

ActiveX Ardea Real Outcome Bond Fund (Managed Fund) (ASX:XARO)

The ActiveX Ardea Real Outcome Bond Fund (Managed Fund) (the "Fund") primarily invests in the Ardea Real Outcome Fund which was launched in July 2012.

The Fund seeks to strike the right balance, aiming for higher returns¹ than bank deposits with less risk than many common income seeking investments².

Ardea's unique investment approach combines the safety of investing in high quality government bonds with proven risk management strategies that can help protect your capital from interest rate fluctuations and general market volatility.

For investors accepting some risk, the Fund may be a smarter alternative for cash locked in low return bank deposits, and can work as a defensive fixed income anchor to help your investment portfolio navigate the ups and downs of markets.

FUND AT A GLANCE

ASX Ticker

XARO

Investment Manager

Ardea Investment Management

Fund Issuer

Fidante Partners

Objective

The Fund targets low volatility returns exceeding cash rates and inflation, by investing in a global portfolio of high quality government bonds that prioritises capital preservation and liquidity.

Benchmark

Australian Consumer Price Index

Distribution Frequency

Quarterly

Fund Inception Date

December 2018

Strategy Inception Date

20 July 2012

Management Fee

0.5% p.a.

Unit Registry

Link Market Services

WHO IS THIS FUND SUITABLE FOR?

This Fund is ideal for those seeking:

- a higher expected return than bank deposits³
- an alternative source of income, with low volatility
- a defensive fixed income anchor to diversify portfolio risk away from equities, property and credit investments
- investors who accept some risk and that their investment will include exposure to derivative strategies

WHY INVEST?

Higher expected returns than cash and term deposits³

The Fund has a track record of delivering returns exceeding cash, term deposits and inflation since inception⁴. As these returns are independent of market direction, Ardea expects to maintain a level of outperformance in rising and falling markets irrespective of the level of cash or deposit rates.

An easier way to access your investment

The Fund offers daily trading on the ASX, without break costs that can apply to term deposits.

Lower risk than many common investment income sources

The Fund includes investments in high-quality government bonds and cash securities, which have lower credit risk, unlike bank hybrids and corporate bonds, while also using sophisticated risk management strategies to minimise volatility compared to dividend paying stocks.

Defensive fixed income anchor that helps diversify investment portfolio risk

The Fund targets positive returns that are independent of interest rate fluctuations and general market volatility. Combining this with proven risk management strategies allows the Fund to help diversify your portfolio risk away from equities, property and credit investments.

Protect the purchasing power of your investment

In addition to outperforming¹ bank deposits, the Fund targets returns exceeding inflation, which helps protect the long term purchasing power of your investment.

¹ Refers to the Fund's historical track record since inception

² When compared to Equities (S&P/ASX200 Accumulation), REITs (S&P/ASX200 A-REIT), Ausbond Composite (Australian govt and non-government bonds) and Ausbond Govt (Australian govt bonds).

³ Past performance is not an indicator of future performance. Neither fund performance nor capital is guaranteed.

⁴ Inception date is July 2012

WHY IS THIS FUND UNIQUE?

Unlike traditional fixed income funds, which may suffer from poor returns when interest rates are low, and may also incur capital losses if rates rise, the Fund does a lot more than just buy bonds to earn interest income.

The Fund adopts a 'relative value' investment strategy to access a much broader range of fixed income return sources that are independent of the level or direction of interest rates.

Investors can achieve better investment outcomes because the Fund can deliver stable returns that are independent of the broader fixed income and equity market fluctuations that may impact conventional funds.

Additionally, in Australia the most popular income seeking investments – dividend paying stocks, bank hybrids, investment properties and credit funds – can become closely linked to each other in periods of economic stress, potentially incurring losses at the same time.

The Fund provides an alternative source of income that can deliver positive returns at these times, because its return sources are unrelated to conventional investment strategies. The Fund also includes sophisticated risk management strategies that are specifically designed to profit in volatile markets.

So, in addition to providing stable income, the Fund can act as a defensive fixed income anchor to diversify your portfolio risks and help stabilise your investments against adverse market movements.

A final unique benefit comes from the Fund's return target being measured against the Australian Consumer Price Index (a measure of inflation). This means it targets returns not just exceeding bank deposit rates but also exceeding inflation to help protect the long term purchasing power of your capital.

ABOUT ARDEA INVESTMENT MANAGEMENT

Founded in 2008, Ardea is one of Australia's largest fixed income investment managers. Entrusted with managing over \$11bn⁵ of funds across a range of absolute return and index linked strategies, Ardea's clients include Australia's most sophisticated institutional investors, as well as a growing wholesale and retail investor base.

Ardea's unique 'relative value' investment approach, applied across a large global opportunity set, targets reliable risk-adjusted returns that are independent of market direction and exhibit minimal correlation to broader fixed income and equity markets.

The firm maintains majority ownership by employees to foster both long term alignment of interests with clients and stability of the investment team, which has longevity and diversity of experience across global fixed income markets.

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⁵ As at 30 June 2019.

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 Ardea Real Outcome Bond Fund (Managed Fund) (ARSN 629 403 925) (the 'Fund'). Ardea Investment Management Pty Ltd ABN 50 132 902 722 AFSL 329 828 (Ardea) 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. Past performance is not a reliable indicator of future performance. Neither Ardea nor Fidante Partners nor any of their related entities guarantees the performance of the Fund, nor capital invested 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 www.fidante.com.au. Please also refer to the Financial Services Guide on the Fidante Partners website.