

Fortlake Real-Higher Income Fund

Monthly Fact Sheet—March 2025

Portfolio Running Yield currently stands at 5.71%. One-year returns remain strong at 7.18% (net) and since inception the strategy's performance has maintained a solid 10.06% (net) return.

Over the month the Fund benefited from extreme intra month volatility as Tariff related uncertainty induced wide-spread market volatility. Investment Grade credit, which is the highest quality corporate benchmark in the US, was down -0.29% over the month and High Yield in the US was down -2.14%. We remain structurally long default protection in meaningful quantities, and we expect this benefit to come through over the next 3-6 months. The Fund has been active in a variety of volatility-based strategies across interest rates and credit coupled with its structural hedging activities, we expect the benefit to materialise gradually from this activity in the months ahead.

Given the strategies employed we believe that the Fund's correlations will remain independent of most asset classes moving forward. The Fund uses duration to help hedge credit exposure and to cross subsidise credit protection costs, as such we have seen significant gains from this strategy over the month as German bunds had their worst day in 30 years. With European and German interest rates moving significantly higher over the month the Fund crystalised profits and neutralised its European short rates exposure.

As we move to April and significant short-term volatility has ensued, our belief is that any volatility experienced is superficial and will correct when markets stabilise. The distorted volatility stems from the convention of marking assets on one side of the bid/offer spread. As spreads widen in stressed conditions and there is substantial price discovery taking place in markets, this approach can mechanically

Portfolio Snapshot at 31 March 2025

Portfolio Running Yield (Gross)	5.71%
Average Credit Quality	A-
Weighted Average Years to Maturity	3.68
Total Number of Exposures	565
Total Country Exposures	35

Portfolio Returns to 31 March 2025

	Net	Benchmark*	Excess Return (net)
1M	0.00%	0.35%	-0.36%
3M	5.21%	1.06%	4.15%
1Y	7.18%	4.50%	2.68%
2Y p.a.	9.33%	4.36%	4.97%
3Y p.a.	10.59%	3.51%	7.08%
Since Inception p.a. **	10.06%	2.52%	7.54%

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

Fund Statistics at 31 March 2025

Since Inception*

Best Month Since Inception	4.78%
Worst Month Since Inception	-2.07%
% Positive Months Since Inception	81.25%

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

depress reported valuations. We expect lags between the performance of hedges and other assets in markets such as these albeit we remain confident in the medium-term outlook. Despite this, for every 2% drop in value we estimate a recovery period of circa 4 weeks via running yield. Asset quality is extremely high and if defaults occur this will bring forward the recovery period materially.

With a disciplined approach to risk and commitment to our investment process which has served us well in prior market dislocations (see Russia-Ukraine conflict and Silicon Valley Bank collapse), the Fund's positioning is well aligned to capture opportunities and generate strong, differentiated returns.

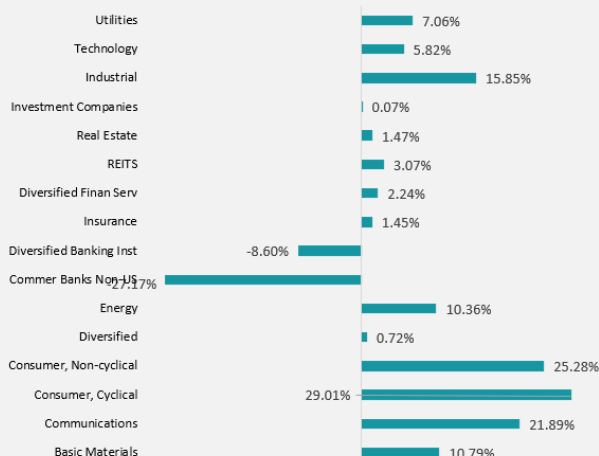
Fund attribution over the month was defined by **Default Arb** (-5.4 bps), **Corporate Hedges** (-2.6 bps), **Corporate/Gov Bonds** (+23.5 bps), **Inflation** (0bps) and **Duration/Curve** (-2.7 bps) contributing to overall (gross) return.

Fund Facts

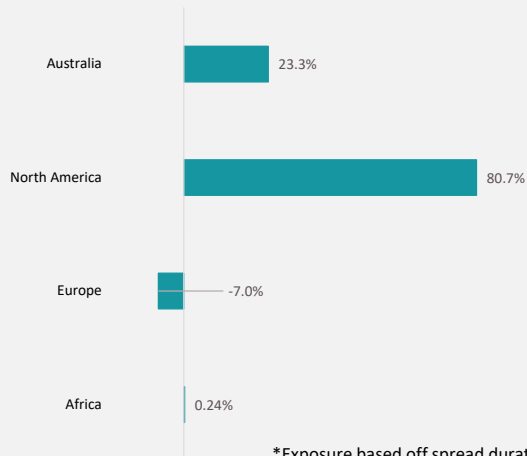
Investment Return Objective: RBA Cash Rate Target + 5% p.a.

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		

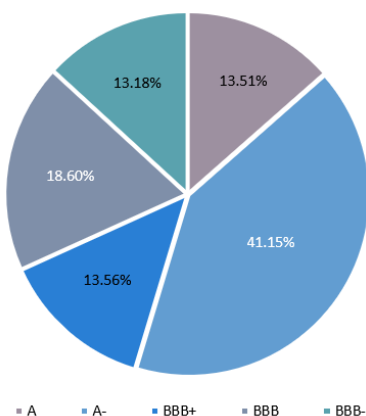
MARKET EXPOSURE BY SECTOR



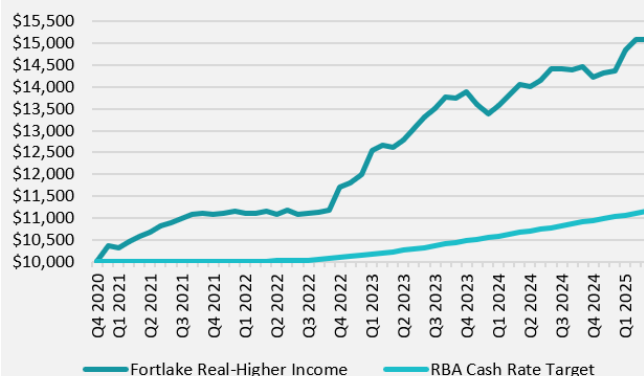
MARKET EXPOSURE BY REGION*



CREDIT RATING



INVESTMENT GROWTH OF \$10,000*



February 2025 (1 month) Return Analysis

FRHIF (gross returns)	0.13%
Ausbond Credit 0+ Index	0.28%
AusBond Government Index	0.13%
AusBond Composite Bond Index	0.17%
Australian 10-year Government Bond	2.10%
Australian 3-year Government Bond	-1.19%
MSCI World Equity Index	-4.64%
S&P 500	-5.75%
ASX 200 Index	-4.02%

FRHIF - Correlation Analysis - 28/02/2025

Fixed Income		Equities	
Ausbond Credit 0+ Index	-0.07	MSCI World Equity Index	-0.11
AusBond Government Index	-0.03	S&P 500	-0.10
AusBond Composite Index	-0.04	ASX 200 Index	-0.01
Australian 10-year Government Bond	0.00		
Australian 3-year Government Bond	0.00		

Fortlake Real-Higher Income Fund Performance (net returns)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
2025	3.56%	1.60%	0.00%										5.21%
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 March 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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