

Fortlake Real-Income Fund

Monthly Fact Sheet— May 2025

Portfolio Running Yield currently stands at 5.59%. Since inception the strategy's performance has maintained a 8.90% (net) return.

Over the month, the Fund experienced a tightening in credit spreads on its investment grade (IG) portfolio, driving positive overall returns for the month. Set against this was a tightening in high yield (HY) spreads which the Fund retains a short exposure to. The Fund is progressing well with a solid run rate of return now trending through via a heightened option adjusted running yield. The current portfolio mix delivers considerably more running yield with more significant protection against defaults in the HY area. This could only have been achieved via the positions put on during the Liberation Day dislocation.

Current Fund positioning can be looked at through the prism of capital movements and yield. Currently, unrealised capital movements which are negative (on the short high yield portfolio) will in time be eroded and whittled down by three elements 1) the gradual passage of time as positions move toward maturity; 2) the yield on the IG portfolio which is at a very high level due to the positions which were locked in during the Liberation Day dislocation; 3) the Fund has structured a portion of its short high yield exposure through options which will ultimately decay at ever faster levels and greater profitability as they also move toward maturity. The Fund entered these positions during the Liberation Day dislocation to take advantage of near all-time high volatility.

Once capital movements stop or slow the yield of the Fund will become the dominant return driver and eclipse capital noise coming from the movements in spreads. For example, if yields are running at 13% p.a.; capital movements will have to be equal or greater than this number to cause negative performance going forward. As the yield goes higher this also means that capital movements would need to be continuously larger to drive negative performance, an unlikely outcome as time goes on, given that bonds ultimately have to mature and pull back to par.

Portfolio Snapshot at 31 May 2025

Portfolio Running Yield (Gross)	5.59%
Average Credit Quality	A-
Weighted Average Years to Maturity	3.20
Total Number of Exposures	564
Total Country Exposures	35

Portfolio Returns to 31 May 2025

	Net	Benchmark*	Excess Return (net)
1M	1.06%	0.34%	0.72%
3M	-0.96%	1.03%	-1.99%
1Y	4.60%	4.42%	0.19%
2Y p.a.	7.42%	4.41%	3.02%
3Y p.a.	10.78%	3.85%	6.94%
Since Inception p.a.**	8.90%	2.62%	6.28%

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

Fund Statistics at 31 May 2025

Since Inception*	
Best Month Since Inception	5.55%
Worst Month Since Inception	-1.88%
% Positive Months Since Inception	77.36%

*Fund inception: 18-Dec-2020. Past performance is not an indicator of future

performance and fees or costs may change in future years.

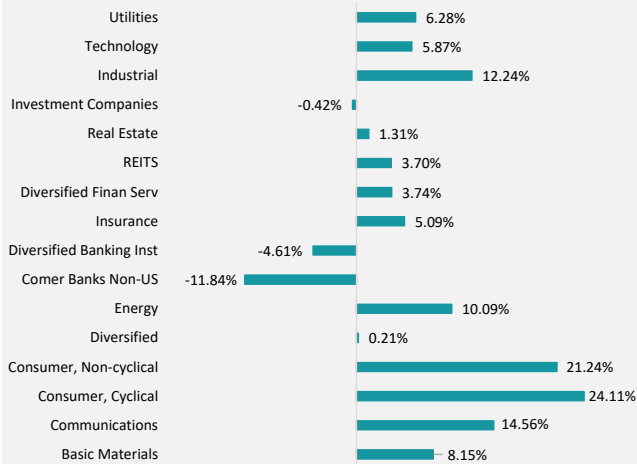
Fund attribution over the month was defined by **Default Arb** (+19.9 bps), **Corporate Hedges** (-27.5 bps), **Corporate/Gov Bonds** (+109.0 bps), **Inflation** (0bps) and **Duration/Curve** (+12.6 bps) contributing to overall (gross) return.

Fund Facts

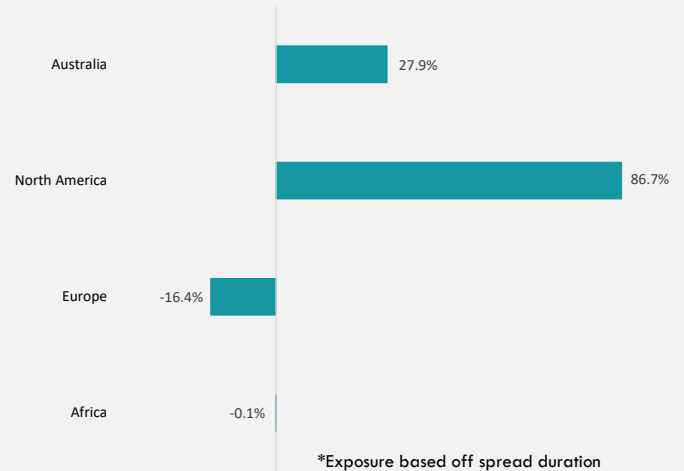
Investment Return Objective: RBA Cash Rate Target + 3.5% p.a.

Fund Managed by	Fortlake Asset Management Limited	Management Fee	0.41% p.a. including GST
Fund Type	Australian Unit Trust	Responsible Entity Fee	0.31% p.a. including GST
Fund Issued by	Colonial First State Investments Ltd	and Indirect Costs	
Responsible Entity	Colonial First State Investments Ltd	Buy/Sell Spread	0.05/0.05%
Fund Inception	18-Dec-20	Distribution Frequency	Quarterly
Minimum Investment	\$25,000	Liquidity	Daily

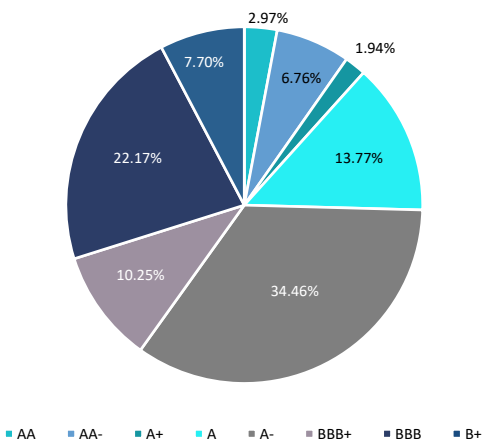
MARKET EXPOSURE BY SECTOR



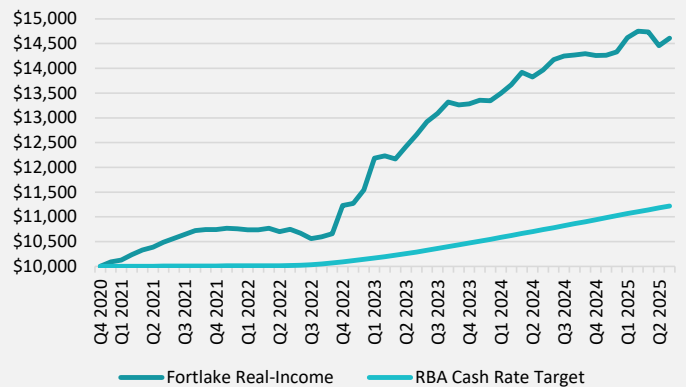
MARKET EXPOSURE BY REGION*



CREDIT RATING



INVESTMENT GROWTH OF \$10,000*



May 2025 (1 month) Return Analysis

FRIF (gross returns)	1.14%
Ausbond Credit 0+ Index	0.58%
AusBond Government Index	0.10%
AusBond Composite Bond Index	0.16%
Australian 10-year Government Bond	2.24%
Australian 3-year Government Bond	0.32%
MSCI World Equity Index	5.69%
S&P 500	6.15%
ASX 200 Index	3.80%

FRIF - Correlation Analysis - 31/05/2025

Fixed Income		Equities	
Ausbond Credit 0+ Index	-0.21	MSCI World Equity Index	-0.18
AusBond Government Index	-0.20	S&P 500	-0.16
AusBond Composite Index	-0.21	ASX 200 Index	-0.06
Australian 10-year Government Bond	0.08		
Australian 3-year Government Bond	0.10		

Fortlake Real Income Fund Performance (net returns)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
2025	1.70%	0.90%	-0.11%	-1.88%	1.06%								1.63%
2024	1.13%	1.28%	1.83%	-0.68%	1.05%	1.47%	0.51%	0.16%	0.18%	-0.24%	0.01%	0.81%	7.73%
2023	5.55%	0.42%	-0.54%	2.06%	1.96%	2.04%	1.30%	1.75%	-0.42%	0.14%	0.56%	-0.07%	15.63%
2022	-0.20%	0.04%	0.29%	-0.63%	0.41%	-0.70%	-1.06%	0.35%	0.62%	5.33%	0.34%	2.41%	7.28%
2021	0.37%	1.08%	0.92%	0.55%	0.97%	0.75%	0.72%	0.75%	0.17%	0.04%	0.25%	-0.14%	6.60%
2020												0.91%	0.91%

Source: Morningstar

All data as at 31 May 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 perfor-

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