

Apostle Diversified Global Credit Fund

ARSN 659 135 734

Monthly Report – September 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.

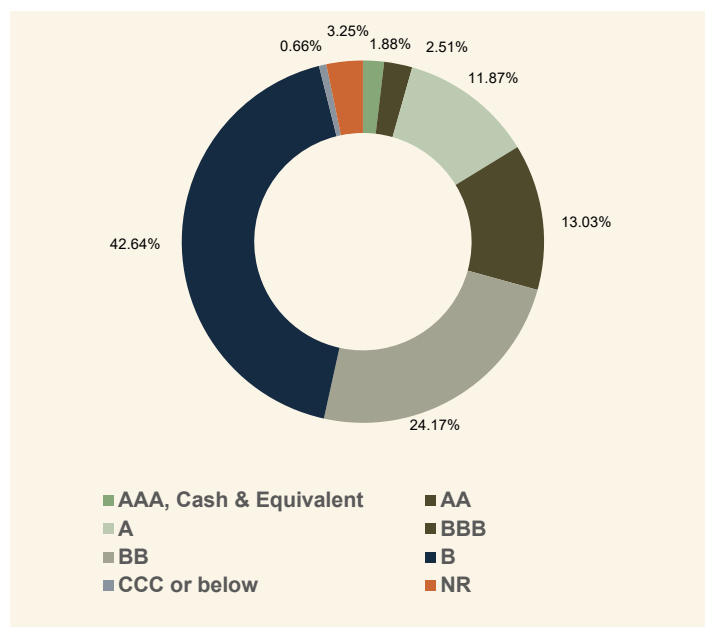
Investment Objective

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)	\$1.0281
Fund Size (AUD)	\$93,148,850.28
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 30/09/2025. 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	2 Year	Since inception (p.a.)
Total (gross)	0.48	1.44	3.39	5.86	7.35	5.52
Total (net)	0.40	1.20	2.90	4.87	6.34	4.53
Benchmark	0.32	0.94	1.95	4.15	4.63	4.79
Relative (net)	0.08	0.26	0.95	0.72	1.71	(0.26)

As at 30/09/2025. 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)	6.58%
Yield to maturity with curve (A\$ hedged)	6.07%
Credit spread	180 bps
Interest rate duration	0.67
Credit spread duration	2.88
Average credit rating	BB
Floating rate exposure	74.18%
Number of holdings	2,805

As at 30/09/2025. 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	88.44%
Bonds	25.83%
Loans	62.61%
Private Debt	9.74%
Private Real Estate Debt	9.74%
Cash or Cash Equivalents	1.82%
Total	100.00%

As at 30/09/2025. 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 delivered a net return of 0.40% in September, driven by stable income and further modest spread compression. All major sub-strategies contributed positively, within liquid credit, short-duration corporate debt and senior loan exposures returned 0.50%, with individual allocations to the Invesco Senior Loan ETF (0.53%) and the Nuveen ESG Senior Loan Fund (0.56%) contributing strongly. Private credit also added value, returning 0.81% over the month, aided by selective refinancings and disciplined underwriting.

Market Commentary

Global markets remained constructive in September, supported by central bank easing expectations and resilient economic activity. The U.S. Federal Reserve cut rates by 25 basis points, marking its first reduction of the cycle and reinforcing investor confidence in a soft-landing narrative. Equity markets responded positively: the S&P 500 gained 3.5%, while technology and small-cap sectors led performance amid optimism around growth and declining funding costs. Global equities broadly mirrored the U.S. trend, underpinned by improving risk sentiment and continued inflows into credit and equity funds.

In fixed income, treasury yields drifted lower as investors priced in additional Fed cuts before year-end. Tight credit spreads drove solid returns in corporate markets, particularly in investment-grade and short-duration assets. Investor appetite for yield remained robust, although valuations have grown higher, limiting further compression potential.

Economic data painted a mixed picture: U.S. employment indicators softened slightly, while inflation stayed above target but trended lower at the margin. In Australia, the RBA held rates at 3.60%, highlighting that inflation is proving to be stickier than anticipated. Market volatility continued throughout the month, as geopolitical developments continue to spur uncertainty among investors. Overall, September reflected a favourable environment for risk assets, with credit markets continuing to benefit from strong technical support and a stable macro backdrop heading into the fourth quarter.

Contact us

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