

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

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.

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.

Kapstream adheres to an active and less traditional approach to fixed interest management, one that blends top down macroeconomic outputs with bottom-up security selection. Unlike more mainstream competitors, it is not subject to the same benchmark relative constraints, providing the investment team with greater scope to incorporate best trade ideas and position the portfolio in response to varying market conditions.

FUND AT A GLANCE

CXA Ticker

XKAP

Investment Manager

Kapstream Capital

Fund Issuer

Fidante Partners Limited

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

WHO IS THIS FUND SUITABLE FOR?

The Fund may be suitable for investors who are seeking:

- Stable income across market cycles
- Potentially higher levels of returns compared to cash
- Low to moderate volatility
- A diversified portfolio that can complement other asset classes

WHERE DOES IT FIT IN YOUR PORTFOLIO?

The Fund is designed to deliver a steady stream of income and capital stability and sit in the defensive allocation of a portfolio. The Fund can help diversify equity and traditional fixed income exposures, and can be used to complement cash exposures.

WHY INVEST?

Steady income stream

In a low interest rate world, investors may need access to income that has potential to provide rates of return higher than cash. Kapstream’s unique investment approach aims to reduce 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.

An easier way to access your cash

The Fund offers daily trading on the Chi-X exchange, through online trading accounts or through preferred brokers without break costs that can apply to term deposits.

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.

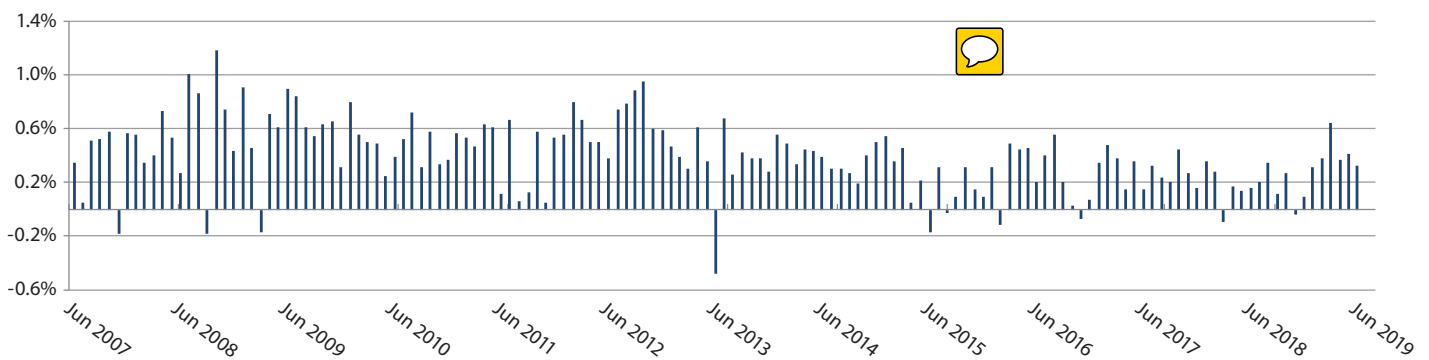
Kapstream use a term called relative value when seeking out investment opportunities. Relative value is the attractiveness of one investment over another in terms of risk, liquidity and return. Focussing on relative value allows Kapstream to diversify the portfolio with high quality debt securities across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

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 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 Underlying Fund¹ has delivered positive absolute returns in 135 out of a possible 145 months.

Underlying Fund Monthly Performance (Net)



As at 30 June 2019. All performance after Class A fees, currently 0.70%. Class A fees were 0% from inception through 8 June 2008, 0.60% from 8 June 2008 through 30 September 2009 and 0.70% thereafter. Past performance is no indication of future performance. 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>

The performance of the Fund will not exactly replicate that of the Underlying Fund, for example where cash is held by the Fund.

ABOUT KAPSTREAM CAPITAL

Founded in 2006, Kapstream is a global fixed income specialist with over A\$14 billion in assets under management as at 30 June 2019.

Kapstream's investment team is highly experienced and manages money for a range of investors based in Australia and overseas.

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

CONTACT US

For further information, please contact
Fidante Partners Investor Services
Tel: 13 51 53
Email: info@fidante.com.au

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

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

fidanteactivex.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.

All investments carry some risk. For information about the risks applicable to this Fund, please consider the PDS.

Unless otherwise specified, any information contained in this publication is current as at the date of this publication and is provided by Fidante Partners Limited (ABN 94 002 835 592, AFSL 234668) (Fidante Partners), the responsible entity and issuer of interests in the ActiveX Kapstream Absolute Return Income Fund (Managed Fund) (ARSN 632 896 176) (the 'Fund'). Kapstream Capital Pty Ltd (ABN 19 122 076 117, AFSL 308870) (Kapstream) is the investment manager of the Fund. It is intended to be general information only and not financial product advice and has been prepared without taking into account any person's objectives, financial situation or needs. Each person should, therefore, consider its appropriateness having regard to these matters and the information in the product disclosure statement (PDS) and any additional information brochure (AIB) for the Fund before deciding whether to acquire or continue to hold an interest in the Fund. The PDS can be obtained from your financial adviser or broker, our Investor Services team on 13 51 53, or on our website fidante.com.au. Please also refer to the Financial Services Guide on the Fidante Partners website. Past performance is not a reliable indicator of future performance. Neither your investment nor any particular rate of return is guaranteed.