

# Ardea Real Outcome Fund

A smarter alternative

The Ardea Real Outcome Fund seeks to strike the right balance, aiming for higher returns<sup>1</sup> than cash<sup>2</sup> with less risk than many income seeking investments<sup>3</sup>.

Ardea's unique investment approach combines the safety of investing in high quality government bonds with proven risk management strategies that protect your capital from interest rate fluctuations and general market volatility.

For investors accepting some risk, the Fund may be a smarter alternative to cash and can work as a defensive fixed income anchor to help your investment portfolio navigate the ups and downs of markets.

## FUND AT A GLANCE

### Objective

The Fund targets low volatility returns exceeding cash rates and inflation, by investing in a global portfolio of high quality government bonds that prioritises capital preservation and liquidity.

### Benchmark

Australian Consumer Price Index

### Distribution frequency

Quarterly

### Fund Inception Date

20 July 2012

### Minimum Investment

\$10,000 or \$1,000 with Regular Investment Plan

### Management Fee

0.5% p.a.

### APIR Code

HOW0098AU

## WHO IS THIS FUND SUITABLE FOR?

This Fund is designed for those seeking:

- a higher expected return than cash<sup>4</sup>
- an alternative source of income, with low volatility
- a defensive fixed income anchor to diversify portfolio risk away from equities, property and credit investments
- investors who accept some risk that their investment will include some exposure to derivative strategies and capital loss

## WHY INVEST?

### Higher expected returns than cash<sup>4</sup>

The Fund has a track record of delivering returns exceeding cash and inflation since inception<sup>5</sup>. As these returns are independent of market direction, Ardea expect to maintain a level of outperformance in rising and falling markets irrespective of the level of the cash rate.

### An easier way to access your investment

The Fund offers daily liquidity, without break costs that can apply to certain cash products.

### Lower risk strategy than many income seeking investments<sup>3</sup>

The Fund includes investments in high-quality government bonds and cash securities, which have lower credit risk, unlike bank hybrids and corporate bonds, while also using sophisticated risk management strategies to help minimise volatility compared to dividend paying stocks.

### Defensive fixed income anchor that helps diversify investment portfolio risk

The Fund targets positive returns that are independent of interest rate fluctuations and general market volatility. Combining this with proven risk management strategies allows the Fund to help diversify your portfolio risk away from equities, property and credit investments.

### Protect the purchasing power of your investment

In addition to outperforming<sup>1</sup> cash, the Fund targets returns exceeding inflation, which helps protect the long term purchasing power of your investment.

1 Refers to the Fund's historical track record since inception.

2 Cash on hand, demand deposits and money deposited with an Australian ADI that is available for immediate withdrawal; Short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value including cash management trusts.

3 When compared to Equities (S&P/ASX200 Accumulation), REITs (S&P/ASX200 A-REIT), Ausbond Composite (Australian govt and non-government bonds) and Ausbond Govt (Australian govt bonds).

4 Past performance is not an indicator of future performance. Neither fund performance nor capital is guaranteed.

5 Inception date is 20 July 2012.

# Ardea Real Outcome Fund

## WHY IS THIS FUND UNIQUE?

Unlike traditional fixed income funds, which may suffer from poor returns when interest rates are low, and may also incur capital losses if rates rise, the Fund does a lot more than just buy bonds to earn interest income.

The Fund adopts a 'relative value' investment strategy to access a much broader range of fixed income return sources that are independent of the level or direction of interest rates.

Investors can achieve better investment outcomes because the Fund can deliver stable returns that are independent of the broader fixed income and equity market fluctuations that may impact conventional funds.

Additionally, in Australia the most popular income seeking investments – dividend paying stocks, bank hybrids, investment properties and credit funds – can become closely linked to each other in periods of economic stress, potentially incurring losses at the same time.

The Fund provides an alternative source of income that can deliver positive returns at these times, because its return sources are unrelated to conventional investment strategies. The Fund also includes sophisticated risk management strategies that are specifically designed to profit in volatile markets.

So, in addition to providing stable income, the Fund can act as a defensive fixed income anchor to diversify your portfolio risks and help stabilise your investments against adverse market movements.

A final unique benefit comes from the Fund's return target being measured against the Australian Consumer Price Index (a measure of inflation). This means it targets returns not just exceeding cash but also exceeding inflation to help protect the long term purchasing power of your capital.

## ABOUT ARDEA INVESTMENT MANAGEMENT

Founded in 2008, Ardea is one of Australia's largest fixed income investment managers, entrusted with managing over \$19bn<sup>6</sup> on behalf of clients, including Australia's most sophisticated institutional investors.

Ardea's unique 'relative value' investment approach targets reliable risk-adjusted returns that are independent of market direction and exhibit low correlation to broader fixed income and equity markets.

The firm maintains majority ownership by employees to foster both long term alignment of interests with clients and stability of the investment team, which has longevity and diversity of experience across global fixed income markets.

## CONTACT US

For further information, please contact Fidante Partners Investor Services

Tel: 13 51 53 | Email: [info@fidante.com.au](mailto:info@fidante.com.au) | [www.fidante.com.au](http://www.fidante.com.au)

For financial planner enquiries, please contact your local Business Development Manager or email [bdm@fidante.com.au](mailto:bdm@fidante.com.au)

[www.ardea.com.au](http://www.ardea.com.au)



<sup>6</sup> As at 31 December 2020.

This material has been prepared by Ardea Investment Management Pty Ltd (ABN 50 132 902 722, AFSL 329 828) (Ardea), the investment manager of the Ardea Real Outcome Fund (Fund). Fidante Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante), 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 for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The PDS for the Fund, issued by Fidante, should be considered before deciding whether to acquire or hold units in the Fund. The PDS can be obtained by calling 13 51 53 or visiting [www.fidante.com](http://www.fidante.com). Neither Fidante nor any of its respective related bodies corporate guarantees the performance of the Fund, any particular rate of return or return of capital. Past performance is not a reliable indicator of future performance. Ardea 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, Ardea and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties.