

Fortlake Real-Higher Income Fund

Monthly Fact Sheet—January 2025

Portfolio Running Yield currently stands at 5.82%. One-year returns remain strong at 9.29% (net) and since inception the strategy's performance has maintained a solid 10.05% (net) return.

Over the month the Fund benefited from the prior month's hedging activities, we expect this benefit to keep flowing through for some time. Fund correlations are currently set at near 0 relative to credit and equity. Given the strategies employed we believe these correlations will remain independent of most asset classes in the months ahead. Over the month the Fund benefitted from one default in Europe, Intrum AB, an industrial credit management platform. Furthermore, the US election induced significant interest rate opportunities due to the reflation fear of Trump, albeit there will be short term volatility as we tease out these movements. As previously noted, the Fund locked down some of these opportunities and we started to see this benefit permeate through strong fund performance in January.

We have increased credit beta over the month as prior month hedging activities paid out significantly over the month. Interest rates are an active area for the Fund, as we continue to see notable cross market opportunities between Europe and the US. Whilst volatility has come down this month, we expect to see some defensive strategies taking the lead for performance in the months ahead. The Fund remains very active on low beta defensive strategies and has a preference to leverage these strategies rather than build positions in high beta areas of the credit markets.

With interest rates moving upwards over the prior month, the higher term structure served to benefit the Fund in the ensuing month, with the direction of travel going from higher to lower yields for January.

Portfolio Snapshot at 31 January 2025

Portfolio Running Yield (Gross)	5.82%
Average Credit Quality	BBB+
Weighted Average Years to Maturity	3.00
Total Number of Exposures	527
Total Country Exposures	25

Portfolio Returns to 31 January 2025

	Net	Benchmark*	Excess Return (net)
1M	3.56%	0.38%	3.18%
3M	4.42%	1.12%	3.30%
1Y	9.29%	4.52%	4.77%
2Y p.a.	8.77%	4.32%	4.45%
3Y p.a.	10.15%	3.39%	6.76%
Since Inception p.a.**	10.05%	2.49%	7.57%

*RBA Cash Rate Target. **Fund inception: 18-Dec-2020

Fund Statistics at 31 January 2025

Since Inception*	
Best Month Since Inception	4.78%
Worst Month Since Inception	-2.07%
% Positive Months Since Inception	77.08%

*Fund inception: 18-Dec-2020. Past performance is not an indicator of future performance and fees or costs may change in future years.

The positive outlook for the Fund's return profile is premised on higher risk-free rates playing a more prominent role in the months ahead. Our preference is to retain this risk as opposed to alternative forms of credit risk given the complacency in credit markets.

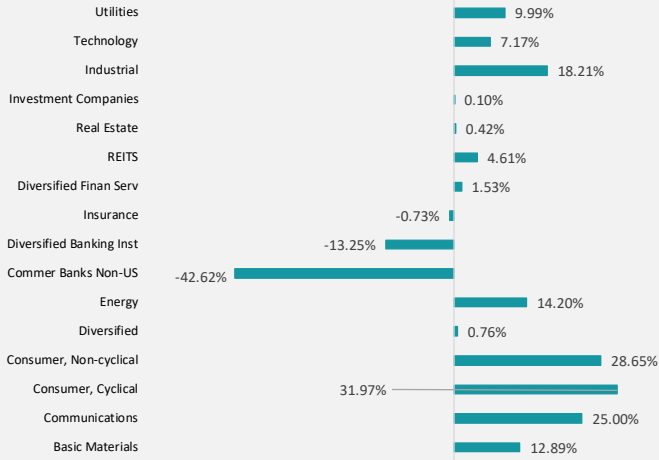
Fund attribution over the month was defined by **Default Arb** (+108.5 bps), **Corporate Hedges** (+107.9 bps), **Corporate/Gov Bonds** (+132.0 bps), **Inflation** (0bps) and **Duration/Curve** (+14.8 bps) contributing to overall (gross) return.

Fund Facts

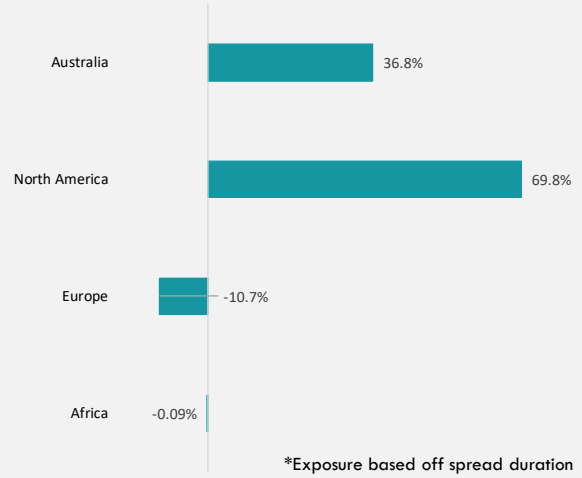
Investment Return Objective: RBA Cash Rate Target + 5% p.a.

Fund Managed by	Fortlake Asset Management Limited	Management Fee	0.484% p.a. including GST
Fund Type	Australian Unit Trust	Responsible Entity Fee and Indirect Costs	0.62% p.a. including GST
Fund Issued by	Colonial First State Investments Ltd	Buy/Sell Spread	0.1/0.1%
Responsible Entity	Colonial First State Investments Ltd	Distribution Frequency	Quarterly
Fund Inception	18-Dec-20	Liquidity	Daily
Minimum Investment	\$25,000		

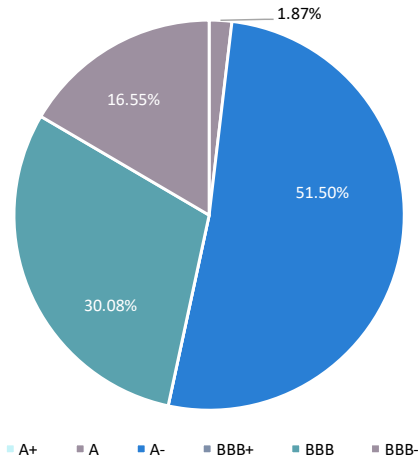
MARKET EXPOSURE BY SECTOR



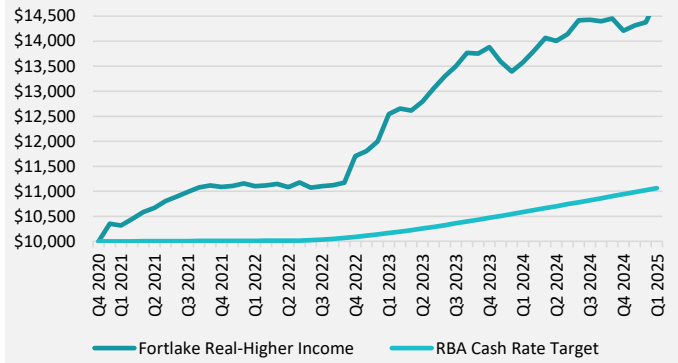
MARKET EXPOSURE BY REGION*



CREDIT RATING



INVESTMENT GROWTH OF \$10,000*



FRHIF - Correlation Analysis - 31/01/2025

Fixed Income		Equities	
Ausbond Credit 0+ Index	0.04	MSCI World Equity Index	0.22
AusBond Government Index	0.00	S&P 500	0.20
AusBond Composite Index	0.00	ASX 200 Index	0.18
Australian 10-year Government Bond	-0.09		
Australian 3-year Government Bond	0.02		

January 2025 (1 month) Return Analysis

FRHIF (gross returns)	3.63%
Ausbond Credit 0+ Index	1.11%
AusBond Government Index	-0.32%
AusBond Composite Bond Index	-0.08%
Australian 10-year Government Bond	-0.48%
Australian 3-year Government Bond	-0.29%
MSCI World Equity Index	3.05%
S&P 500	4.83%
ASX 200 Index	3.17%

Fortlake Real-Higher Income Fund Performance (net returns)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
2025	3.56%												3.56%
2024	1.37%	1.73%	1.85%	-0.44%	0.97%	1.97%	0.04%	-0.20%	0.41%	-1.69%	0.74%	0.09%	6.98%
2023	4.55%	0.89%	-0.34%	1.44%	2.06%	1.86%	1.49%	2.00%	-0.12%	0.92%	-2.07%	-1.46%	11.64%
2022	-0.47%	0.11%	0.29%	-0.56%	0.84%	-0.92%	0.27%	0.17%	0.41%	4.78%	0.86%	1.63%	7.55%
2021	-0.37%	1.28%	1.31%	0.81%	1.27%	0.81%	0.85%	0.85%	0.33%	-0.27%	0.18%	0.45%	7.75%
2020												3.54%	3.54%

Source: Morningstar

All data as at 31 January 2025 unless otherwise stated. Past performance is not an indicator of future performance. Fees or costs may change in future years

*Hypothetical performance assumes net returns and reinvestment of all distributions since inception. Past performance is not an indicator of future performance and fees or costs may change in future years.

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