

## ActiveX Ardea ETF continues platform success

**Sydney, 5 June 2019** – The ActiveX Ardea Real Outcome Bond Fund (Managed Fund), an actively managed fixed-income ETF from Ardea Investment Management, has been added to award-winning investment and superannuation platform, HUB24.

The ETF is the first release in Fidante’s ActiveX series and is available under the ASX ticker code, XARO. It is the first actively managed fixed-income ETF in the Australian market that is not constrained by an index.

XARO’s underlying fund, the Ardea Real Outcome Fund (ARO) has \$591 million of AUM (as at 30 April 2019) and has a strong track record of delivering consistent low volatility returns since July 2012. Ardea manage \$1.9bn overall in the Real Outcome strategy when institutional clients are included, and have over \$11bn in FUM at a firm-wide level.

Over the past three years, as conventional fixed income investments have been challenged, ARO has outperformed with a return of 5.6% p.a.<sup>1</sup> (net of fees), or 3.77% p.a. above the benchmark<sup>2</sup>. Portfolio Manager, Gopi Karunakaran, said Ardea was looking forward to a long association with HUB24.

“We are delighted to have XARO available to HUB24’s clients. As one of the fastest growing platforms in the market, we expect the association to significantly boost adviser interest in XARO,” he said.

ARO invests in the same high-quality government bonds that are typical of conventional fixed income portfolios but generates returns from them in a way that is independent of whether bond yields are high or low, while also neutralising their inherent interest rate duration risk.

ARO does this by combining Ardea’s unique ‘relative value’ investment approach with efficient risk management strategies that are intended to succeed in adverse market environments. These are packaged into a defensive portfolio that prioritises liquidity and capital preservation, while delivering attractive returns.

Mr Karunakaran said these attributes were particularly compelling in the current market environment.

“The combination of ultra-low bond yields, rising interest rate volatility and late cycle credit risks have left conventional interest rate duration and credit-based fixed income investments facing more risk for less return” he said.

“ARO managed to deliver strong positive returns through the difficult market environment of 2018 when many fixed income investments, labelled as ‘defensive’, had performance challenged because of their exposure to volatility in credit markets and interest rates,” he said.

It has been a big week for the Ardea team, with XARO’s underlying fund, ARO, named as the top performing international fixed income fund for the three-year period to 31 March 2019 by investment research house, Rainmaker, returning 5.4% against a sector median of 3.4% (net of fees)<sup>3</sup>.

XARO is also available on BT Panorama, Asgard and BT Wrap platforms for both Investments and Super, and the Macquarie Wrap platform for Investments.

**-ENDS-**

1. As at 30 April 2019. Performance figures are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures. Past performance is not a reliable indicator of future performance.

2. The benchmark is the Consumer Price Index

3. Rainmaker Information Wholesale Managed Funds Report Vol. 21 No. 03

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## About Ardea Investment Management

Founded in 2008, Ardea is one of Australia's largest fixed income investment managers.

Entrusted with managing over \$11bn of funds across a range of absolute return and index linked strategies, Ardea's clients include some of 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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