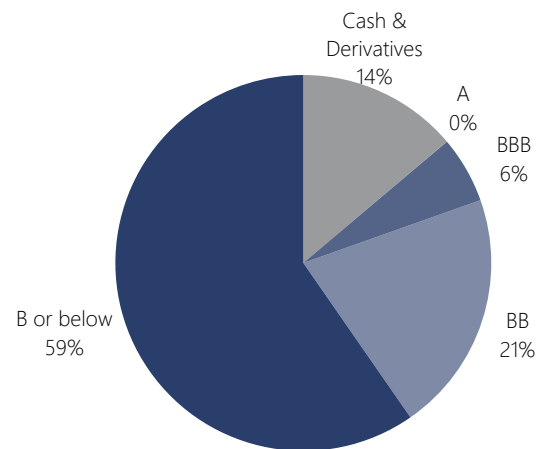
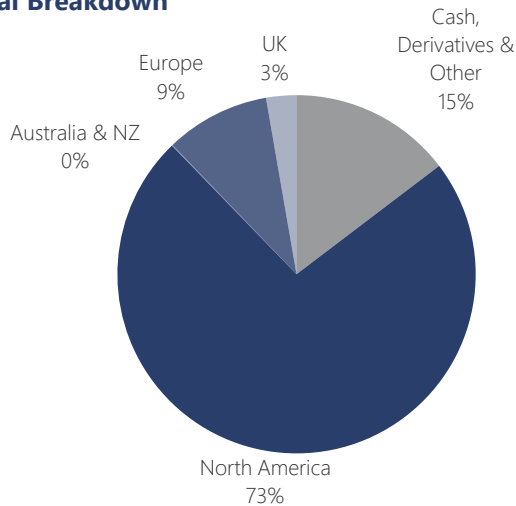
| Financial Year | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | YTD ² |
|----------------|------|------|------|------|------|------|------|------|------|------|------|------|------------------|
| 2024 | 0.84 | 0.84 | 0.84 | 0.83 | 0.84 | 0.84 | - | - | - | - | - | - | 5.16 |
| 2023 | 0.60 | 0.65 | 0.67 | 0.70 | 0.71 | 0.78 | 0.77 | 0.79 | 0.81 | 0.84 | 0.85 | 1.11 | 9.57 |
| 2022 | 0.31 | 0.31 | 0.31 | 0.33 | 0.33 | 0.35 | 0.36 | 0.37 | 0.38 | 0.39 | 0.43 | 0.51 | 4.20 |
| 2021 | 0.40 | 0.39 | 0.40 | 0.39 | 0.40 | 0.40 | 0.40 | 0.40 | 0.39 | 1.49 | 1.51 | 2.46 | 9.70 |
| 2020 | 0.41 | 0.41 | 0.36 | 0.36 | 0.37 | 0.36 | 0.36 | 0.37 | 0.36 | 0.29 | 0.30 | 0.29 | 3.99 |
| 2019 | 0.41 | 0.40 | 0.41 | 0.40 | 0.40 | 0.41 | 0.41 | 0.40 | 0.41 | 0.40 | 0.41 | 4.42 | 8.76 |

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.

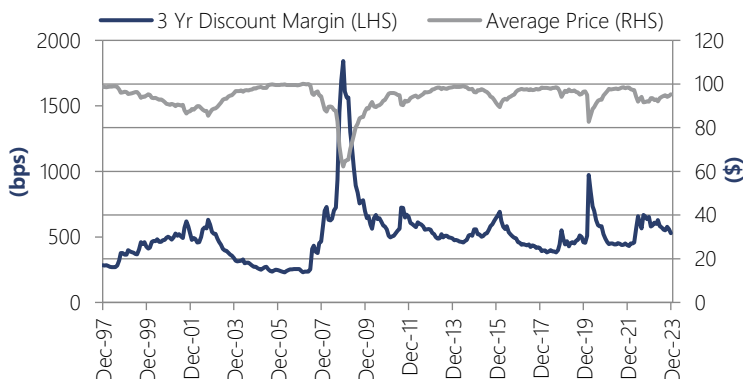
Portfolio Asset Allocation

Credit Rating Breakdown

Regional Breakdown

Top 5 Industry Exposures (Moody's SIC)

| | |
|--|-------|
| Electronics | 12.9% |
| Healthcare, Education and Childcare | 8.6% |
| Diversified/Conglomerate Service | 8.6% |
| Finance | 7.3% |
| Diversified/Conglomerate Manufacturing | 6.0% |

Pricing and Fees

| | |
|------------------------------|------------------|
| Unit frequency pricing | Daily |
| Management fee | 0.84% |
| Recoverable expenses | 0.00% (Dec 2023) |
| Buy/sell spread ³ | +0.520%/-0.520% |
| 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.

Discount Margin and Average Price of US Loan Market


Source: Credit Suisse

Bentham Syndicated Loan Fund NZD

December 2023

Fund Overview

| | |
|---------------------------------|--|
| Portfolio Manager | Richard Quin |
| Inception date | 30 September 2013 |
| ARSN code | 165 696 300 |
| Benchmark | Credit Suisse Leveraged Loan Index (hedged into New Zealand dollars) |
| Return objective | The Fund aims to achieve investment returns above the Benchmark over the suggested investment time frame |
| Suggested investment time frame | Medium term, minimum 3 years |
| Fund aim | To provide investors with a diversified exposure to the global syndicated loan market with an active allocation to investments in different industries, issuers and geographies |
| Interest rate risk | Predominantly floating rate |
| Currency | Hedged into New Zealand dollars |
| Fund features | <ul style="list-style-type: none"> • Access to global senior secured syndicated loans which are not generally available to direct retail investors • Regular monthly distributions • High running yield with low interest rate risk • Fund track record 5+ years • Strategy track record 14+ years • Loans are valued to market prices daily – with daily unit pricing |

More information:

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

Website: www.benthamam.com

PDS: [Bentham Syndicated Loan Fund NZD PDS](#)

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