

# Fortlake Real-Higher Income Fund

## Monthly Fact Sheet— November 2025

Portfolio Running Yield currently stands at 5.21%. Since inception the strategy's performance has maintained an 8.68% (net) return.

Significant swings in capital market turbulence over the month benefitted the Fund. Specifically, High Yield (HY) volatility across the US and EU continued to gap out in line with equity market volatility, with implied volatility jumping to levels not seen since April 2025. The Fund's advanced hedging activity benefited from large hedge fund flows coming in to hedge long dated credit volatility, as the levered community quickly sought out the most direct and significant hedges to protect levered positions. Similarly, we saw continued instability across AI related and technology lead issuers, where we continue to see growing cointegration between equity market valuations and credit spreads. Issuance programs of such issuers continue to grow at record setting levels and we expect the ongoing industrialisation of the hyperscalers to result in more traditional issuance patterns akin to that of the "old-world" issuers. Consequently, equity market valuations of the large cap hyperscalers will become more relevant to areas of the credit markets than prior years, where much of the valuation growth did not require debt.

We see the current posture of markets falling into the standardised risk category, meaning we believe this is a stereotypical valuation, leverage, late cycle story that will be subject to significant bouts of instability for some time. The Fund remains very well placed to benefit from further spread turbulence across HY markets in the US and EU. In addition, the Fund remains positively disposed to defaults in select areas of the US and EU, of which some issuers are close to default triggers. Each default will have a material positive impact on Fund performance and will release much of the prior months sunk cost that has been borne by the Fund.

### Portfolio Snapshot at 28 November 2025

Portfolio Running Yield (Gross)	5.21%
Average Credit Quality	A
Weighted Average Years to Maturity	3.28
Total Number of Exposures	578
Total Country Exposures	33

### Portfolio Returns to 28 November 2025

	Net	Benchmark*	Excess Return (net)
1M	1.47%	0.30%	1.17%
3M	2.04%	0.91%	1.12%
1Y	5.44%	4.08%	1.35%
2Y p.a.	5.38%	4.30%	1.08%
3Y p.a.	8.54%	4.16%	4.38%
Since Inception p.a.**	8.68%	2.74%	5.94%

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

### Fund Statistics at 28 November 2025

#### Since Inception\*

Best Month Since Inception	4.78%
Worst Month Since Inception	-4.31%
% Positive Months Since Inception	71.19%

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

Consequently, we expect the traditional hockey stick return profile to become more prominent over the coming months.

We anticipate the Fund remaining broadly credit beta neutral for some time due to growing distress in private and structured credit where we anticipate an increase in restructurings and lower recovery rates due to poor covenants.

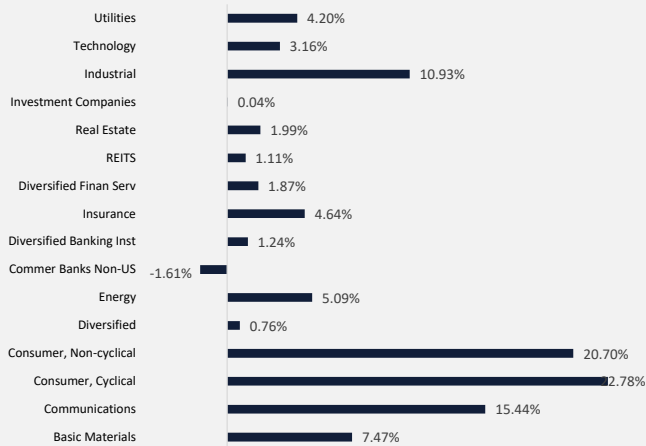
Fund attribution over the month was defined by **Default Arb** (+82.2 bps), **Corporate Hedges** (+37.9 bps), **Corporate/Gov Bonds** (+22.6 bps), **Inflation** (0bps) and **Duration/Curve** (+4.2 bps) contributing to overall (gross) return.

### Fund Facts

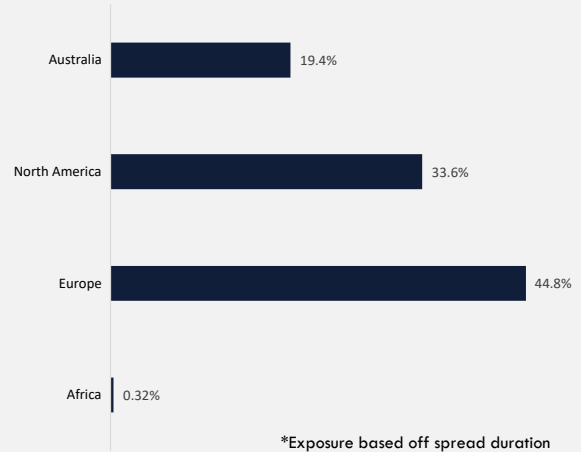
Investment Return Objective: RBA Cash Rate Target + 5% p.a.

Fund Managed by	Fortlake Asset Management Limited	Management Fee	0.484% p.a. including GST
Fund Type	Australian Unit Trust	Responsible Entity Fee	0.62% 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	0.1/0.1%
Fund Inception	18-Dec-20	Distribution Frequency	Quarterly
Minimum Investment	\$25,000	Liquidity	Daily

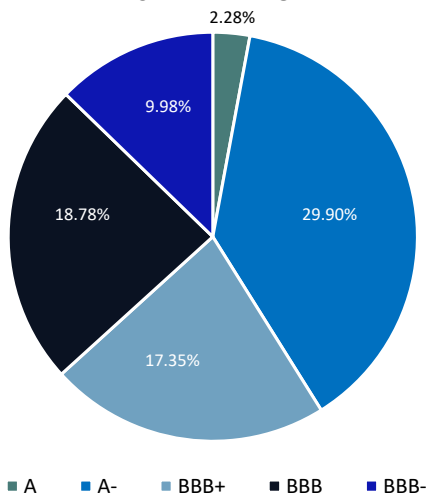
### MARKET EXPOSURE BY SECTOR



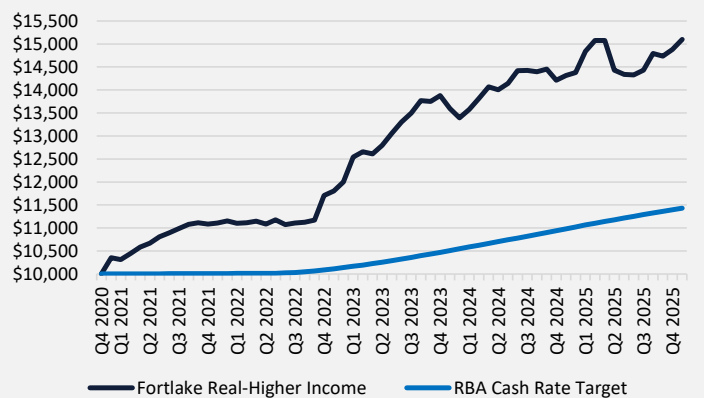
### MARKET EXPOSURE BY REGION\*



### CREDIT RATING



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



### Fortlake Real-Higher Income Fund Performance (net returns)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
<b>2025</b>	3.56%	1.60%	0.00%	-4.31%	-0.64%	-0.06%	0.72%	2.51%	-0.38%	0.95%	1.47%		5.33%
<b>2024</b>	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%
<b>2023</b>	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%
<b>2022</b>	-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%
<b>2021</b>	-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%
<b>2020</b>												3.54%	3.54%

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