

Areus Optimus Fund – Fact Sheet

As at January 2024

Fund Overview

Fund Name	Areus Optimus Fund
Description of Fund	The actively managed Fund is constructed with a diversified portfolio of Investment Grade Only - Australian fixed interest securities. The Fund aims to provide investors with a steady stream of income and capital stability over the medium term, with the flexibility of daily liquidity.

Target Investors	Applications will only be open to wholesale investors as defined under Section 708 of the Corporations Act in Australia. Overseas investors to satisfy equivalent wholesale investor requirements in their respective jurisdiction.
-------------------------	---

Financial Year End	30 June
---------------------------	---------

Minimum Investment Amount	\$50,000 AUD
----------------------------------	--------------

Fund Structure

Structure

An unregistered Australian unit trust which has appointed FIIG Securities as investment manager under an Investment Manager Agreement (IMA)

Trustee	Non Correlated Capital
----------------	------------------------

Fund Manager	Areus Asset Management
---------------------	------------------------

Investment Manager	FIIG Securities Limited
---------------------------	-------------------------

Administration	NAV Fund Administration Group
-----------------------	-------------------------------

Fund Accountant/Auditor	BDO Limited
--------------------------------	-------------



Areus Optimus Fund – Fact Sheet

As at January 2024

Investment Characteristics

Investment Objective

The Fund aims to produce a return (net of fees) that **exceeds the total return of the RBA Cash Rate by 2% p.a.** over rolling three-year periods.

Note: This investment return objective is not a forecast. It is an indication of what the Fund aims to achieve over the medium term.

Minimum Suggested Timeframe

The minimum suggested time frame for investment in the Fund is 3 years, however depending on an investor's circumstances, investment in the Fund may be suitable for a shorter time frame.

Investment Strategy

The Fund's asset exposure is actively managed with the dual goals of protecting investor capital and generating performance in excess of the Cash Rate.

This Fund is designed for investors who want the potential for regular income and capital growth to protect against inflation, diversification across a range of asset classes and are prepared to accept some variability of returns. The Fund invests in a number of income generating strategies across fixed interest and cash. **The Fund does not use derivatives.**

Risk Level

Low Risk – The Fund invests in assets with relatively stable asset values. Investors in the Fund should be able to tolerate limited risks and should be seeking to avoid large fluctuations in their investment value, accepting the prospect of more modest returns to achieve this.

Return volatility parameters

Investment Grade only. Duration and Credit risk to be managed at the discretion of the investment manager.

Details of the Fund Manager

Areus Asset Management is an award-winning Australian asset management firm with the primary focus of identifying & managing what it considers to be best-in-class investment strategies & portfolios that have historically generated robust risk-adjusted returns to investors. Generally, these strategies are not available to the public, or are only offered in limited geographic locations.

Areus funds & portfolio products have been established as vehicles for accredited investors to access what we consider to be best-in-class portfolios & strategies. Access they would otherwise not have. The flagship Areus Alpha Gold Portfolio is a multi-award-winner having received numerous Top 10 awards for monthly performance from BarclayHedge.

Details of the Investment Manager

FIIG was established in 1998 to provide investors and issuers with unique access and deep expertise in fixed income markets. As one of Australia's largest independent fixed income specialists, FIIG has grown to service over 6,000 clients with more than \$5bn in funds under advice and offices across Australia in Sydney, Melbourne, Brisbane, and Perth.

FIIG provides general financial product advice and facilitates fixed income investments across a comprehensive range of services and solutions, including Private Clients, Intermediaries, Corporations, and Institutions. Those services include access to Direct Bonds, Debt Capital Markets & Private Debt for corporate issuers, along with a dedicated, in-house, fixed-income credit research team.

FIIG is privately owned and not owned by any financial institution. This is a significant point of differentiation as it enables FIIG to transact an extensive and unrestricted range of interest rate securities and investments.



Areus Optimus Fund – Fact Sheet

As at January 2024

Details of the Administrator

Established in 1991 and now boasting 2,500+ employees, NAV Fund Administration Group is frequently recognized as the top fund administrator globally with a strong reputation for providing superior fund administration solutions. NAV has achieved more than 30 years of year-over-year growth, currently servicing more than \$260 billion AUA.

Strategic Asset Allocation and Ranges

Asset class	Range	Sector	Sector Ranges
Liquid Assets	20 – 50%	Cash	20 – 100%
Includes TD, NCD, cash and notice a/cs, bank bills, short duration bonds and FRNs		Government, Semi-Government and Supranational Debt	20 – 100%
Corporate Debt	50 – 80%	Senior Debt	0 – 80%
Includes investment grade corporate debt, bank debt, asset backed securities, adi and non adi		Subordinated Debt	0 – 40%
		Asset Backed Securities	0 – 20%

[^] The SAA and SAA ranges may be changed to ensure that the objectives are still met.

Credit Rating Restrictions

Investment Grade Rating Status	Investment Grade	Non-Investment Grade	Unrated
Maximum Ranking Securities	AAA	Not Permitted	Not Permitted
Minimum Ranking Securities	BBB-	Not Permitted	Not Permitted
Maximum Credit Rating Exposure	100%	n/a	n/a
Maximum BBB Exposure	10%	n/a	n/a
Minimum Weighted Average Portfolio Credit Rating	A-		

Concentration Limits

Individual Issuer Concentration	Bank 15% Corporate 5%
Individual Security Concentration	Bank 5% Corporate 2%



Areus Optimus Fund – Fact Sheet

As at January 2024

Modified Duration

Maximum Portfolio Average	1.00
---------------------------	------

Term to Maturity Restrictions

Maximum Portfolio (Average)	3.50 years
-----------------------------	------------

Maximum TTM by security type:

Maximum Portfolio (Average)	3.50 years
-----------------------------	------------

All Fixed (Bullet [^]) Nominal Bonds	1.50 years
--	------------

All Senior FRN's	5.00 years
	All Subordinate ^{^^} FRN's = 7.00 years

All ABS (including RMBS)	5.0 WAL
--------------------------	---------

* Using blend TTM and WAL

[^] Bullet: Final Maturity Date only, no extension risk

^{^^} Subordinate: to first call date, maximum extension 5 years = 12NC7 structure

^{^^^} WAL: Weighted Average Life, maximum 50-year Legal Final Maturity.

Typical Number of Securities Held

At the discretion of the investment manager

Active/Passive Allocation

100% actively managed

Portfolio Manager

Kieran Quaine

Kieran has over 30 years of experience in the fixed income market, primarily as a fund manager responsible for investing multiple billions of dollars across a broad range of investment mandates. His expertise includes proprietary interest rate trading, debt origination, syndication and institutional sales.

Kieran is the Head of Portfolio Management at FIIG and aims to add significant value in longer-duration fixed income securities. His track record of market outperformance, driven by a historical Investment Strategy and effective duration management, showcases consistent success in both short and long terms. The Portfolios managed by Kieran showcase impressive returns since January 2016 which underscore this capability. As Portfolio Manager of the Areus Optimus Fund, Kieran will actively manage and strategically invest in diverse, investment-grade Australian fixed income securities, offering investors broad exposure to the local fixed interest market.

Leverage

The investment manager **does not** use leverage within the portfolio.



Areus Optimus Fund – Fact Sheet

As at January 2024

Derivatives Used

Derivatives **will not** be used within the Fund and will not be used for gearing purposes.

Key Risks

Key Risks of Investing in The Fund*

General Risk - In general, cash and fixed income securities can provide greater certainty of income flows and can offer greater capital price stability than alternative investments, such as shares and property. However, there are a number of risks associated with investing in fixed income securities that can result in significant variability in investment returns and a loss of income or capital value.

Market Risk - The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, adverse changes to credit markets, global political instability, or adverse investor sentiment generally which can all directly or indirectly create an environment that may influence the value of your investments.

Interest Rate Risk - Interest rate risk is the risk that fixed income securities and other instruments in the Fund's portfolio will decline in value because of an increase in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by a fund are likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Interest rate changes can be sudden and unpredictable, and a fund may lose money as a result of movements in interest rates.

Credit Risk - The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative, repurchase agreement or a loan of portfolio securities, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or willing, to make timely principal and/or interest payments, or to otherwise honour its obligations. The downgrade of the credit of a security held by the Fund may decrease its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

** The Key Risks listed above are not intended to be exhaustive.*

Reporting

Key Reporting Provided

Portfolio Holdings Report: This report details the current investments in the portfolio.

Quarterly Report: This report provides a comprehensive review of fund performance, key investments and key metrics for the latest quarter to track short-term progress.

Annual Report: The Annual Report summarises the fund's performance, fund positioning, and strategy over the past year, offering a complete view of long-term growth and stability.

Fees

Investment Management Fee

0.60% p.a.

Establishment/ Contribution Fee

None

Withdrawal/ Termination Fee

None

Buy-Sell Spreads

0.15% / 0.15%



Areus Optimus Fund – Fact Sheet

As at January 2024

Investing in the Fund

Valuation and Unit Pricing Frequency

Daily. The issue price of units is determined under the Constitution by reference to the net asset value of the Fund pertaining to the relevant class of units, and the number of units on issue in that unit class.

The unit price of a single unit in the Fund will be generated and published daily based on the net asset value of the Fund. The net asset value of the Fund is determined monthly using live market prices and industry adopted valuation methodologies.

Distribution Frequency

Quarterly - We may pay special distributions under certain circumstances.

We distribute all taxable income to investors each year, including the net capital gains and tax credits of the Fund. Net realised capital gains are generally distributed in the final distribution of the financial year.

Distribution payments are generally made within 20 Business Days after the end of the distribution period.

Dividend Reinvestment

Available. We will reinvest all distributions unless a bank account for distribution payment is nominated by an investor prior to a distribution date.

Securities Lending

No

Minimum Withdrawal Amount

\$10,000

How to Apply & Withdraw

The Fund offers investors a **daily** redemption/withdrawal facility. An investor (or their representative) must submit a correctly completed redemption request to the Fund registry for processing by 2 pm on any given business day to receive that day's unit price. Subject to liquidity, funds will generally be paid into the investor's nominated bank account within 5-7 business days.

Please direct all interest and questions to:

Joe Youssef

Chief Investment Officer

Areus Asset Management

joseph@areusasset.management

0414988334

Disclaimer:

Service providers subject to change. Units in the Areus Optimus Fund ("The Fund") are not currently offered or issued to the public. The content of this document is for information purposes only and does not constitute an offer to invest in The Fund. Accordingly, the information contained in this term sheet must not be copied, used, reproduced or otherwise distributed or circulated without the prior consent of Areus Asset Management. This document is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. All investments, including the Fund, involve risks which can lead to no or lower than expected returns, or a loss of part or all of your capital. Investments with the Fund are not bank deposits and are not government guaranteed. Total returns are calculated using the sell (exit) price, net of management fees and gross of tax as if distributions of income have been reinvested at the actual distribution reinvestment price. The actual returns received by an investor will depend on the timing, buy and exit prices of individual transactions. Past performance is not a reliable indicator of future performance. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Areus strongly recommends that you seek independent accounting, financial, taxation and legal advice, tailored to your specific objectives, financial situation and needs, prior to making any investment decision. Areus does not provide tax advice and is not a registered tax agent or tax or financial advisor, nor are any of Areus's employees or authorised representatives.

