Kapstream
—JANUS HENDERSON—

Kapstream Absolute Return Income *Plus* Fund — A Class Units
Monthly Report

July 2026

Fund Objective

The Fund aims to provide a steady stream of income and capital stability over the medium to long term with low volatility.

Fund Application

Investors seeking to enhance their overall fixed income returns with a higher yielding, predominantly investment grade, absolute return-oriented global fixed income portfolio.

Performance as at 31 July 2026

PERFORMANCE (%)	1M	3M	CYTD	1Y	3YRS	5YRS	S.I.
Fund Return[1] (after fees and sell spread)	0.41	1.30	2.66	5.58	7.07	5.17	4.11
RBA Cash Rate	0.36	1.08	2.35	3.88	4.12	3.15	2.40
Active return[2] (after fees and sell spread)	0.05	0.22	0.32	1.69	2.95	2.02	1.70
Ausbond Bank Bill Index	0.38	1.11	2.38	3.94	4.21	3.18	2.44

Past performance is no guarantee of future results. 1) Net of fee returns inclusive of 0.60% annualised total expenses. No allowance is made for tax. Numbers may not add due to rounding. 2) Active return of the Fund compared to Benchmark (RBA Cash Rate). Source: Fidante Partners Limited, 31 July 2026. To the extent that the Manager invests in other third party managed funds or ETFs, the management fees and expenses associated with these will be reflected in the performance received from those investments but are not captured in the management fees quoted.

Quarterly Distribution Returns History (%)

	MAR	JUN	SEP	DEC	CYTD[4]
2026	1.10%	1.81%			
2025	2.95%	1.71%	1.24%	1.20%	4.65%
2024	1.33%	1.32%	1.33%	1.33%	4.27%
2023	0.92%	0.91%	1.21%	1.33%	3.43%
2022	0.50%	0.58%	0.90%	0.91%	2.70%
2021	0.49%	0.40%	0.50%	0.51%	1.78%
2020	0.66%	0.40%	0.51%	0.60%	2.45%
2019	0.00%	0.00%	0.00%	0.71%	0.77%

Source: Fidante Partners. Past distributions are no indication of future distributions. 3) Calculated as the cents per unit (CPU) distribution at quarter end divided by the ex-distribution unit price at the start of the quarter. 4) Annual distribution return (Financial -Year-to-Date) is calculated as the Total Return (after fees) minus Growth Return. Total Return (after fees) is calculated using pre-distribution quarter end withdrawal unit price, and assumes distributions are reinvested. Growth Return equals the percentage change in unit price.

FUND DETAILS

APIR	HOW5504AU
Inception date	6 Nov 2019
Fund size	AUD 1.00b
Distribution frequency	Quarterly
Management fee	0.60% p.a.
Buy/sell spread	0%/0.2%
Interest rate duration	0.90yrs
Spread duration physical	2.57yrs
Yield to Maturity	6.33%
Average credit rating	BBB+
Number of issuers	72

FUND GUIDELINES

Target return	Cash plus 3-4%
Target volatility	<3% annualised
Duration limit	-2 to +2 yrs
Credit quality	>75% investment grade

PLATFORMS

AMP North
BT Panorama
HUB24
Macquarie Wrap
Mason Stevens
Netwealth

PORTFOLIO MANAGERS

Daniel Siluk

Dylan Bourke

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Performance and Market Commentary

The fund returned 0.41% in July, taking 12-month net performance to a 5.58% (after fees). This exceeded the RBA Cash Rate benchmark return of 0.36% for the month and remained well ahead of the 12-month benchmark return of 3.88%. Carry (the coupon income you receive for holding credit fixed income securities in particular) was again the primary driver, consistent with the fund's design as a carry-focused strategy. Credit spread positioning contributed further, as portfolio spread compression and security selection outweighed broadly steady credit markets. This was partly offset by a duration headwind in July, as bond yield curves rose strongly and steepened across the developed world on a renewed escalation in tensions in Iran. The fund's yield to maturity rose 11 basis points to 6.33% accordingly, providing a solid base for expected returns looking forward.

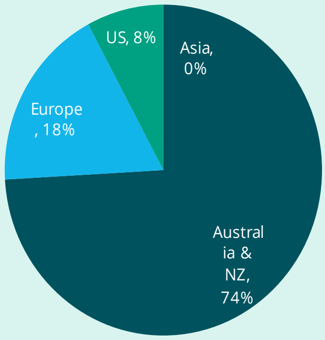
The developments in Iran, flagged in June as a lingering risk, re-escalated through July. Oil prices reversed their earlier decline and pushed higher, and this time bond yields followed, unwinding the more benign inflation narrative that had taken hold. Yields rose strongly across every developed market, with the move concentrated at the longer end. US 2-year yields rose 12 basis points to 4.29% and US 10-year yields rose 27 basis points to 4.73%, as resilient growth, the ongoing AI investment boom and above target inflation kept the Federal Reserve on a hawkish footing under FOMC (Federal Open Market Committee) Chair Warsh. Australian 3-year yields rose 13 basis points to 4.49%, with the market lifting the odds of a further RBA hike as higher oil fed back into the inflation outlook. New Zealand led the front end, with the 2-year swap up 35 basis points as the RBNZ (Reserve Bank of New Zealand) began moving policy away from its accommodative stance towards a more neutral setting. European and UK front end yields rose 25 to 35 basis points on a similar impulse. Risk assets were calmer. The S&P 500 was little changed, easing 0.1%, while credit held firm. US investment grade spreads widened 4 basis points to 78 basis points and the Australian spread to swap series was steady near 76 basis points, close to its historic tights.

Outlook and Positioning

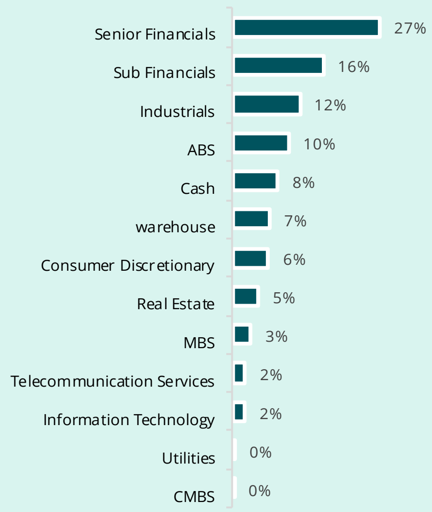
We expect the AI investment boom to remain the dominant structural influence, underpinning a renewed US exceptionalism theme and a firmer US dollar. July was a reminder that this is not one way traffic. The re-escalation in the Middle East, and its pass through to oil and inflation, showed that geopolitical risk can still lift yields when it feeds the inflation channel rather than growth fears alone. The substantial capital expenditure behind AI still requires justification, though rising earnings continue to separate this cycle from the dot com era. In Australia, the tension between sticky inflation and an economy slowing under the weight of prior hikes keeps the RBA path finely balanced. This argues for caution and a continued focus on carry.

Portfolio positioning remains cautious given the balance of risks. Credit spreads sit at the expensive end of long run valuations, so we continue to favour quality overreaching for yield. Spread duration edged down 0.1 years to a still modest 2.6 years as spreads remain tight on a long-run valuation basis, while the portfolio spread was modestly lower to finish the month at 165 basis points. The credit exposure remains skewed towards Australian credit for the additional yield and its tendency to behave as lower beta in a sell off, with a continued focus on

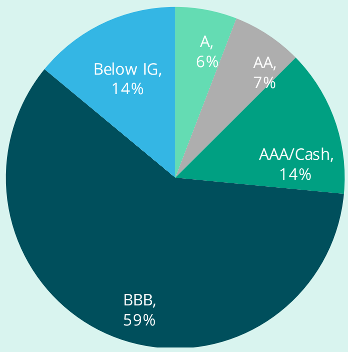
GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



CREDIT RATING*



*Credit ratings include manager rated see analyser for further
not include HY CDX exposure.

For further information on the Fund's portfolio composition and characteristics, please click [here.](here) investment grade names with sound fundamentals. Liquidity remains firm, with the level 1 and level 2 liquid sleeve of the portfolio within the target range of 15 to 30%.

Rates duration was extended 0.1 years to around 0.9 years, close to the structural level of around one year as the pricing of further Federal Reserve tightening reduced the case for a duration underweight. Regionally, the majority of the exposure stays concentrated in US rates as a hedge against global risk sentiment. During the month around 0.1 years of European rates exposure was added at more attractive yields, alongside the smaller long positions retained in Australia and New Zealand.

At the portfolio level, higher yields provide a strong starting point for absolute return expectations, a clear contrast to 2022 when yields were close to zero and offered little buffer. In a world of heightened uncertainty across most asset classes, including fixed income, we remain confident in the fund's ability to produce resilient and attractive returns in this environment. We continue to favour a short duration approach to limit sensitivity to market moves in either direction, thereby generating consistent above cash returns through credit carry during these uncertain times.

More Information

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