

# Kapstream Absolute Return Income Fund

Kapstream  
— JANUS HENDERSON —

The Kapstream Absolute Return Income Fund (the Fund) aims to deliver an alternative approach to fixed income. It provides access to global fixed income markets, in order to facilitate a steady income stream with capital stability across economic cycles.

## Who is this Fund suitable for?

The Fund may be suitable for investors who:

- ✓ are looking for a fund which aims to deliver a steady stream of income and capital stability
- ✓ seek diversification across sectors and countries
- ✓ have a minimum investment horizon of 3 years

## About the Fund

The Fund is managed with an innovative approach to fixed income, aiming to balance the interests of capital stability with the generation of consistent and stable income. The Fund is free from conventional constraints in sourcing the most compelling fixed income investment opportunities in Australia and around the world, according to Kapstream's global macroeconomic views.

## Why invest with Kapstream?

### Capital stability

Conservatively managed, protecting client's capital is always paramount in Kapstream's decision-making.

### Global diversification

A flexible, unconstrained approach results in a diversified portfolio that can be complementary to other asset classes.

### Income stream

Investing predominantly in high quality bonds provides the potential for a stable quarterly income stream.

### Unconstrained approach

Investing wherever the best risk adjusted opportunities can be found irrespective of the benchmark index.

### Conservative risk focus

Priority is given to actively managing the Fund's investment risks within limits.

### Flexibility

Able to move meaningfully into cash and government bonds at times of market uncertainty, as well as shift exposure to different geographies, sectors and fixed income categories to meet return and risk objectives.

## Fund at a glance

### Objective

The Fund aims to provide a steady stream of income and capital stability over the medium term while aiming to outperform its benchmark through market cycles.

### Benchmark

RBA Cash Rate

### Inception date

31 May 2007

### Distribution frequency

Quarterly

### Minimum investment

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

### Management fee

0.55% p.a. including GST

### APIR Code

HOW0052AU

### ASX mFund code

KAP01

### Investment Parameters

Duration limits: -2 to +2 years

Investment Grade securities  
range: 85-100%

High Yield & Emerging Market  
securities range: 0-15%

Cash range: 0-100%

## The Kapstream process



### Research and analysis

Kapstream's process begins with an analysis of key global economic trends. Views are developed during quarterly economic roundtable sessions with leading members of the fixed income community. Next, the team consider country specific factors and market expectations, before moving on to identify specific opportunities.



### Risk management

Constant monitoring and active mitigation of the primary risks present in client portfolios – the sensitivity to a change in headline interest rates, the threat of default, and market liquidity – is integral to ensuring Kapstream maintains a prudent balance between overall portfolio risk and return.



### Capital stability

At Kapstream's heart is an unwavering focus on protecting the value of their clients' investments, making active use of a wide range of techniques to do so when risk of loss threatens.



### Dynamic beta, portable alpha

Kapstream divides each portfolio into beta and alpha components and uses innovative strategies to actively manage both. They dynamically allocate the beta component across global fixed interest markets, constantly evaluating and adjusting the Fund's exposure in response to the changing environment. They then overlay alpha strategies to enhance returns, often using futures, options, swaps and credit default swaps.

## About Kapstream Capital

Kapstream Capital was founded on a simple belief; that by removing the constraints inherent in conventional benchmark-relative fixed income portfolio strategies, and by setting absolute return targets and absolute risk limits, portfolios could be constructed using predominantly investment grade assets that more closely met the true requirements of investors in preserving capital and delivering consistent and positive absolute returns.

Kapstream combines capital preservation techniques with unconstrained portfolio management skills in the pursuit of stable, absolute returns.

### The Fund is available across all major investment platforms, including:

AMP North | BT Panorama | FirstChoice | CFS Edge | FirstWrap | HUB24 | Insignia – eXpand | Macquarie Wrap  
DPS and Super | Macquarie Accumulator | Mason Stevens | Netwealth | Praemium | Powerwrap

## Find out more

For more information, please contact your local Fidante Business Development Manager, call us on 1300 721 637 or visit us at: [www.kapstream.com](http://www.kapstream.com)

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