

# Apostle Diversified Global Credit Fund

ARSN 659 135 734

Monthly Report – July 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.

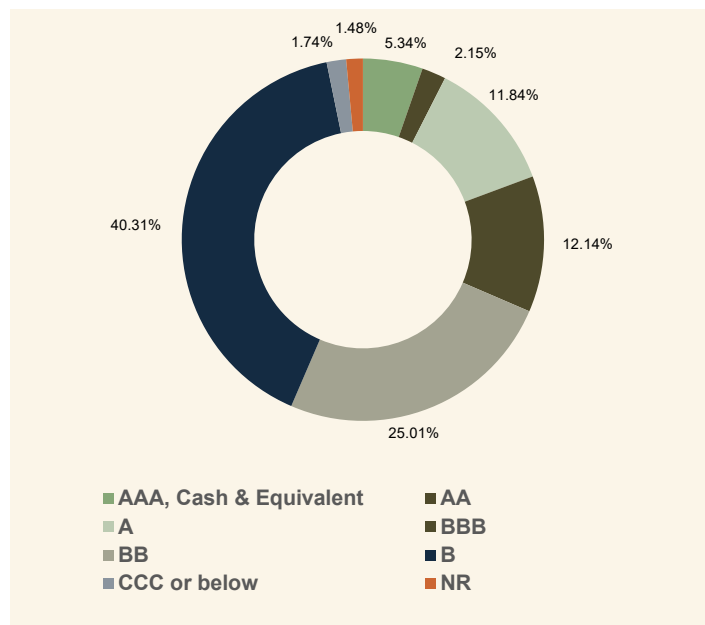
## Investment Objective

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)	\$1.0195
Fund Size (AUD)	\$85,380,628.13
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 31/07/2025. 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)	0.43	2.41	2.70	6.20	5.48
Total (net)	0.35	2.16	2.22	5.21	4.49
Benchmark	0.33	0.99	2.01	4.40	4.85
Relative (net)	0.02	1.17	0.21	0.81	(0.36)

As at 31/07/2025. Source: State Street. The Benchmark is the RBA cash. Note: Net returns are based on the Fund's full management fee of 0.95% p.a. Whilst the Fund's inception date is 8 August 2022, this reporting uses 30 September 2022 as the inception date to exclude the period where the Fund was not fully invested. Prior to 1 October 2024, the benchmark was 5% net of fees p.a. Past performance is not a reliable indicator of future performance.

## Portfolio Characteristics

Yield to maturity (A\$ hedged)	6.41%
Yield to maturity with curve (A\$ hedged)	5.94%
Credit spread	264 bps
Interest rate duration	0.65
Credit spread duration	3.13
Average credit rating	BB
Floating rate exposure	71.47%
Number of holdings	3,018

As at 31/07/2025. 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 (%)
Liquid Credit	87.68%
Bonds	30.87%
Loans	56.80%
Private Debt	11.17%
Private Real Estate Debt	11.17%
Cash or Cash Equivalents	1.16%
Total	100.00%

As at 31/07/2025. 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 achieved a net return of 0.35% in July, with stable income generation and a modest return contribution from tightening credit spreads. All the sub-strategies posted a positive return for the month, resulting in outperformance relative to the benchmark.

Bank loans were the best performing sub-strategy with a return of 0.80% as they continued to provide high current income with price stability. Liquid credit as a whole delivered a return of 0.49%, reflective of the Asset Allocation & Risk Committee's defensive positioning in the context of tight credit spreads and macroeconomic risks. Private credit returned 0.62% for the month.

## Market Commentary

Volatile market conditions persisted through July, though equity markets shrugged off some geopolitical and tariff-related pressures to deliver modest gains, while long-term bond yields rose, reflecting renewed caution among fixed-income investors. The S&P 500 index rose approximately 2.2% in July, while the U.S. 10-year Treasury yield climbed approximately 17 basis points to end the month at 4.40%.

U.S. economic data painted a mixed picture. The Federal Reserve held rates steady at 4.25–4.50%, signalling a cautious, data-dependent approach. Corporate earnings beat expectations broadly—nearly 81% of S&P 500 firms surpassed forecasts, buoyed by resilience in tech and AI sectors. Tariff pressure and issuance patterns contributed to elevated volatility in U.S. Treasury markets. In Australia, the macro backdrop remained stable, mirroring global caution without material shifts in policy tone.

Liquid credit markets continued to benefit from investor optimism in equity markets. The credit spread on the Bloomberg U.S. high yield corporate index tightened 12 basis points to end the month at 2.78%. This remains well below its historical average of close to 5%, reflective of a high degree of confidence in issuer fundamentals and the strength of the economy.

Within private credit, stability largely held amid broader volatility, though rising bond yields and refinancing concerns tempered momentum. Year-to-date U.S. direct loan issuance continued to outperform syndicated loans, with companies selectively refinancing and locking in more private structures at attractive terms.

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