

KAPSTREAM CREDIT TEAM RESTRUCTURING



Dear clients

We have some changes within our team that we'd like to bring to your attention.

Recently the firm has undertaken a review of team resourcing and configuration. As a result we have elected to revert to a simpler, flatter structure across our credit function, in favour of resource directed more to 'grass roots' credit analysis and portfolio management. Under the revised structure we have determined it unnecessary to continue operating with a 'Head of Credit' leadership role, and as a consequence advise that Raymond Lee, who has occupied that role for the past five years, has decided to use the opportunity to seek fresh challenges outside the firm. These decisions are not easily reached, and we must commend Ray for his credit leadership, and his significant contribution to the management of Kapstream portfolios over the last 11 years. We wish him all the best in his future endeavors.

Consistent with our interest to revert to a flatter structure, and with a greater emphasis on fundamental credit resourcing, we are pleased to announce the hiring of Mark Bayley as a Portfolio Manager. He will join our existing team of Sydney-based credit specialists contributing to the management of portfolios domiciled both here in Australia and in the US. Mark is a highly regarded and experienced investment professional, who no doubt will be as well known to many of you, as he is to us. He brings over 20 years' fixed income and credit market experience, gained on both the sell- and buy-side in Australia and Europe where his previous employers included JP Morgan, ABN AMRO, Dresdner Kleinwort Benson and Aquasia. Mark has been a CFA Charterholder since 2003 and has been ranked number one credit research analyst by Institutional Investor, Credit Magazine and CFO Magazine. Reporting to Steve Goldman, we look forward to Mark joining us on the 20th July, and to introducing him to you properly when conditions permit.

There will be no other changes to the named portfolio managers in respect of the Kapstream Absolute Return Income Fund which will continue to be lead-managed by Steve Goldman together with Daniel Siluk, and the Kapstream Absolute Return Income Plus Fund which will continue to be lead-managed by Steve Goldman together with Dylan Bourke, supported as with all Kapstream portfolios by the entire dedicated team in Sydney and Newport Beach, California. With Ray's departure Kapstream's Investment Committee, which oversees the management of all portfolios, will simply revert from four to the three other existing members; Steve Goldman, Nick Maroutsos, and Daniel Siluk.

Please don't hesitate to reply with any questions you have in relation to the above changes.

KAPSTREAM CREDIT TEAM RESTRUCTURING – REVISED TEAM CHART

INVESTMENT COMMITTEE

Steve Goldman <i>Managing Director</i> <i>Lead Portfolio Manager</i> <i>(Australian portfolios)</i>		Dan Siluk <i>Managing Director</i> <i>Portfolio Manager</i> <i>Rates, Derivatives, Risk Systems</i>		Nick Maroutsos <i>Managing Director</i> <i>Lead Portfolio Manager</i> <i>(US portfolios)</i>	
Dylan Bourke <i>Portfolio Manager</i> <i>Credit, Derivatives, Securitised</i>		Rob Roszkowski <i>Portfolio Manager</i> <i>Sovereign, Derivatives,</i> <i>Risk Systems, Rates</i>		Jason England <i>Portfolio Manager</i> <i>Rates, Derivatives,</i> <i>Sovereign/Short-Term Investments</i>	
Pauline Chrystal <i>Portfolio Manager</i> <i>Credit, Securitised</i>		Priyank Shah <i>Portfolio Manager</i> <i>Sovereign, Derivatives,</i> <i>Risk Systems, Rates</i>		Jeremiah Lopez <i>Assoc. Portfolio Manager</i> <i>Money Markets</i>	
Mark Bayley <i>Portfolio Manager</i> <i>Credit</i>		Courtney Chute <i>Portfolio Analyst</i> <i>Money Market Instruments</i>		Vincent Ahn <i>Portfolio Analyst</i> <i>Trading & Operations</i>	
		James Bloom <i>Managing Director</i> <i>Investor Relations, Strategy &</i> <i>Business Development</i>			