

Fortlake Asset Management



Sophisticated and differentiated fixed income strategies, with a focus on capital preservation.

Fortlake is a specialised operation of experienced fixed-income and global markets professionals offering institutional-grade capabilities.

The team emphasises risk management, capital protection, and preserving investors' real purchasing power through a robust investment process that focuses on highly liquid assets and employs a quantitative process.

Adopting a proven approach to fixed-income portfolio management, Fortlake caters to diverse asset pools, unlocking opportunities in the broader market.

Benefits of investing in Fortlake funds



Income focused

Invests in strategies that aim to deliver strong and consistent levels of income.



Inflation protected

Seeks to protect the purchasing power of your investment during inflationary periods.



Unconstrained fixed income

Leverages proprietary research and overlay strategies to exploit opportunities across global markets



Click here to hear CIO and founder **Christian Baylis** explain the power of absolute return fixed interest.

Investment philosophy

Fortlake's Trade Meritocracy Framework (TMF) relies on a quantitative engine that enables returns to be generated in the most liquid parts of the fixed income market. TMF uses specialised techniques that are only available to institutional grade fixed income managers.



Access alpha opportunities

Fortlake's unique investment process and experienced team of fixed income specialists provide the ability to identify alpha opportunities across a variety of markets, sectors and fixed-income products.



Risk management

Diversification of credit exposures is essential for managing risk. Fortlake achieves this by employing liquid, indexed-based strategies that minimise the impact of individual issuer exposures. The team employs index strategies to further reduce risk and generate alpha by exploiting asymmetries and structural advantages of index exposures vs cash bonds.

Innovative approach to the traditional 'siloes method'

Traditionally, fund managers have employed a silo-based approach to fixed income investing, specialising in an individual-segment or sector within the fixed income asset class (i.e. rates manager or credit manager). Fortlake believes separating sources of value into individual silos is a significant flaw of the traditional investment approach.

Rather than having segment specialists, Fortlake employs a diverse and experienced team who take a broad view of bond markets across duration, high grade credit, default workouts and inflation. Fortlake utilises quantitative methodology to exploit market inefficiencies to produce superior risk-adjusted returns.

What differentiates Fortlake from traditional fixed interest managers?

Fortlake operates in an unconstrained capacity compared to traditional managers. This approach provides the flexibility to search for alpha across regions and strategies, accessing the best risk-adjusted prospects globally.

Fortlake	Traditional fixed interest manager
Quantitative engine overlaid with practitioner decision-making	Fundamental/credit research; predict direction of rates and macro conditions
Highly diversified with low correlation to bond and equity markets	Highly correlated with bond markets and macroeconomic factors
Multi-faceted across credit, rates, curve, inflation, default arbitrage	Specialises in a single segment or "silo", i.e. rates manager or credit manager
Investment decisions are optimised within core portfolio risk parameters	Investment decisions anchored to credit/macro/relative value philosophy
Investment in highly liquid instruments and cleared markets	Investment universe constrained to specific "silo" focus
Liquid instruments and quantitative methods mitigate capacity constraints	Manual process and siloed instruments lead to capacity constraints

Fortlake funds

Access diversified and actively managed portfolios, which primarily consisting of high-quality corporate securities that deliver consistent income and inflation protection over time.



Real-Income Fund

A short-term fixed-income portfolio that maintains a conservative and high-quality allocation to the asset class.

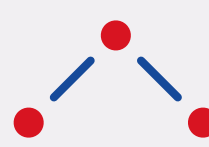
The fund may be appropriate for those investors seeking additional income within their fixed income allocation without assuming the risks associated with longer-duration strategies.



Real-Higher Income Fund

An absolute return fixed income portfolio that may fit within an investor's defensive yield allocation (defensive alternatives) or short-term fixed income allocation.

The fund may be appropriate for those investors seeking additional and diversified sources of income within their alternatives allocation without assuming the risks associated with strategies that display biases to lower quality parts of the credit market.



Sigma Opportunities Fund (wholesale investors only)

A highly active fixed-income portfolio that may fit within an investor's alternative allocation. Draws upon the team's skill across fixed-income products, seeking to deliver strong risk adjusted returns from global fixed-income markets.

The fund may be appropriate for those investors seeking diversified sources of returns within their alternative allocation.

Key fund facts

	Real-Income Fund	Real-Higher Income Fund	Sigma Opportunities Fund
Inception	December 2020		
Investment focus	Absolute Return Fixed Income		
Suggested timeframe	3+ years		
Benchmark	RBA cash rate		
Distribution frequency	Quarterly		
Downside volatility	1.75 – 2.25%	2.5 – 3.25%	4.0 – 5.5%
Objective	>3.5% over the RBA cash rate	>5% over the RBA cash rate	7%-10% over the RBA cash rate
Investment availability	Retail and wholesale investors	Retail and wholesale investors	Wholesale investors only
Minimum investment	\$25,000	\$25,000	\$500,000
Total fees and costs ¹	0.72%	1.104%	1.4725% + performance fee of 20.5% of returns above 6% p.a
Buy/Sell spread (%)	0.05/0.05	0.10/0.10	0.10/0.10
APIR	TAL0590AU	TAL0284AU	TAL1576AU
Platform availability	Speak to a BDM or refer to the CFS platform availability matrix.		

Awards*



1 Inclusive of net GST. Please refer to the Product Disclosure Statement (PDS) for further details on fees and other costs that apply.

 **FORTLAKE**
ASSET MANAGEMENT

in alliance with


Find out more

To find out more about Fortlake funds, please contact your local Business Development Manager, call Adviser Services on **13 18 36** (8:30am to 6pm Sydney time) or visit **www.cfs.com.au/investments**

*Awarded to the Fortlake Real-Income Fund in the Australian Fixed Income category at the 2024 Australian Fund Manager of the Year awards.
Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232468 (CFSIL) is the responsible entity and issuer of Fortlake Real-Income Fund, Fortlake Real-Higher Income Fund and Fortlake Sigma Opportunities Fund. This document is based on current requirements and laws as at December 2024. While all care has been taken in preparing the information contained in this document (using reliable and accurate sources), to the extent permitted by law, no one including CFSIL, nor any related parties, their employees or directors, accept responsibility for loss suffered by anyone from reliance on this information. This document provides general information for the adviser only and is not to be handed to any investor. It doesn't take into account anyone's individual objectives, financial situation, needs or tax circumstances. You should read the relevant Product Disclosure Statement (PDS), Information Memorandum (IM) and Financial Services Guide (FSG) before making any recommendations to a client. The PDS, IM and FSG can be obtained from www.cfs.com.au or by calling us on 13 18 36. 30642/FS7051/1224