Apostle Diversified Global Credit Fund

ARSN 659 135 734
Monthly Report – **April 2025**

The Apostle Diversified Global Credit Fund aims to generate higher yields than traditional fixed income securities, with lower volatility. The Fund aims to invest across a range of alternative fixed income securities by sourcing managers that specialise in sub-investment grade, investment grade and private debt markets.

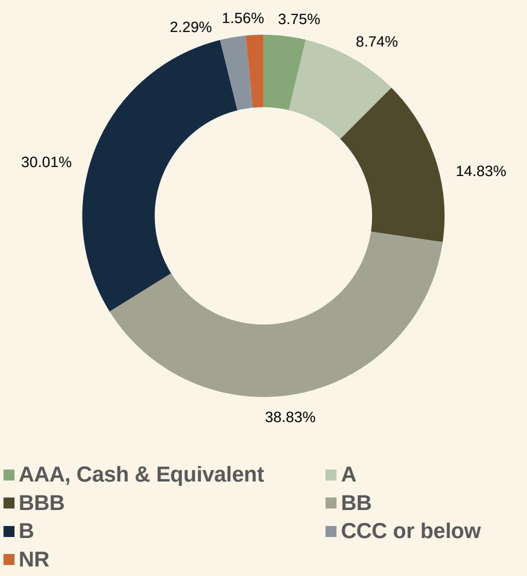
Investment Objective

The Fund targets a return of 2-3% p.a. net of fees above the RBA cash rate over rolling 3–5 year periods, focusing on capital stability whilst maintaining liquidity.

Fund Overview

Unit Price (NAV)	$1.0174
Fund Size (AUD)	$76,849,111.84
Benchmark	The RBA cash rate
Asset Class	Fixed Income
Portfolio Inception Date	8 August 2022
Investment Manager	Apostle Funds Management
Management Fee	0.95% p.a. (inc. GST and RITC)
Buy/Sell Spread	0.20%/0.20%
Minimum Investment	$25,000
APIR Code	KAM2611AU
ISIN	AU60KAM26113
Currency	Hedged to AUD
Pricing & Distributions	Daily unit pricing, daily liquidity and quarterly distributions
Responsible Entity	K2 Asset Management Limited
Custodian/Registry	State Street Australia Limited

Breakdown by Credit Rating



As at 30/04/2025. Source: State Street, Bloomberg, Apostle Funds Management. Data for private market investments is based on information provided by sub-investment managers. All figures are approximate and based on the best available data.

Performance

Return (%)	1 mth	3 mth	6 mth	1 year	Since inception (p.a.)
Total (gross)	(0.04)	0.29	1.97	6.17	5.08
Total (net)	(0.12)	0.06	1.49	5.17	4.10
Benchmark	0.34	1.02	2.13	4.73	4.94
Relative (net)	(0.46)	(0.96)	(0.64)	0.44	(0.84)

As at 30/04/2025. Source: State Street. The Benchmark is the RBA cash rate. Note: Net returns are based on the Fund's full management fee of 0.95% p.a. Performance inception date is 8 August 2022. Prior to 1 October 2024, the benchmark was 5-7% net of fees p.a.

Portfolio Characteristics

Yield to maturity (A$ hedged)	7.72%
Yield to maturity with curve (A$ hedged)	7.30%
Credit spread	350 bps
Interest rate duration	1.06
Credit spread duration	3.56
Average credit rating	BB
Floating rate exposure	72.61%
Number of holdings	315

As at 30/04/2025. Source: State Street, Bloomberg, Apostle Funds Management. Data for private market investments is based on information provided by sub-investment managers. All figures are approximate and based on the best available data.

Portfolio Look-Through

Asset Class/Strategy	Allocation (%)
Bonds	40.70%
Corporate Bonds	12.93%
Infrastructure Bonds	27.77%
U.S. Treasury Bills	0.00%
Loans	45.38%
Corporate Loans	42.90%
Infrastructure Loans	2.48%
Private Debt	13.20%
Private Real Estate Debt	13.20%
Cash or Cash Equivalents	0.72%
Total	100%

As at 30/04/2025. Source: State Street, Bloomberg, Apostle Funds Management. Data for private market investments is based on information provided by sub-investment managers. All figures are approximate and based on the best available data.

Portfolio Commentary

The Fund posted a net return of -0.13% in April, as performance was shaped by heightened market volatility following the announcement of new U.S. reciprocal tariffs. The portfolio's defensive positioning at the start of the month helped limit downside risk and enabled the Fund to capture some of the rebound as markets recovered later in the month.

Within the sub-strategies, private real estate debt continued to offer stability, contributing a positive 0.59% amid broader market stress. Other strategies recorded moderate losses, with infrastructure-focused bonds returning -0.20% and the Australian Tier 2 corporate debt strategy down 0.29%. Floating-rate loan strategies showed resilience, experiencing only a 9 basis point decline, despite the volatility in interest rate markets.

Investment Grade
Lonsec Research

Market Commentary

April was characterised by significant volatility, triggered by the US government's announcement of new reciprocal tariffs. Bond markets were volatile. The U.S. 10-year Treasury yield fell sharply to 4.00% during the initial risk-off phase before rebounding to 4.50% in the second week as foreign investors trimmed their Treasury holdings. By month-end, yields had stabilised, with the U.S. 10-year Treasury yield closing at 4.33%, and the Australian 10-year yield finishing at 4.18%.

In the private credit space, market participants focused on assessing the potential impact of tariffs on portfolio companies, particularly those exposed to global supply chains and discretionary consumer demand. Although the 90-day pause on most tariffs offered temporary relief, uncertainty persisted over longer-term implications. Deal activity remained strong, particularly in the upper end of the market, where competition among lenders drove tighter credit spreads and more borrower-friendly terms.

Macroeconomic data painted a mixed picture. The US labour market outperformed expectations with strong job gains in March, though the unemployment rate ticked slightly higher. The ISM Services PMI signalled the slowest pace of expansion since June 2024, while inflation data showed signs of easing. Nevertheless, the Federal Reserve maintained a cautious tone, warning that new tariffs could reignite inflationary pressures in the short term. In Australia, both the Manufacturing and Services PMIs indicated modest growth, but consumer sentiment weakened, reflecting similar trends in the U.S. The Reserve Bank of Australia kept rates unchanged, with strong labour market conditions prompting markets to temper expectations for near-term easing. Looking ahead, market volatility is likely to remain elevated as global markets digest the evolving landscape of trade policy.

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PRI Principles for Responsible Investment

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