

## Ardea appoints Chief Executive Officer to manage continuing strong growth

### APPOINTMENT RELEASE

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**Sydney, 3 April 2019** – The Chairman and Chief Investment Officer of fixed income specialist Ardea Investment Management, Ben Alexander today announced that firm co-founder Stephen Clout had been appointed Chief Executive Officer by the Ardea board.

Mr. Alexander said the elevation of Mr. Clout, who has headed portfolio implementation and client relationships at Ardea, would enable him and the rest of the investment team to maintain their full focus on investing, without being distracted by business management.

“A key reason for Ardea’s success has been the ability of our investment team to put all our energy and expertise into our differentiated, relative-value approach to fixed income investing. This has enabled us to deliver reliable risk-adjusted returns that are independent of market direction and have minimal correlation to broader fixed income and equity markets. The need for this focus was also one of the key reasons we originally teamed up with Fidante Partners to manage operations, and distribution on our behalf.”

Founded in 2008, Ardea has maintained steady growth, with funds under management exceeding \$11 billion at the end of February 2019 and an investor base including Australia’s largest institutional investors.

More recently, Ardea’s top performing Real Outcome strategy has been rolled out to the wholesale/retail market as the unlisted unit trust Ardea Real Outcome Fund (ARO), as well as the ASX listed ActiveX Ardea Real Outcome Bond Fund (Managed Fund) (ASX: XARO), launched in partnership with Fidante Partners at the end of 2018.

“We are grateful for the strong support we’ve received from our clients, as well as asset consultants, and are now evolving our business structure so that we can both continue to provide a high level of service to existing clients and manage growth in a considered and measured way well into the future”, Mr. Alexander added.

Mr Alexander said the Ardea board was confident that Mr Clout would provide the firm with the operational and strategic leadership needed to manage its next stage of growth.

“Stephen knows our business well, having helped found it more than 10 years ago. He also has deep, extensive relationships with our clients and is already very well-known and respected by the team.”

Mr. Clout, who will continue to have ultimate oversight of portfolio implementation, will be supported in this function by Chief Operating Officer Tracey Kellett, who joined Ardea from Fidante’s parent company (Challenger Limited) in February this year. Additionally, Ardea’s investment team was strengthened last year with the hire of relative value specialist and Portfolio Manager Jean Dumas from Deutsche Bank, while it’s dealing capacity was increased with the appointment of Darren Wadhwa to the Portfolio Implementation team.

Ardea’s unique relative value investment approach now has a successful ten year track record across a range of actively managed domestic and global fixed income investment strategies, including absolute return, benchmark aware and customised objective based solutions.

ARO is the top performing absolute return fixed income strategy in the Mercer Survey of Australian Absolute Return funds over three and five years, as at the end of February 2019\*.

Notably, ARO maintained strong performance throughout the difficult market conditions of 2018 and now has a six-year track record of delivering low volatility returns exceeding cash rates and CPI, independent of market direction. ARO has delivered a return of 5.02% p.a. (net of fees) over the past three years, which is 3.19% p.a. above the Benchmark\*\*.

\* From 28 February 2014 to 28 February 2019. Source: MercerInsight®, Mercer Investment Performance Survey of Australian Absolute Return universe.

\*\* As at 28 February 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. ARO's benchmark is the Australian Consumer Price Index.

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### About Ardea Investment Management

Founded in 2008, Ardea Investment Management is one of Australia's largest fixed income investment managers, with an investment team that has longevity and depth of experience across global government bonds, fixed income derivatives and credit markets.

Ardea's unique relative value investment approach accesses return sources beyond the conventional to deliver risk-controlled alpha that is independent of market direction.

We are entrusted with managing over \$11bn of client funds and now have a successful ten year track record applying our relative value approach across a range of actively managed domestic and global fixed income strategies, including absolute return, benchmark aware and customised objective based solutions.

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