

Bentham Global Income Fund NZD
May 2024
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 May 2024 (%)

| | 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) | 0.72 | 0.83 | 5.29 | 7.76 | 4.60 | 5.35 | 5.44 | 5.96 |
| Growth return (after fees) | 0.03 | -1.22 | 1.08 | -1.47 | -2.66 | -1.87 | -1.46 | -0.95 |
| Distribution return | 0.61 | 1.85 | 3.83 | 8.50 | 6.46 | 6.41 | 6.10 | 6.10 |
| Total return (after fees)¹ | 0.65 | 0.63 | 4.91 | 7.03 | 3.79 | 4.55 | 4.64 | 5.15 |
| Benchmark | 0.48 | 0.62 | 2.78 | 3.98 | 1.20 | 1.29 | 2.61 | 2.73 |
| Active return (after fees) ² | 0.16 | 0.01 | 2.13 | 3.05 | 2.60 | 3.26 | 2.03 | 2.43 |

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 0.65% in the month of May, outperforming the benchmark (50% Bloomberg AusBond Bank Bill Index (hedged to NZD), 50% Bloomberg AusBond Composite Index (hedged to NZD)) by 0.16%. On a before fees basis the fund returned 0.72% for the month, outperforming the benchmark by 0.23%.

Investment markets were higher in May, boosted by strong earnings in the US (led by the tech sector) and expectations for global rate cuts in the coming months - albeit with divergence on timing between the US and Europe. Fixed Income and Credit markets were higher, led by Capital Securities and European High Yield.

The top contributors to performance included Capital Securities, Asset Backed Securities (ABS) and Investment Grade Credit; whilst the bottom performing contributors included Residential Mortgage Backed Securities (RMBS) and Global Hybrids. The long duration position totalling 6 years in a combination of Australia, New Zealand and the UK contributed positively to the performance of the Fund.

Investment markets are pricing in both a rate cutting cycle starting later this year and a continuation of positive earnings growth from companies. While cash rates are now on hold in most G10 countries, monetary policies are currently quite restrictive. We remain cautious on the investment return outlook as we believe the market may be underestimating the economic risk from the lagged impact of recent cash rate hikes.

Portfolio Summary Statistics

| | |
|--|------------------|
| Yield to maturity | 6.97% |
| Running yield | 8.07% |
| Credit spread ³ | +188bps |
| Number of issuers | 702 |
| Interest rate duration | 6.52 years |
| Credit duration | 2.80 years |
| Investment grade ⁴ exposure | 83% of portfolio |
| Fund size | NZ\$94,168,625 |

Risk Characteristics

| | |
|---------------------------------------|------|
| 5 Year Volatility ⁵ | 6.42 |
| 5 Year Sharpe Ratio ⁶ | 0.46 |
| 5 Year Tracking Error ⁷ | 5.87 |
| 5 Year Information Ratio ⁸ | 0.69 |

Fund Distributions

| | |
|---|------------------|
| Distribution frequency | Monthly |
| Monthly distribution ⁹ | 0.61% (May 2024) |
| Target distribution rate (FY24) ¹⁰ | 7.5% |

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 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.

Bentham Global Income Fund NZD
May 2024
Monthly Distribution Returns History (%)¹

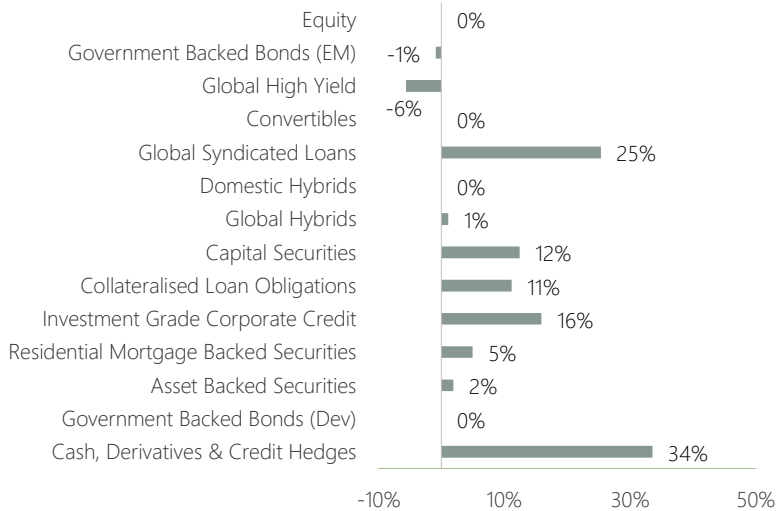
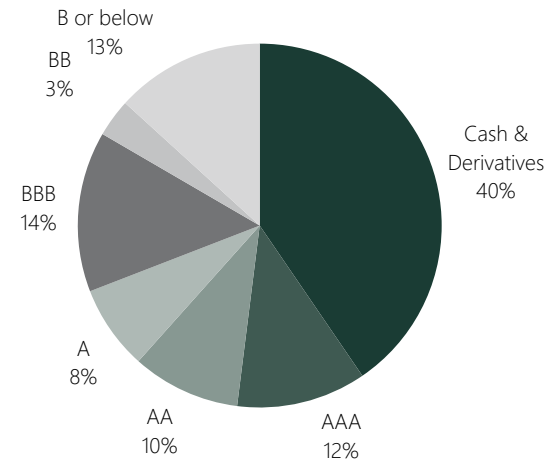
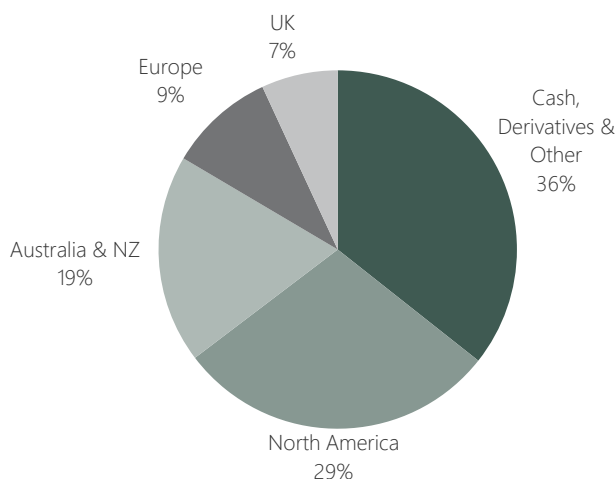
| Financial Year | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | YTD ² |
|----------------|------|------|------|------|------|------|------|------|------|------|------|------|------------------|
| 2024 | 0.62 | 0.63 | 0.62 | 0.63 | 0.63 | 0.62 | 0.63 | 0.63 | 0.63 | 0.62 | 0.61 | - | 7.20 |
| 2023 | 0.63 | 0.63 | 0.63 | 0.63 | 0.61 | 0.62 | 0.62 | 0.62 | 0.62 | 0.62 | 0.62 | 1.40 | 8.19 |
| 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 |

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 | 17.9% |
| Sovereign, Quasi Sovereign, Municipal | 5.0% |
| RMBS | 5.0% |
| Electronics | 4.5% |
| Aerospace and Defense | 3.7% |

Pricing and Fees

| | |
|------------------------------|------------------|
| Unit frequency pricing | Daily |
| Management fee | 0.77% |
| Recoverable expenses | 0.00% (May 2024) |
| Buy/sell spread ³ | +0.260%/-0.260% |
| 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
May 2024

| Fund Overview | | Platform Availability | |
|------------------------|---|---|---|
| Inception date | 30 September 2013 | AEGIS | ✓ |
| ARSN code | 165 696 417 | FNZ (including One Answer and Wealthview) | ✓ |
| 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

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

Website: www.benthamam.com
PDS: [Bentham Global Income Fund NZD PDS](#)

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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.

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