

# Fortlake Real-Higher Income Fund

## Monthly Fact Sheet— May 2026

Portfolio Running Yield currently stands at 4.49%. One-year returns are exceptionally strong at 12.14% (net) and since inception the strategy's performance has maintained an 9.10% (net) return.

Risk assets rallied broadly, with equities meaningfully outperforming credit as markets pushed higher and Investment Grade (IG) spreads ground tighter still. Strength in the AI complex continued to underwrite the equity market, insulating it from the inflation concerns building on the back of elevated oil prices. While this rotation favoured equity beta over credit, the Fund still delivered a strong outcome. Moves in both US and Australian rates worked in our favour, with the duration we added back in March continuing to deliver as front-end yields consolidated.

Positive Fund performance was significantly influenced by the Liberty Interactive default we wrote about last month, which has now settled at auction, at a price of 6.25 cents in the dollar. The settlement price illustrates the continuous movement toward structurally lower recovery rates in the high yield (HY) complex, reflecting an asset base weighted toward intangibles and technology.

Distress continues to build across the leveraged universe. Increasingly, we see the market shifting away from a correlated default environment, where stress hits broadly and all at once, towards an idiosyncratic one, where defaults emerge name by name on company-specific issues. This plays directly to the Fund's strength in identifying and harvesting individual defaults. We retain our hedges across HY given the unresolved issues we see in private loans and leveraged structured products. The Fund remains well positioned to tolerate successive shocks and to capture further defaults should they materialise. We retain our view that, so long as global front-end rates remain elevated, this should continue to bring forward stress across much of the leveraged universe.

### Portfolio Snapshot at 31 May 2026

|                                    |       |
|------------------------------------|-------|
| Portfolio Running Yield (Gross)    | 4.49% |
| Average Credit Quality             | A     |
| Weighted Average Years to Maturity | 2.88  |
| Total Number of Exposures          | 587   |
| Total Country Exposures            | 33    |

### Portfolio Returns to 31 May 2026

|                        | Net    | Benchmark* | Excess Return (net) |
|------------------------|--------|------------|---------------------|
| 1M                     | 1.70%  | 0.35%      | 1.36%               |
| 3M                     | 2.92%  | 1.04%      | 1.88%               |
| 1Y                     | 12.14% | 3.90%      | 8.24%               |
| 2Y p.a.                | 6.62%  | 4.16%      | 2.46%               |
| 3Y p.a.                | 7.18%  | 4.24%      | 2.93%               |
| 5Y p.a.                | 8.27%  | 3.10%      | 5.17%               |
| Since Inception p.a.** | 9.10%  | 2.85%      | 6.25%               |

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

### Fund Statistics at 31 May 2026

| Since Inception*                    |        |
|-------------------------------------|--------|
| Best Month Since Inception          | 4.78%  |
| Worst Month Since Inception         | -4.31% |
| % Positive Months Since Inception** | 75.38% |

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

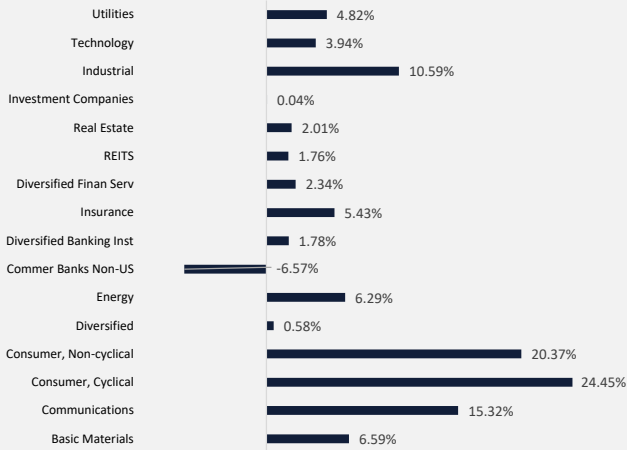
Fund attribution over the month was defined by **Default Arb** (+69.0 bps), **Corporate Hedges** (0 bps), **Corporate/Gov Bonds** (+87.3 bps), **Inflation** (0bps) and **Duration/Curve** (+23.4 bps) contributing to overall (gross) return.

### Fund Facts

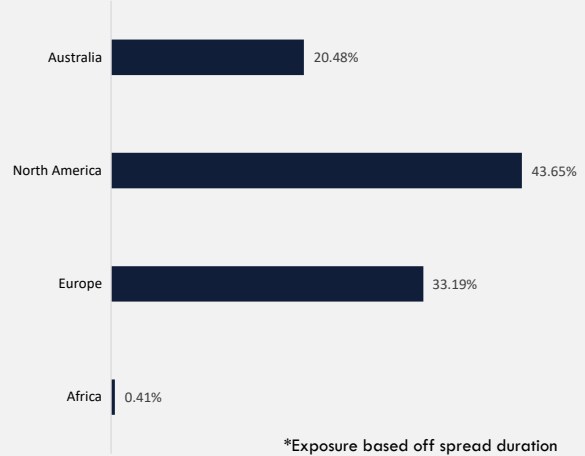
Investment Return Objective: RBA Cash Rate Target + 5% p.a.

|                    |                                      |   |                           |
|--------------------|--------------------------------------|---|---------------------------|
| 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 | 0.60% 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                             |   |                           |

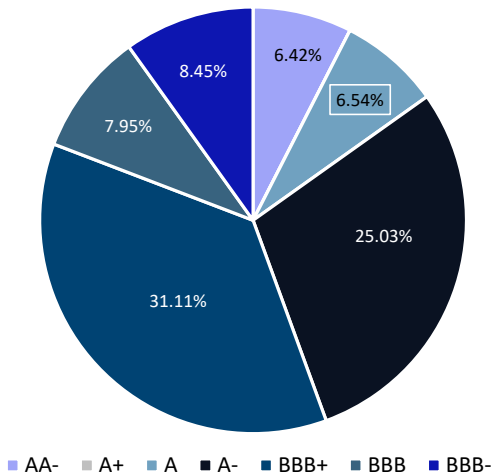
**MARKET EXPOSURE BY SECTOR**



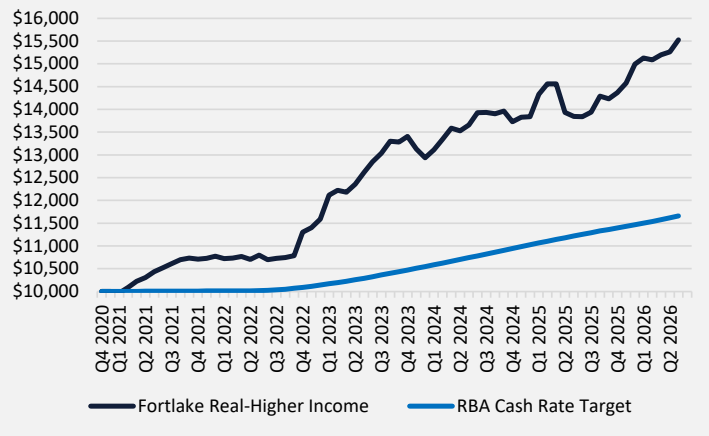
**MARKET EXPOSURE BY REGION\***



**CREDIT RATING**



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



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

|             | JAN    | FEB    | MAR    | APR    | MAY    | JUN    | JUL   | AUG    | SEP    | OCT    | NOV    | DEC    | Year   |
|-------------|--------|--------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|
| <b>2026</b> | 0.89%  | -0.27% | 0.75%  | 0.44%  | 1.70%  |        |       |        |        |        |        |        | 3.56%  |
| <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%  | 2.84%  | 8.32%  |
| <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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