

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

A smarter alternative

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 returns<sup>1</sup> than cash<sup>2</sup> with less risk than many income seeking investments<sup>3</sup>.

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 to cash and can work as a defensive fixed income anchor to help your investment portfolio navigate the ups and downs of market.

## WHO IS THIS FUND SUITABLE FOR?

This Fund is designed for those seeking:

- a higher expected return than cash<sup>4</sup>
- 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 and capital loss.

## WHY INVEST?



### Higher expected returns than cash<sup>4</sup>

The Fund has a track record of delivering returns exceeding cash and inflation since inception<sup>5</sup>. 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 the cash rate.



### An easier way to access your investment

The Fund offers daily trading on the ASX, without break costs that can apply to certain cash products.



### Lower risk strategy than many income seeking investments<sup>3</sup>

The Fund invests 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 help 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 cash

In addition to outperforming<sup>1</sup> cash, the Fund targets returns exceeding inflation, which helps protect the long term purchasing power of your cash.

## FUND AT A GLANCE

### ASX Ticker

XARO

### Investment Manager

Ardea Investment Management

### Fund Issuer

Fidante

### Objective

The Fund targets a stable return in excess of inflation over the medium term, while prioritising liquidity and capital preservation.

### 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

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

2 Cash on hand, demand deposits and money deposited with an Australian ADI that is available for immediate withdrawal; Short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value including cash management trusts.

3 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).

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

5 Inception date is 20 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 cash but also exceeding inflation to help protect the long term purchasing power of your capital.

## ABOUT ARDEA INVESTMENT MANAGEMENT

Founded in 2008, Ardea IM are now one of Australia's largest specialist relative value fixed income investment managers. Our global client base ranges from the largest institutional investors and asset consultants, to a diverse range of wholesale and retail clients.

Ardea IM's highly differentiated pure relative value (RV) investing approach offers a compelling alternative to conventional fixed income investments because it is independent of the prevailing interest rate environment and broader bond market performance.

## CONTACT US

**For further information, please contact Fidante Partners Investor Services**

Phone: 1300 721 637 (Within Australia) or 02 8023 5428 (Outside of Australia)

Email: [info@fidante.com.au](mailto:info@fidante.com.au)

For financial planner enquiries, please contact your local Business Development Manager or email [bdm@fidante.com.au](mailto:bdm@fidante.com.au)

[www.ardea.com.au](http://www.ardea.com.au)



This material has been prepared by Ardea Investment Management Pty Ltd (ABN 50 132 902 722 AFSL 329 828) (Ardea IM), the investment manager of Ardea Real Outcome Fund (Fund) and the ActiveX Ardea Real Outcome Bond Fund (Managed Fund) (ASX:XARO). 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](http://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. Ardea IM 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, Ardea IM and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties. Fidante is not an authorised deposit-taking institution (ADI) for the purpose of the *Banking Act 1959* (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (Challenger ADI) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante. 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. D4\_20240209.