

Fortlake Real-Higher Income Fund

Monthly Fact Sheet—June 2025

Portfolio Running Yield currently stands at 5.35%. Since inception the strategy's performance has maintained a 8.26% (net) return.

Over the month, the Fund experienced a tightening in credit spreads on its Investment Grade (IG) portfolio. However more noteworthy movements on High Yield (HY) spreads of which the Fund is short offset gains on the IG positions. High Yield spread tightening continues to detract from performance however the Fund is well positioned to extract value from defaults should they occur. The expected profile of buying protection (short) HY is to incur cost in exchange for positive results from defaults should they occur, a form of insurance. The current portfolio mix delivers significantly more running yield with more meaningful protection against defaults in the HY area. Once HY spreads stop tightening, we would expect more positive outcomes. All positions currently sit as unrealized and we expect this to unwind through time, albeit patience will be required.

The Fund is currently, simply, long IG and short HY with no other active positions. This means if IG spreads widen the Fund will be worse off, albeit we would expect HY spreads to offset the majority of this movement. Our expectations around defaults remain that economic outcomes are stronger and this will delay any immediate significant default activity. Again, defaults will materially influence future returns and are typically dislocated from short-term capital market movements.

Fund attribution over the month was defined by **Default Arb** (+6 bps), **Corporate Hedges** (-1 bps), **Corporate/Gov Bonds** (+8 bps), **Inflation** (0bps) and **Duration/Curve** (-9 bps) contributing to overall (gross) return.

Portfolio Snapshot at 30 June 2025

Portfolio Running Yield (Gross)	5.35%
Average Credit Quality	A-
Weighted Average Years to Maturity	3.50
Total Number of Exposures	524
Total Country Exposures	35

Portfolio Returns to 30 June 2025

	Net	Benchmark*	Excess Return (net)
1M	-0.06%	0.32%	-0.38%
3M	-4.97%	1.01%	-5.99%
1Y	-0.65%	4.38%	-5.03%
2Y p.a.	3.79%	4.41%	-0.62%
3Y p.a.	8.96%	3.94%	5.02%
Since Inception p.a.**	8.26%	2.64%	5.62%

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

Fund Statistics at 30 June 2025

Since Inception*

Best Month Since Inception	4.78%
Worst Month Since Inception	-4.31%
% Positive Months Since Inception	70.37%

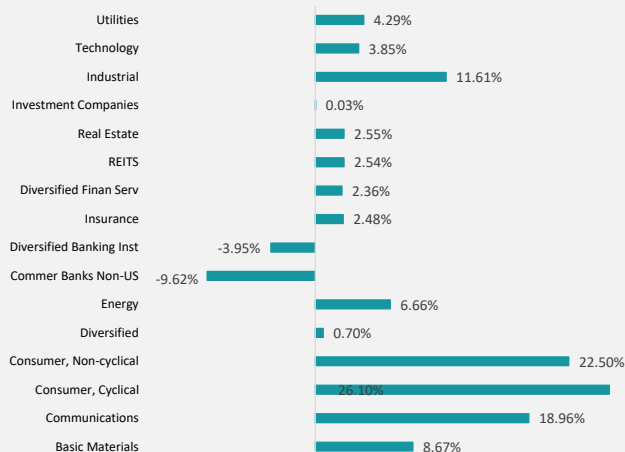
*Fund inception: 18-Dec-2020. Past performance is not an indicator of future performance and fees or costs may change in future years.

Fund Facts

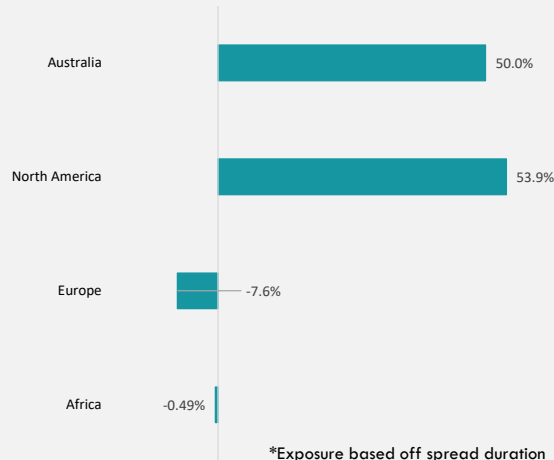
Investment Return Objective: RBA Cash Rate Target + 5% p.a.

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		

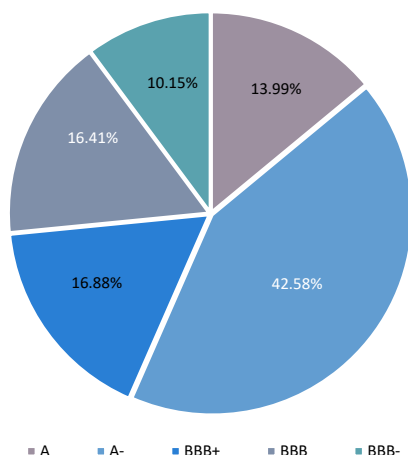
MARKET EXPOSURE BY SECTOR



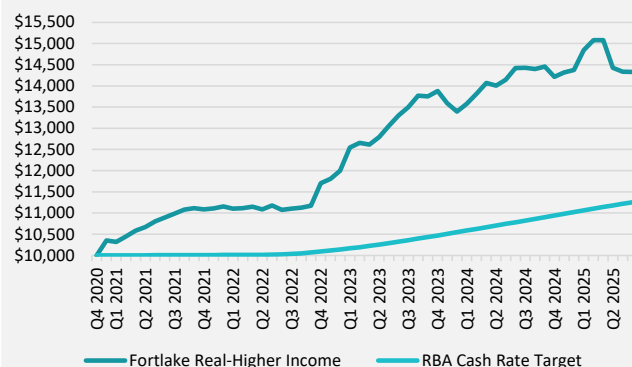
MARKET EXPOSURE BY REGION*



CREDIT RATING



INVESTMENT GROWTH OF \$10,000*



FRHIF - Correlation Analysis - 30/06/2025

Fixed Income		Equities	
Ausbond Credit 0+ Index	-0.23	MSCI World Equity Index	-0.22
AusBond Government Index	-0.11	S&P 500	-0.21
AusBond Composite Index	-0.14	ASX200 Index	-0.14
Australian 10-year Government Bond	-0.07		
Australian 3-year Government Bond	-0.04		

June 2025 (1 month) Return Analysis

FRHIF (gross returns)	0.04%
Ausbond Credit 0+ Index	0.62%
AusBond Government Index	0.78%
AusBond Composite Bond Index	0.75%
Australian 10-year Government Bond	-0.83%
Australian 3-year Government Bond	-0.22%
MSCI World Equity Index	4.22%
S&P 500	4.96%
ASX 200 Index	1.28%

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%	-0.64%	-0.06%							-0.02%
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 June 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.

Source: Morningstar

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