

ActiveX Kapstream Absolute Return Income Fund (Managed Fund) (CXA: XKAP)

Kapstream
— JANUS HENDERSON —

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.

The ActiveX Kapstream Absolute Return Income Fund (Managed Fund) (the “Fund”) primarily invests in the Kapstream Absolute Return Income Fund (the “Underlying Fund”) which was launched in May 2007.¹

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

CXA Ticker

XKAP

Investment Manager

Kapstream Capital

Fund Issuer

Fidante

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

Distribution Frequency

Quarterly

Fund Inception Date

15 October 2019

Strategy Inception Date

May 2007

Management Fee

0.55% p.a.

Unit Registry

Link Market Services

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.

Find out more

For further information, please contact 1300 721 637 (within Australia) and 02 8023 5428 (outside of Australia), Email: info@fidante.com.au

For investor enquiries, please contact Link Market Services: 1800 441 104, Email: fidante@linkmarketservices.com.au

For financial planner enquiries, please contact your local Business Development Manager or Email: bdm@fidante.com.au

¹ In this flyer, where we refer to the Fund's investments we generally do so on a 'look-through' basis; that is, we are referring to the underlying assets that the Fund is exposed to through its investment in the Underlying Fund.

This material has been prepared by Kapstream Capital Pty Ltd (ABN 19 122 076 117 AFSL 508870 (Kapstream), the investment manager of Kapstream Absolute Return Income Fund and the ActiveX Kapstream Absolute Return Income Fund (Managed Fund) (Funds). 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. 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 to your circumstances. The Fund's Target Market Determination and Product Disclosure Statement (PDS) available at www.fidante.com should be considered before making a decision about whether to buy or hold units in the Fund. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not a reliable indicator of future performance. Kapstream 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, Kapstream and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties.

Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.