

Apostle Diversified Global Credit Fund

ARSN 659 135 734

Monthly Report – March 2026



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

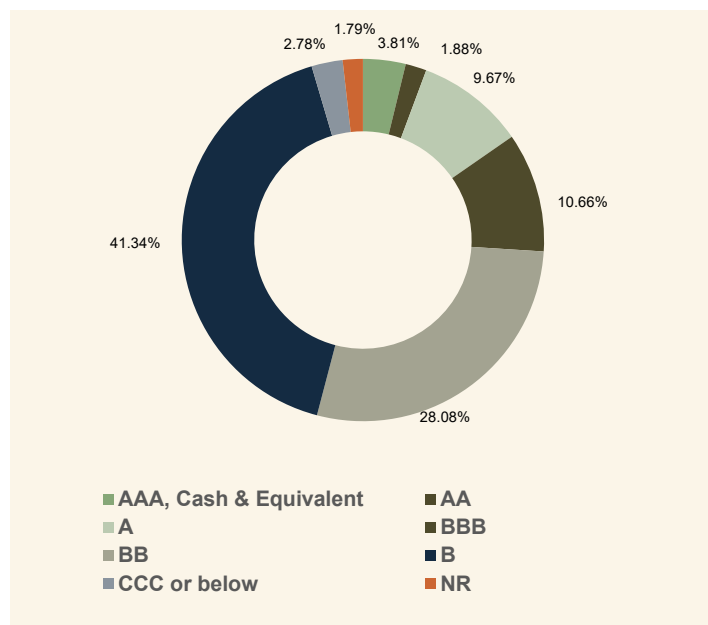
The Fund targets a return of 2-3% p.a. net of fees above the RBA cash rate over rolling 3–5 year periods, focusing on capital stability whilst maintaining liquidity.

Fund Overview

Unit Price (NAV)	\$1.0097
Fund Size (AUD)	\$87,328,215.70
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

*Redemptions processed on Business Days (2pm cut-off); proceeds normally paid within ~5 Business Days, subject to the PDS.

Breakdown by Credit Rating



As at 31/03/2026. 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 yr	3 yr (p.a.)	Since inception (p.a.)
Total (gross)	0.16	0.01	1.31	4.76	5.75	6.14
Total (net)	0.08	(0.23)	0.84	3.77	4.75	5.14
Benchmark	0.35	0.94	1.86	3.84	4.57	4.64
Relative (net)	(0.27)	(1.17)	(1.02)	(0.07)	0.18	0.51

As at 31/03/2026. 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.

This information is general in nature and does not take into account your objectives, financial situation or needs.

Portfolio Characteristics

Yield to maturity (A\$ hedged)	7.95%
Yield to maturity with curve (A\$ hedged)	7.90%
Credit spread	351 bps
Interest rate duration	0.75
Credit spread duration	2.89
Average credit rating*	BB
Floating rate exposure	75.37%
Number of holdings	5,512

As at 31/03/2026. 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.

*Average portfolio credit rating based on the higher of Moody's and S&P issuer ratings, consistent with the methodology outlined in the PDS.

Portfolio Look-Through

Asset Class/Strategy	Allocation (%)
Liquid Credit	89.49
Bonds	24.66
Bank Loans	61.05
Structured Credit	0.33
Other	3.45
Private Debt	9.45
Private Real Estate Debt	9.45
Cash or Cash Equivalents	1.06
Total	100.00

As at 31/03/2026. 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 returned 0.08% (net) in March, once again offering good downside protection relative to the broader sub-investment grade credit market. As conflict in the Middle East pushed both bond yields and credit spreads wider, resulting in the US high yield bond index falling more than 1% across the month, the Fund was able to preserve capital and generate a positive return. Managing downside risk is a key objective of the strategy, and the Fund seeks to achieve this by 1) diversifying the portfolio across sub-asset classes, 2) actively managing the asset allocation (DAA) based on the evolving risk landscape, and 3) investing with active managers that have proven track records of minimising losses across a market cycle.

At the underlying strategy level, the Fund's core allocation to bank loans had the largest contribution to returns of 0.34%, while the Fund's bond allocation was the largest detractor with -0.21%, which was partially offset by the Fund's defensive DAA position.

Market Commentary

March was defined by events that took place just hours before the month began. On 28th February, the US and Israel launched coordinated air strikes that killed Iranian Supreme Leader Ayatollah Ali Khamenei, sparking an escalation in conflict in the Middle East. This significantly impacted shipping through the Strait of Hormuz, which typically carries ~20% of the world's seaborne oil and LNG supply. Oil prices surged as high as \$119.50 (Brent Crude) and stayed above \$100 for the rest of the month as markets priced in the prospect of a significant shock to global energy supply.

All major asset classes posted negative returns in March as markets priced in downside risks to growth and upside risks to inflation as a result of the Middle East conflict. The S&P 500 fell 5.09% for the month, outperforming most other regional equity indices that reversed some of their year-to-date outperformance. Credit markets followed suit, with the spread on the US High Yield Bond Index widening 26bps to 317bps after peaking at 335bps during the month. Government bonds failed to offer protection as markets significantly reduced their expectations for rate cuts and lifted their terminal interest rate forecasts. The US 10-Year Treasury yield widened 38bps to 4.32%, with larger movements seen on shorter-dated yields. Gold also failed to offer protection as prices fell more than 12% following their significant gains in recent months. The US Dollar was the only true safe haven, rising against all major currencies.

Investment in the Fund involves risk. Returns can be negative and will vary. Key risks include credit risk, interest rate risk, concentration risk, currency risk and liquidity risk. Refer to the PDS for full details of risks and fees.

Contact us

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Signatory of:



Member of:



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