

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.

The Fund may invest in, but is not limited to:

- Government & government-related bonds
- Corporate bonds
- Mortgage-backed & asset-backed securities
- Emerging market debt
- Convertible securities
- Cash & cash-related instruments
- Derivatives, including swaps, options, & futures

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

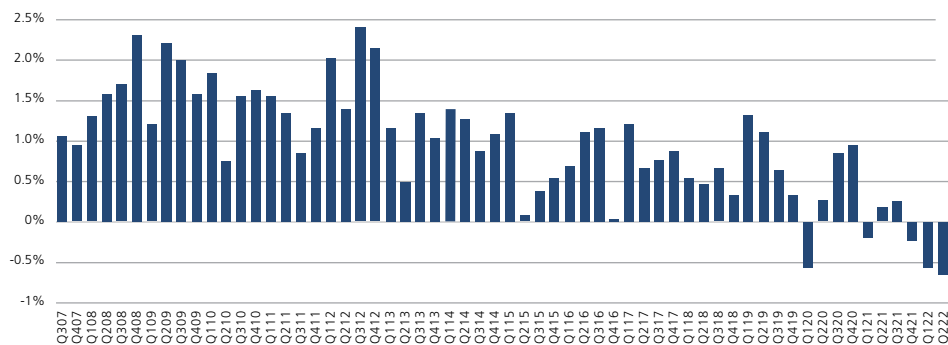
Kapstream Capital was founded in 2006 by Kumar Palghat and Nick Maroutsos, both seasoned fixed income managers. Kapstream today manages in excess of A\$13.3 billion as at June 2022 from offices in Sydney and Newport Beach, California. Since July 2015 Kapstream has operated as an autonomous ‘boutique’ subsidiary, initially of Janus Capital Group and – since their merger in May 2017 with Henderson Global Investors – now of Janus Henderson Investors.

Fidante Partners is the responsible entity of the Fund and has appointed Kapstream as the Fund’s investment manager. Fidante provides back office, administration and retail distribution services.

Fund performance

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 30 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.

Find out more

For more information, please contact your local Fidante Partners Business Development Manager or call the Fidante Partners Adviser Services team on 1800 195 853

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