

# Fortlake Real-Higher Income Fund

## Monthly Fact Sheet—July 2025

Portfolio Running Yield currently stands at 5.55%. Since inception the strategy's performance has maintained a 8.27% (net) return.

Over the month, the Fund benefitted from a slight widening in credit spreads on its Investment Grade (IG) portfolio, as carry offset small reductions in capital, driving positive overall returns for the month. In addition, there was a larger widening in High Yield (HY) spreads which the Fund retains a short exposure to, and these movements exceeded the monthly cost of carry. The Fund is progressing well with a solid run rate of return coming from its IG positions. The Fund's short position in high yield is now adding to the positive return of the Fund and places the Fund in a good position should defaults occur. The expected profile of being short HY is to incur daily 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 significant protection against defaults in the HY area.

The Fund is currently, long IG and short HY with no other active positions. Our expectations around defaults remain that economic outcomes are stronger albeit fragile and that this will delay any immediate significant default activity. Again, defaults will materially influence future returns and are typically detached from short-term capital market movements.

Fund attribution over the month was defined by **Default Arb** (+29 bps), **Corporate Hedges** (+9 bps), **Corporate/Gov Bonds** (+43 bps), **Inflation** (0bps) and **Duration/Curve** (+1 bps) contributing to overall (gross) return.

### Portfolio Snapshot at 31 July 2025

Portfolio Running Yield (Gross)	5.55%
Average Credit Quality	A-
Weighted Average Years to Maturity	3.39
Total Number of Exposures	524
Total Country Exposures	35

### Portfolio Returns to 31 July 2025

	Net	Benchmark*	Excess Return (net)
1M	0.72%	0.33%	0.39%
3M	0.03%	1.00%	-0.97%
1Y	0.04%	4.34%	-4.30%
2Y p.a.	3.40%	4.39%	-1.00%
3Y p.a.	9.13%	4.02%	5.11%
Since Inception p.a.**	8.27%	2.67%	5.60%

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

### Fund Statistics at 31 July 2025

#### Since Inception\*

Best Month Since Inception	4.78%
Worst Month Since Inception	-4.31%
% Positive Months Since Inception	70.91%

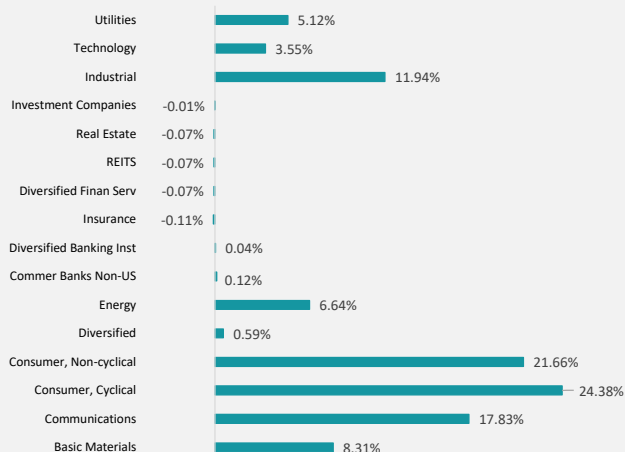
\*Fund inception: 18-Dec-2020. Past performance is not an indicator of future performance and fees or costs may change in future years.

### Fund Facts

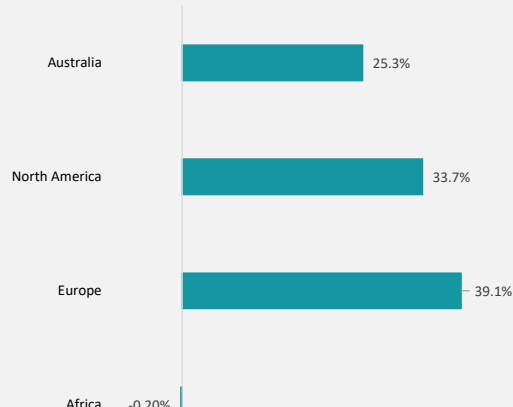
Investment Return Objective: RBA Cash Rate Target + 5% p.a.

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

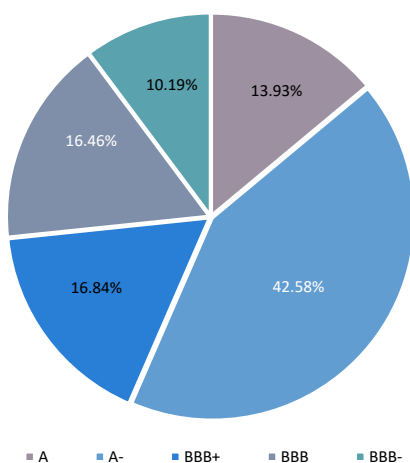


### MARKET EXPOSURE BY REGION\*

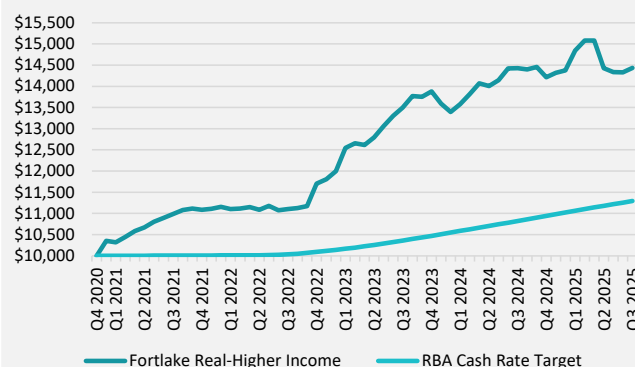


\*Exposure based off spread duration

### CREDIT RATING



### INVESTMENT GROWTH OF \$10,000\*



### July 2025 (1 month) Return Analysis

FRHIF (gross returns)	0.81%
Ausbond Credit 0+ Index	0.26%
AusBond Government Index	-0.09%
AusBond Composite Bond Index	-0.04%
Australian 10-year Government Bond	0.85%
Australian 3-year Government Bond	0.51%
MSCI World Equity Index	1.23%
S&P 500	2.17%
ASX 200 Index	2.35%

### FRHIF - Correlation Analysis - 31/07/2025

Fixed Income		Equities	
Ausbond Credit 0+ Index	-0.22	MSCI World Equity Index	-0.21
AusBond Government Index	-0.11	S&P 500	-0.20
AusBond Composite Index	-0.13	ASX 200 Index	-0.13
Australian 10-year Government Bond	-0.07		
Australian 3-year Government Bond	-0.04		

### 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%	0.72%						0.70%
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 July 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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