



## Media Release

### **A fund manager who actively managed their way through the worst bond markets since 1994 awarded Best Fixed Income Award at the Morningstar Fund Manager of the Year 2024**

- **Bentham Global Income Fund third time winner**



**March 28, 2024:** Third time winner of the Morningstar Award and six times finalist, proves active investment management works.

Bentham Asset Management, a leading global fixed interest and credit manager, is pleased to announce its recent achievement at the 2024 Morningstar Fund Manager of the Year Awards, where it was honoured with the Best Fixed Income category award for its Global Income Fund, one of the longest running global fixed interest credit funds in Australia.

This win recognises Bentham's exceptional performance, comprehensive investment strategy, and dedication to delivering outstanding fixed income returns to its clients. Since inception (September 2003), the Fund has returned 6.28% pa (after fees, to 29 Feb 2024). In the 2023 calendar year, the Fund returned 8.08% (after fees).

This is the third time Bentham has won Fund Manager of the Year - Fixed Interest, having received this award in 2022 and 2014. Bentham has consistently been amongst the finalists (2010, 2017 and 2018).

The awards were presented by Morningstar Australasia Pty Limited, a subsidiary of Morningstar, Inc. (Nasdaq: MORN), a leading provider of independent investment research. The Morningstar Fund Manager of the Year Awards is an annual event that celebrates the best of the investment management industry, recognising funds and fund managers that have demonstrated excellent investment skill and the courage to differ from the consensus to benefit investors over the long term.

Bentham Principal and CIO, Richard Quin, expressed his gratitude and noted "We are honoured to receive the Best Fixed Income Award from Morningstar this year especially considering the challenging fixed interest environment of the last three years. We value Morningstar's process that is both quantitative and qualitative.

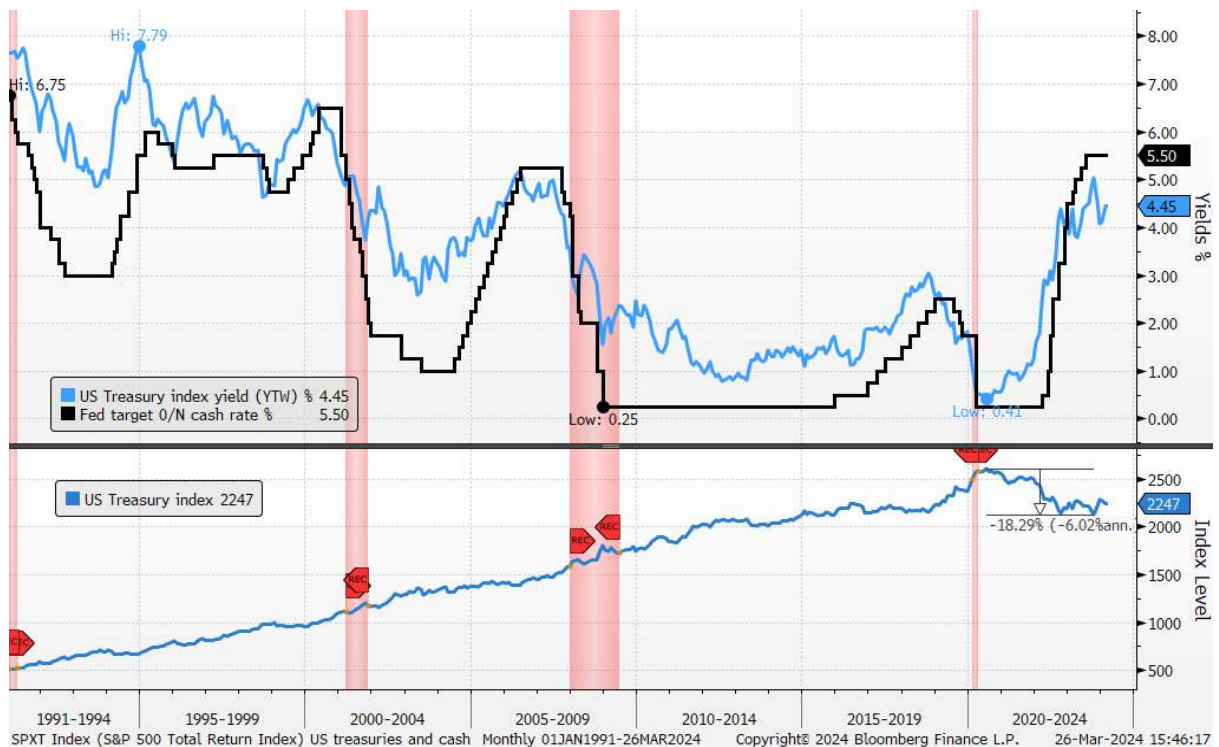
"This has been the toughest time for fixed interest since 1994. With huge volatility in interest rates and credit it has demanded a lot from both our team and our investors."

Central Banks have been on the offensive since March 2022 to defeat inflation from supply side shock and pent up COVID demand, commented Quin.



“US cash rates rose from 0.25% to current levels of 5.50%, one of the quickest increases of monetary policy tightening, similar to that of the inflation fighting times of Paul Volcker in the 1980s,” he said.

Over the last three years US Treasuries (index basket of bonds) have had a yield as low as 0.40% pa to a yield as high as 5.03% pa. They currently yield 4.45% pa.

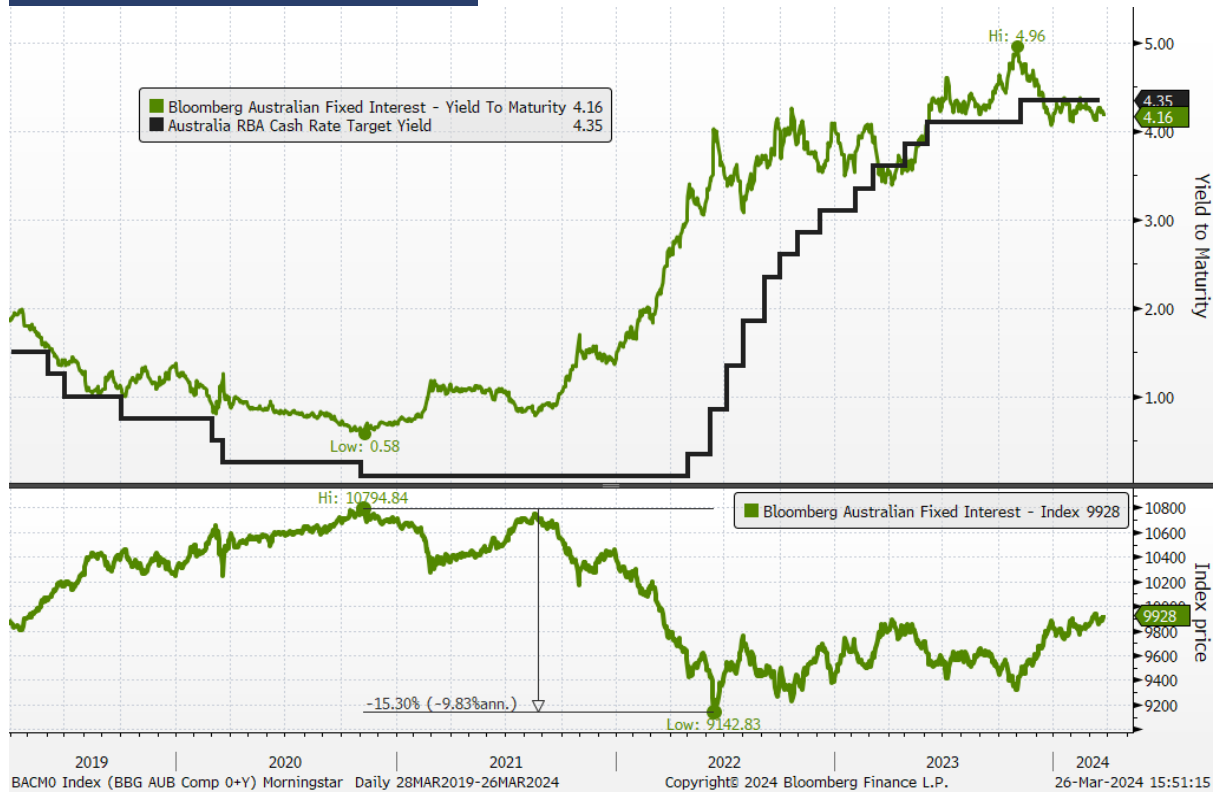


Source: Bloomberg

Yields for the Australian bond index were as low as 0.58%pa on 4 Nov 2020, and reached as high as 4.96% on 31 Oct 2023. They currently sit at 4.16% pa (25Mar2024). Cash rates in Australia were as low as 0.10%, and currently sit at 4.35% pa.

Fast-rising interest rates are typically bad for fixed income, with key indices producing very negative returns (e.g. for the 3 years to 31 Dec 2023, Australian Fixed Interest<sup>1</sup> returned -2.7% pa, while Global Government Bonds<sup>2</sup> returned -4.0% p.a.).

However, Bentham’s very active approach to risk management saw the Bentham Global Income Fund outperform over this period – the Fund was positioned to take advantage of rising rates and returned 4.7% p.a. for the 3 years to 31 Dec 2023.



Source: Bloomberg

Bentham was very active in its interest rate duration positioning, being -3.3 years short duration (in the Bentham Global Income Fund) when interest rates were low and then increasing interest rate duration to +7.2 years in the last quarter of 2023.

With its strong 20-year track record, the Bentham Global Income Fund invests across global fixed interest and credit markets in securities across the capital structure, including corporate and government bonds, senior secured and unsecured debt, subordinated or hybrid securities, loans, structured credit and asset-based securities. The Fund invests in over 600 global issuers of credit securities which protects investors from concentration risk.

Looking forward, Quin said it is a much better and more normal environment for investors who can now lock in higher interest rates.

"Overall, all-in yields in credit and fixed income markets look attractive right now, although we anticipate potential volatility in credit spreads in the nearer term.

"Our Funds are positioned accordingly (as at the end of Feb 2024), with more defensive credit positioning, long interest rate duration, and dry powder to take advantage of further opportunities through the year. We are pleased that the Fund is able to offer a reasonably high yield to maturity of 6.26%, while still being conservatively positioned."

Click [here](#) for more information about the Bentham Global Income Fund.

1. **Bloomberg AusBond Comp 0+ Year Index**
2. **JP Morgan GBI (AUD Hedged)**



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## About

Established in 2010, Bentham Asset Management is a specialist global fixed interest and credit investment manager. Bentham actively manages a number of high yielding funds with varying risk profiles. The Bentham team has a long track record of managing global diversified fixed interest portfolios and is well resourced with market-leading risk portfolio systems.

The founders of Bentham Asset Management previously worked together as part of the Credit Investment Group of Credit Suisse Asset Management, LLC. They are still managing the same portfolios.

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