

Fortlake Real-Higher Income Fund

Monthly Fact Sheet—April 2025

Portfolio Running Yield currently stands at 5.96%. Since inception the strategy's performance has delivered a solid 8.76% (p.a) net return and 9.60% (p.a) gross return.

Over the month, the Fund leant heavily into the dislocation in credit volatility markets, implementing large-scale buy/write strategies as volatility in some markets reached all-time highs. This meant the fund had to tolerate short-term volatility to take advantage of this opportunity. Understanding that prospects of this magnitude are rare, we needed to act quickly and meaningfully whilst managing the downside volatility target of the Fund. We are confident that the actions taken over April will ultimately deliver better overall returns than the counterfactual of not acting. Consequently, the carry for the Fund now sits at circa 13% (option-adjusted) due to the running return achieved from this strategy compared to ~6% pre-Liberation Day. The Fund has followed the same process in all dislocations, delivering solid performance since inception, as well as maintaining very low correlations to equity and credit markets.

Short-term, intra-month volatility and widening of the differentials between markets was exacerbated due to the timing of tariff announcements as markets outside of the United States were closed. Furthermore, closures due to scheduled public holidays gave rise to substantial cross-market volatility.

Bond valuations over the month did not move in sync with broader indicators of risk, meaning that the marks applied to OTC bonds were not reflective of where bonds were trading or could be traded. Liquidation value was significantly back from where public market valuations were pointing. On the other hand, the cleared markets and the broader derivative markets impounded risk sentiment in a hypersensitive fashion, giving rise to significant opportunity over the month, but again, you had to be willing to step into the breach and accept short-term volatility. In our view, the prize was worth the pain, and we believe this will be borne out in our returns over the months ahead.

Portfolio Snapshot at 30 April 2025

Portfolio Running Yield (Gross)	5.96%
Average Credit Quality	A-
Weighted Average Years to Maturity	3.60
Total Number of Exposures	525
Total Country Exposures	35

Portfolio Returns to 30 April 2025

	Net	Benchmark*	Excess Return (net)
1M	-4.31%	0.34%	-4.65%
3M	-2.78%	1.03%	-3.81%
1Y	3.02%	4.46%	-1.44%
2Y p.a.	6.19%	4.41%	1.78%
3Y p.a.	9.18%	3.74%	5.44%
Since Inception p.a.**	8.76%	2.59%	6.17%

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

Fund Statistics at 30 April 2025

Since Inception*	
Best Month Since Inception	4.78%
Worst Month Since Inception	-4.31%
% Positive Months Since Inception	79.17%

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

The Fund remains long Investment Grade credit and short High Yield credit via a variety of different formats i.e., physical format and option-based strategies. The Fund now has a more substantive presence in default protection across High Yield, with the entry level being at very attractive levels due to the option-adjusted entry format that we have implemented. This means the Fund will benefit substantially from any future defaults in High Yield, with the timing of defaults typically lagging capital market volatility.

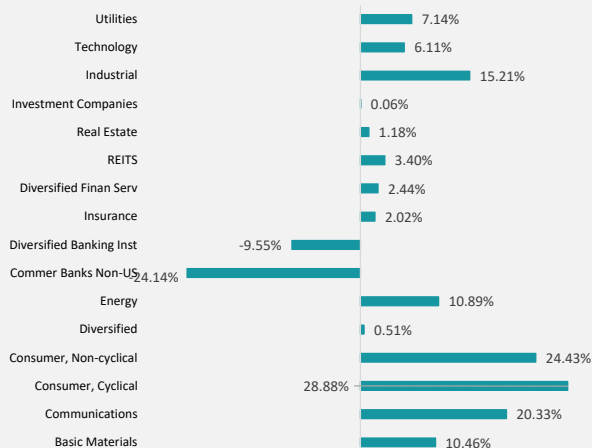
Fund attribution over the month was defined by **Default Arb** (-140.8 bps), **Corporate Hedges** (-124.4 bps), **Corporate/Gov Bonds** (-25.4 bps), **Inflation** (0bps) and **Duration/Curve** (-131.6 bps) contributing to overall (gross) return.

Fund Facts

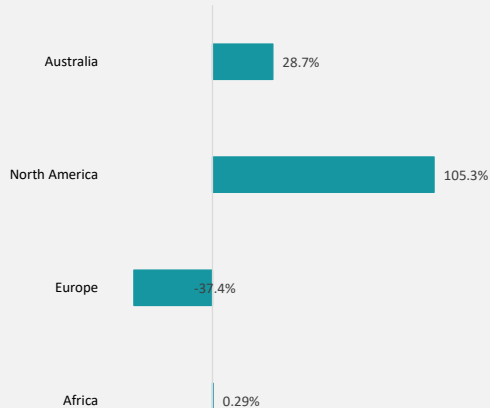
Investment Return Objective: RBA Cash Rate Target + 5% p.a.

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

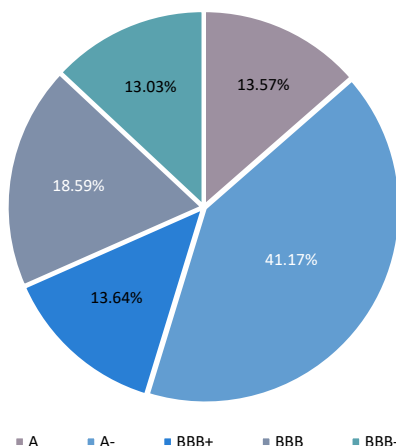


MARKET EXPOSURE BY REGION*



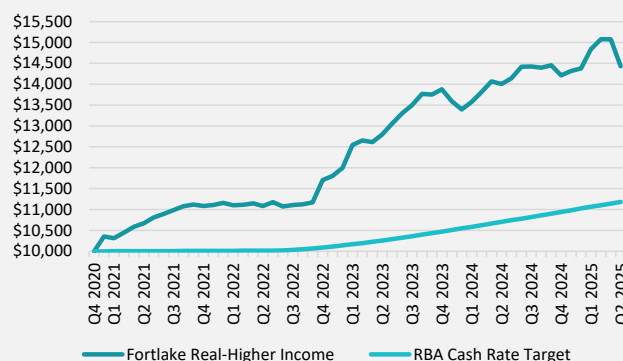
*Exposure based off spread duration

CREDIT RATING



■ A ■ A- ■ BBB+ ■ BBB ■ BBB-

INVESTMENT GROWTH OF \$10,000*



April 2025 (1 month) Return Analysis

FRHIF (gross returns)	-4.22%
Ausbond Credit 0+ Index	1.09%
AusBond Government Index	3.09%
AusBond Composite Bond Index	1.70%
Australian 10-year Government Bond	-5.00%
Australian 3-year Government Bond	-10.36%
MSCI World Equity Index	0.74%
S&P 500	-0.76%
ASX 200 Index	3.61%

FRHIF - Correlation Analysis - 30/04/2025

Fixed Income		Equities	
Ausbond Credit 0+ Index	-0.20	MSCI World Equity Index	-0.19
AusBond Government Index	-0.09	S&P 500	-0.18
AusBond Composite Index	-0.11	ASX 200 Index	-0.10
Australian 10-year Government Bond	-0.05		
Australian 3-year Government Bond	-0.03		

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%	-4.31%									0.68%
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 30 April 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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