

# 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

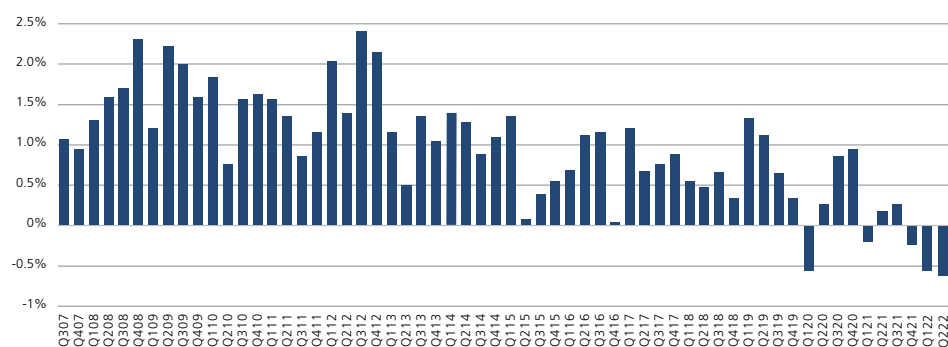
## Why invest with Kapstream?

### Capital stability

The Fund is designed to deliver capital stability through an actively managed, unleveraged portfolio of fixed income investments and is diversified across countries and fixed income sectors. Kapstream Capital manages their global fixed income portfolio by carefully selecting the bonds of quality well-structured companies which have proven track records in conducting business through varying economic cycles. These types of companies are commonly referred to as 'Investment Grade'.

Since inception and as outlined in the chart below, the Fund has delivered positive absolute returns in 55 out of a possible 60 quarters.

### Quarterly returns since inception in May 2007



As at June 2022. All performance after Class A fees, currently 0.55%. Class A fees were 0% from inception-8/6/08, 0.60% from 8/6/08-30/09/09, 0.70% from 30/09/09-1/10/19 and 0.55% thereafter. Past performance is no indication of future performance. Investment return and principal value will fluctuate so that Fund units, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance data current to the most recent month is available at <https://www.fidante.com/investment-managers/kapstream-capital>

This performance history chart is updated on a quarterly basis.

## 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

## Global diversification

Navigating through a low yielding fixed income market requires an investment approach that can build returns from diversified sources of fixed income from around the world. Kapstream can have exposure to countries such as the US, UK, China, Hong Kong, Singapore, Germany, Canada and Australia. The Kapstream investment approach is innovative in that it can manoeuvre between countries, high quality government debt and the debt of high quality companies no matter where the opportunities lie.

Kapstream use a term called relative value when seeking out investment opportunities. Relative value is the attractiveness of one investment over another in terms of risk, liquidity and return. Focussing on relative value allows Kapstream to diversify the portfolio with high quality debt securities across countries and sectors, and in turn, not put 'all your eggs in one basket'.

## Steady income stream

In a low interest rate world, investors need access to income that has potential to provide rates of return higher than cash. Kapstream's unique investment approach aims to minimise the risk of capital losses, supported by their proven track record, and search for the best risk adjusted returns from a wide range of fixed interest securities, aiming to generate reliable income across market cycles with lower risk than other asset classes like shares and property.

## What does Investment Grade mean?

Investment grade refers to good quality credit. Companies that have manageable levels of debt, good earnings potential and a good debt-paying record will have a good credit rating.

A company is considered investment grade when it is rated 'BBB' or higher by ratings agencies such as Standard and Poor's and Moody's. Kapstream usually invest in A+ rated companies.

## Risks

All investments carry risk. Different strategies carry different levels of risk depending on the assets that make up the strategy. Generally, assets with the potential for the highest long-term returns may also carry the highest level of short-term risk.

- Fixed income security risk: fixed interest securities are affected by many other risks such as interest rate risk, credit risk and liquidity risk.
- Interest rate risk: the risk that changes in interest rates may have an adverse impact on the capital value or income of a security.
- Credit risk: The risk that the issuer of a fixed interest security is unable or unwilling to make interest and/or capital payments in full and/or on time, or may not meet other financial obligations.

**Other Risks:** Please see the Product Disclosure Statement (PDS) for a full description of risks related to investing in the Kapstream Absolute Return Income Fund. The PDS is available at [www.fidante.com](http://www.fidante.com).

## About Kapstream Capital

Kapstream is a global fixed income specialist with over A\$13.3 billion in assets under management as at June 2022. Fidante Partners is the responsible entity of the Fund and has appointed Kapstream as the Fund's investment manager.

Kapstream's investment team are highly experienced and manage money for a range of investors based here in Australia and overseas.

## Find out more

For more information, please contact your financial adviser or call the Fidante Partners Investor Services team on +61 13 51 53.