



November 2025

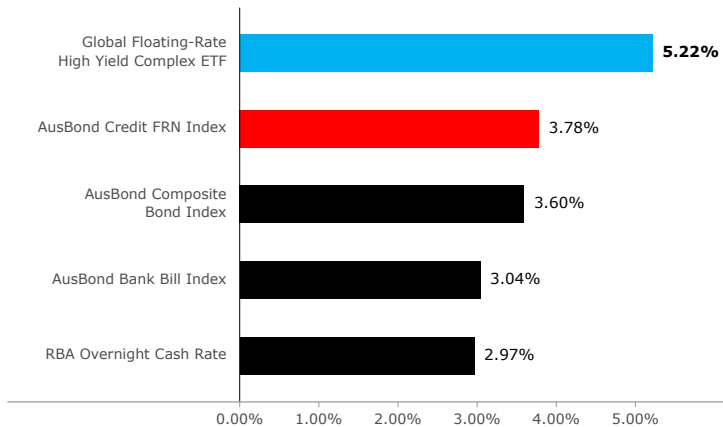
Objective: The investment objective of the Fund is to provide investors with exposure to a global floating-rate portfolio of investment-grade bonds and hybrid securities with enhanced yields.

Strategy: The Fund aims to generate higher income than other traditional fixed income investments by investing in a floating-rate portfolio of investment-grade bonds and hybrid securities issued predominately by global banks and enhancing the yields (or interest-rate) through the use of gearing (or leverage). It also has the capacity to invest in government bonds, corporate bonds and hybrid securities. The Fund aims to offer a floating-rate profile by targeting an interest rate duration risk of less than 3 months. The Fund can borrow and use derivatives, meaning the Fund is geared (or leveraged). Leverage can amplify gains and also amplify losses. The Fund does not invest in equities, unrated unlisted debt securities or property.

Period Ending 2025-11-30	Gross Return	Net Return	Bloomberg AusBond Credit FRN 0+ Yr Index	Gross Excess Return [‡]	Net Excess Return [‡]
1 month	0.30%	0.21%	0.34%	-0.04%	-0.12%
3 months	1.67%	1.39%	1.11%	0.57%	0.29%
6 months	4.41%	3.84%	2.39%	2.02%	1.45%
Inception Feb. 2025	6.12%	5.22%	3.78%	2.34%	1.44%

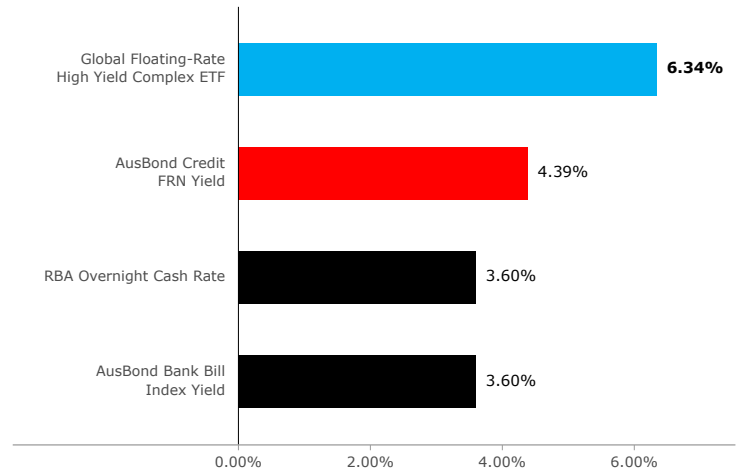
Global Floating Rate High Yield Complex ETF (Net) vs Comparisons

Total Returns Since Inception in February 2025 to November 2025



Data Source: RBA, Bloomberg, Apex Fund Services, Coolabah Capital Investments

Annual Running Yield 30 November 2025



Data Source: RBA, Bloomberg, Coolabah Capital Investments

Disclaimer: Past performance does not assure future returns. Returns and yields are shown net of management fees and costs unless otherwise stated. All investments carry risks, including that the value of investments may vary, future returns may differ from past returns, and that your capital is not guaranteed. To understand Fund's risks better, please refer to the Product Disclosure Statement available at Coolabah Capital Investments' [website](#).

Note: all portfolio statistics other than yields and duration are reported on gross asset value

Av. Portfolio Credit Rating	A+	Av. Interest Rate (Gross Running Yield)	6.34%
Portfolio MSCI ESG Rating	AA	Modified Interest Rate Duration	0.34 years
No. Cash Accounts	14	Gearing Permitted?	Yes
No. Notes and Bonds	166	Net Annual Volatility (since incep.)	1.84%

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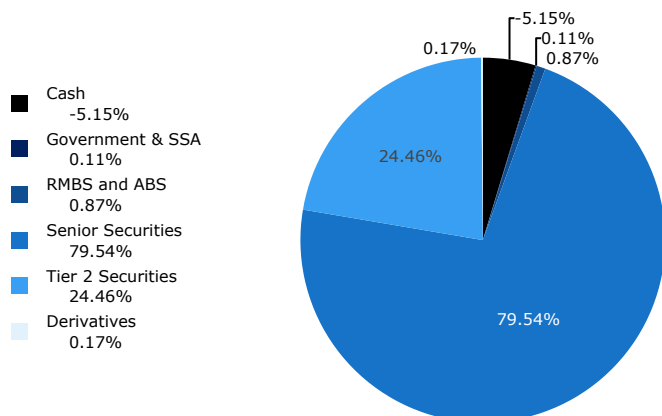
CCC B BB BBB A AA AAA

Asset weighted average rating



Portfolio Composition (GAV)

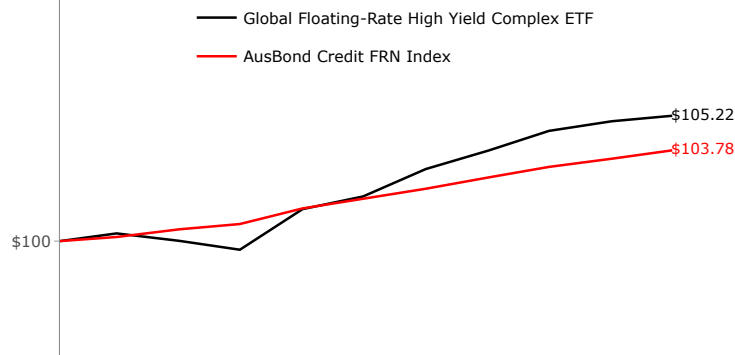
30 November 2025



Data Source: Coolabah Capital Investments.

Value of \$100 Invested Since Inception

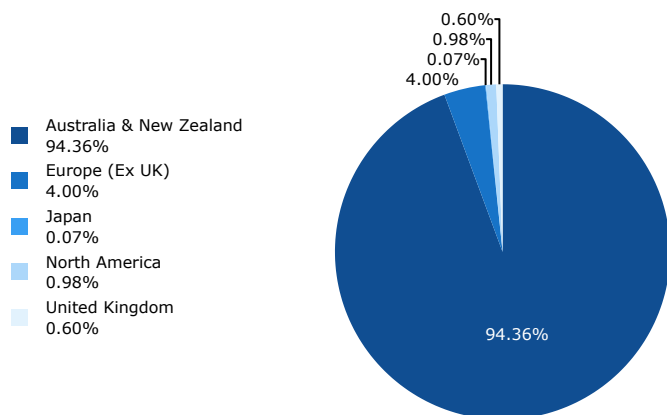
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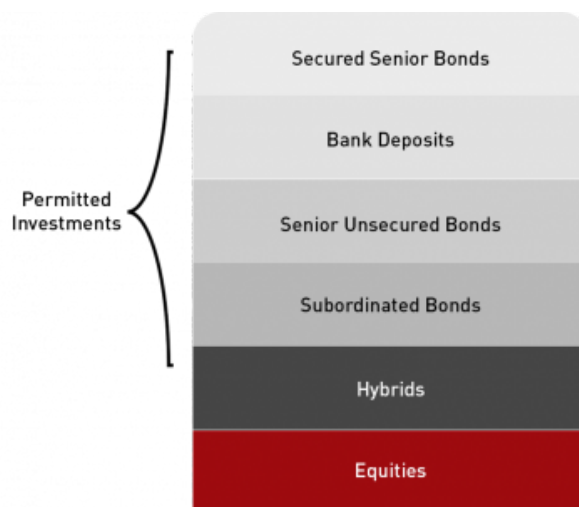
Data Source: Bloomberg, Coolabah Capital Investments

Portfolio Geographic Holdings

30 November 2025



Data Source: Coolabah Capital Investments.



Portfolio Managers Christopher Joye, Ashley Kabel, Roger Douglas, Fionn O'Leary ([Coolabah Capital Investments](#))

Ticker	YLDX	Fund Inception	17-Feb-2025
ISIN	AU0000380826	Distributions	Monthly
Asset-Class	Global Floating Rate	Unit Pricing	Daily (earnings accrue daily)
Target Objective	Yield focused	Min. Investment	AUD\$1,000
Investment Manager	Coolabah Capital Investments (Retail)	Withdrawals	Daily requests (funds normally in 3 days)
Responsible Entity	Equity Trustees	Buy/Sell Spread	On exchange
Custodian	Citigroup	Mgt. & Admin Fee	1.00% pa

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Asset weighted average rating



Portfolio commentary: In November, the zero-duration daily liquidity Coolabah Global Floating-Rate High Yield Fund (YLDX) returned 0.30% gross (0.21% net), compared to the RBA Overnight Cash Rate (0.27%), the AusBond Bank Bill Index (0.30%), and the AusBond Credit FRN Index (0.34%). Over the previous 6 months, YLDX returned 4.41% gross (3.84% net), outperforming the RBA Overnight Cash Rate (1.83%), the AusBond Bank Bill Index (1.84%), and the AusBond Credit FRN Index (2.39%). YLDX ended November with a running yield of 6.34% pa, a weighted-average credit rating of A+, and a portfolio weighted average MSCI ESG rating of AA.

Since the inception of YLDX in February 2025, it has returned 6.12% gross (5.22% net), outperforming the RBA Overnight Cash Rate (2.97%), the AusBond Bank Bill Index (3.04%), and the AusBond Credit FRN Index (3.78%). Since inception, YLDX's Sharpe Ratio, which measures risk-adjusted returns, has been 2.22x gross (1.59x net). While YLDX's return volatility since inception has been low at around 1.84% pa (measured using daily returns), as a daily liquidity product with assets that are marked-to-market using executable prices, volatility does exist. This contrasts with illiquid credit (eg, loans and high yield bonds) wherein assets that have very high risk can appear to have remarkably low volatility, which is, in fact, just a mirage explained by the inability to properly value these assets using executable prices.

Strategy commentary: November was a choppy month characterised by sharp cross-currents and high volatility, including apparent regime changes. This was exemplified by the subdued returns from bonds and equities. Coolabah's strategies generally delivered positive returns and/or tracked the performance of wider bond benchmarks.

There were sharp divergences in 10-year government bond yields around the world, which declined in the US (down 6 bps) and France (down 1 bp) while climbing in many other countries, including Italy (+2 bps), the UK (+3 bps), Germany (+6 bps), New Zealand (+21 bps) and Australia (+22 bps).

Whereas US markets were animated by the renewed prospect of another rate cut from the Fed in December, Antipodean investors were surprised by very strong inflation and jobs data that suddenly ruled out further interest-rate relief from the RBA. It would not be surprising if the Fed and the RBA ended their respective tightening cycles with similar cash rates in the 3.6% zone.

Such vicissitudes were echoed in noticeable divergences between cash (or physical bond) and synthetic credit-default-swap markets. Global CDS indices were universally tighter: CDX IG -1.5 bps; CDX HY -5.6 bps; iTraxx Main -2.0 bps; and iTraxx Crossover -10.4 bps.

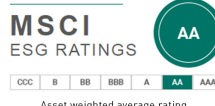
Yet cash bond markets suffered from wider spread moves in the UK (+2 bps), the US (+2 bps) and Europe (+5 bps). In Australia, spreads widened across the capital stack: 5-year major-bank senior bonds +3.2 bps, 5-year major-bank subordinated debt +9.0 bps and 5-year major hybrids +18.5 bps, taxing investor returns.

Given the uncertainty in rates and credit markets, bond and equity performance was no less variable. Globally, the benchmark Bloomberg Global Aggregate Index (+0.41%) and its duration-hedged equivalent (+0.22%) offered only modest upside. Within individual markets the picture differed markedly, however: in Australia the 4.9-year-duration AusBond Composite Bond Index lost 0.88% as yields soared, while the AusBond Floating-Rate Note Index, which carries no material interest-rate risk, gained 0.34%.

Many equity markets struggled amid prudent profit-taking in technology and other sectors as the end of a spectacular year approached. Year-to-date through 9 December, the S&P 500 was up 18.22%, the MSCI World had returned 20.71%, and the Nasdaq 100 had delivered 22.27%.

Whereas the S&P 500 ground out a modest 0.25% gain in November, the Nasdaq fell 1.57%. The Euro Stoxx 50 delivered a modest 0.29% total return, driven by a 5.13% rise in the Euro Stoxx Banks Index (continuing the sector's stellar year, with YTD gains of approximately 45-50% by month-end). The FTSE 100 returned just 0.39%.

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Asset weighted average rating



Strategy commentary cont'd: Rate hikes through mid-2024 (the ECB's policy rate peaked at 4.5%) helped to supercharge bank margins, with net interest income across Eurozone lenders rising 15-20% YoY in 2024 full-year results. Even as cuts began in June 2024 (totalling ~100 bps by November 2025), sticky deposit rates and loan repricing delayed margin compression, allowing European bank ROEs to climb to 11-12%—a multi-decade high.

In the Antipodes, equities performed poorly. While the NZX50 was off 0.44%, the ASX200 lost 2.66%. The ASX200's drawdown was a sharp reversal from prior months, representing its deepest decline since April 2025 (around 7-8% from mid-October highs) and its weakest monthly performance since September 2022. The pullback erased significant year-to-date gains, though the index remained up ~5% YTD heading into December.

November's Aussie equity weakness stemmed from reduced expectations for interest-rate cuts, sector-specific pressures and spillover from global volatility. The heavyweight financials sector fell ~7.2%—its worst since July 2022—as banks faced profit-taking, bearish positioning (e.g., CBA entered bear-market territory, down >20% from June highs) and regulatory headwinds like APRA's new caps on high debt-to-income home loans. The Aussie IT sector also plunged 11-17% for the month, mirroring a global tech/AI pullback.

In November 2025, major crude oil benchmarks—Brent (global) and WTI (U.S. benchmark)—experienced declines amid a volatile but bearish backdrop. Prices were pressured by easing geopolitical tensions, rising global inventories and persistent demand concerns.

This marked a continuation of the downward trend from earlier in the year, with year-to-date losses exceeding 20% for both benchmarks by month-end. Brent Crude closed the month down approximately 2.87%, settling at \$63.20 per barrel on 28 November (from ~\$65.07 on 31 October). WTI Crude fell roughly 3.98%, ending at \$58.55 per barrel on 28 November (from ~\$60.98 on 31 October).

Another key risk proxy, Bitcoin, experienced a sharp and prolonged decline in November 2025, marking its worst monthly performance since June 2022. The cryptocurrency fell approximately 21% on a price basis, closing the month around \$90,915 (from ~\$109,428 on 31 October), though intraday lows dipped as low as \$82,000 in late November. This erased all year-to-date gains, leaving BTC down ~2% for 2025 as of month-end. The decline was fuelled by a toxic mix of macroeconomic headwinds, technical breakdowns and crypto-specific pressures, amplifying a global risk-off shift away from speculative assets.

Spot Bitcoin ETFs saw \$3.5 billion in net outflows—the largest monthly total on record—forcing issuers to offload BTC holdings and flood the market with supply. Corporate treasuries, including MicroStrategy (the largest BTC holder), faced pressure from falling equities and debt obligations, leading to ~\$835 million in sales mid-month.

Gold prices surged in November 2025, delivering a robust +5.91% gain and closing the month at approximately \$4,239 per ounce (from ~\$4,003 on 31 October). This marked the metal's strongest monthly performance since March 2025 and contributed to its year-to-date rise of over 60%, with prices hitting new all-time highs above \$4,200 mid-month before a slight pullback.

November's upside was propelled by macroeconomic uncertainty and gold's role as a premier hedge, outweighing a modestly stronger USD and rising bond yields. Central bank and investor inflows provided a strong floor, with the World Gold Council attributing ~30% of the year's gains to politics and macro risks alone.

Turning to the primary or new-issuance market for bonds, USD IG supply reached US\$140 bn for the month, the busiest November on record, bringing year-to-date issuance to approximately US\$1.65 trn. Corporate supply dominated, while financial issuance—typically close to half of monthly volumes—accounted for only around 20%, creating attractive opportunities. Coolabah remained selective, participating only where pricing was demonstrably fair in Morgan Stanley's OpCo deal and transactions from Google, Caterpillar and Pfizer.



Strategy commentary cont'd: In EUR IG, the market absorbed €111 bn in November, one of the strongest monthly totals ever recorded. Corporates represented €75 bn, with Financials contributing €36 bn. The first week of the month set a new all-time weekly issuance record. Despite this heavy supply, demand remained robust: Financial deals averaged 2.8× subscription and offered healthy new-issue concessions. Corporate activity was similarly elevated, highlighted by Google's €6.5 bn multi-tranche offering and Novo Nordisk's €4 bn transaction—both met with heavy oversubscription.

In Australia, November saw approximately A\$17 bn of primary supply in AUD IG credit. Financials dominated supply, making up 90% of November issuance compared to 70% YTD. November took YTD AUD IG credit issuance to around A\$150 bn.

Within financials, there were six deals we considered in November: Westpac, National Australia Bank (NAB), BNP Paribas (BNP), Australia and New Zealand Bank (ANZ), Bank of Queensland (BoQ) and Suncorp Bank. We participated in all but BoQ. In corporate deals we participated in the Airservices Australia 12-year senior. This saw strong demand of A\$2.8 bn for the A\$500 m print. Within securitisation, we participated in the top tranche of the IDOL (ING Bank) AAA-rated RMBS deal. IDOL printed A\$1.75 bn in the top tranche to A\$2.1 bn of demand.

Our core global macro views remain unchanged:

- Interest-rate duration is attractive as term premia have expanded amid high government issuance, fiscal policy and inflation risks.
- Risk premia have migrated from the private to the public sectors (tighter credit spreads offset by wider term premia), keeping outright or overall yields compelling.
- We are very bullish on US economic growth upside from hyperscaler capex and supply-chain reshoring under Trump's pro-business policy agenda, underpinned by rate cuts and a stimulatory fiscal pulse.
- Sticky services inflation, plus rebounding goods prices, will challenge central banks' CPI targets.
- We think markets are still underpricing the risk of shallow easing cycles and potential rate hikes in 2026-28.

The RBA worries it has misread the economy

In the wake of one of the RBA's largest forecast misses on inflation in decades, Deputy Governor Hauser [said](#) that:

"The economy may find itself boxed in by its own capacity constraints, like a racehorse trapped against the course fence, unable to surge forward ... [such that] there may be little scope for demand growth to rise further without adding to inflationary pressures, and hence there may be little room for further policy easing".

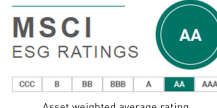
Hauser backed his assessment by showing that the economy was recovering from a starting point of no spare capacity, where RBA staff currently estimate that demand is running slightly ahead of supply, forecasting excess demand to persist over the next couple of years.

This contrasts with past business cycles, when the RBA could lower interest rates without threatening the achievement of low inflation by overheating the economy because demand was less than supply.

In measuring spare capacity, Hauser focused on the output gap, which compares the level of activity in the economy with the level of potential output. An alternative measure of spare capacity - one that is more relevant because it is used by RBA staff in modelling inflation - compares the unemployment rate with the estimated NAIRU. On this metric, the labour market is tight if the unemployment rate is below the NAIRU and it is loose if the unemployment rate is above the NAIRU.

Like potential output, the NAIRU is unobservable and needs to be estimated, with the average of RBA staff estimates recently increasing from around 4.75% to almost 5%. Given the latest unemployment rate of 4.3% and RBA forecasts that it will hold steady at 4.4% for the next couple of years, this points to prolonged tightness in the labour market.

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Strategy commentary cont'd: This is a very different situation from past business cycles, when economic recovery started from a point of spare capacity in the labour market, in that the unemployment rate was below the estimated NAIRU in both recessions and downturns.

The closest parallel would be the very rapid economic recovery from the global financial crisis, when a loose labour market quickly turned into a tight one. The rapid economic recovery from the COVID-led recession of 2020 is a more distant parallel, when an unprecedented fiscal and monetary stimulus took more time to turn a much looser labour market into one as broadly tight as the current labour market.

For his part, Hauser pointed out that the RBA board has continued to override the staff estimate of the NAIRU, effectively pencilling in a lower rate of about 4.5% as "[the board has] been attempting in the last period to test how much capacity in the economy there is".

If the board's judgment proves correct, then the labour market is almost in balance with the unemployment rate a little below the assumed NAIRU and the staff forecasts implying that it will be broadly in balance as the economy continues to recover over the next couple of years.

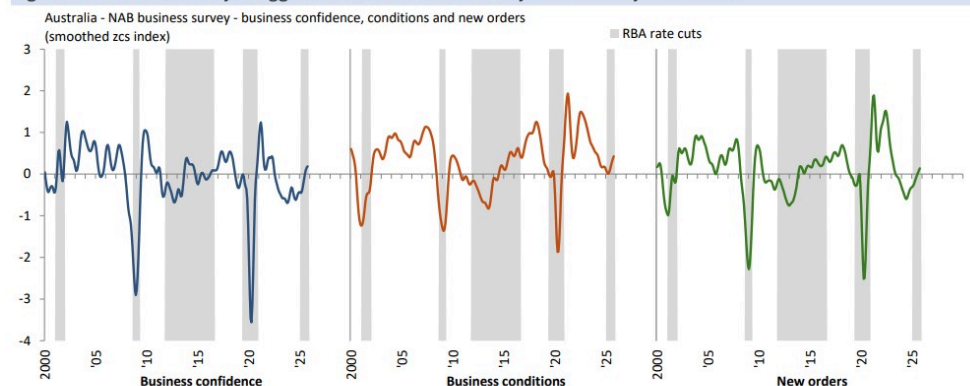
A labour market that is almost in balance would still be a rare starting point for an economic recovery and almost as unique as the tight labour market implied by the higher staff estimates of the NAIRU. Compared with the business cycles of recent decades, it would only differ from the global financial crisis, which, as mentioned above, saw the labour market quickly swing from loose to tight.

Deputy Governor Hauser framed the economy recovering without the spare capacity common to past recoveries as new news, but it has actually been a feature of every RBA staff economic outlook for some years now. That is, successive Statements on Monetary Policy from 2022 onwards have forecast that the unemployment rate would be either below or, very rarely, in line with the estimated staff NAIRU.

Although the RBA board is now considering whether it is too optimistic in its judgments for both the NAIRU and the neutral policy rate, it probably won't make up its mind until it sees another couple of quarterly inflation reports and more data on unemployment. The ABS will start publishing a full monthly CPI later this month, but the board will probably wait for the quarterly CPI because some seasonally adjusted monthly prices could be volatile because of their very short history.

At this point, the RBA thinks it won't have to change its mind on either the NAIRU or the neutral policy rate. The RBA staff forecasts that much higher consumer prices in Q3 were essentially a one-off, with a small spillover to Q4 and a return to low inflation from the start of next year onwards. Such an outcome would see the RBA board stick with the assumption of a 4.5% NAIRU, but persistent inflation, particularly in the cost of housing and services prices, would prove confronting and could see the board acknowledge that staff calculations of a higher NAIRU were right and that monetary policy is not as restrictive as it thought.

Figure 1: Business surveys suggest that economic recovery is under way in Australia



Note: Trend estimates can be revised as more data become available.

Source: National Australia Bank, Coolabah Capital Investments

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Asset weighted average rating



Strategy commentary cont'd:

Figure 2: Unusually, the economy is recovering from a starting point of a tight labour market, unlike recoveries from past downturns and recessions when the labour market was loose

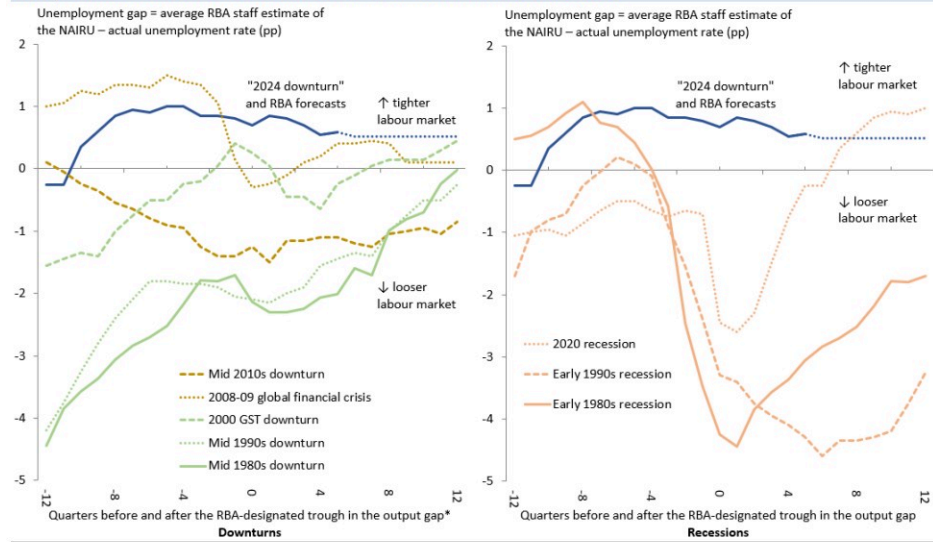


Figure 3: The labour market is tight because the unemployment rate is still below the NAIRU, where RBA staff have revised their average estimate up from around 4¼% to about 5% (the RBA board subjectively puts the NAIRU at around 4½%)

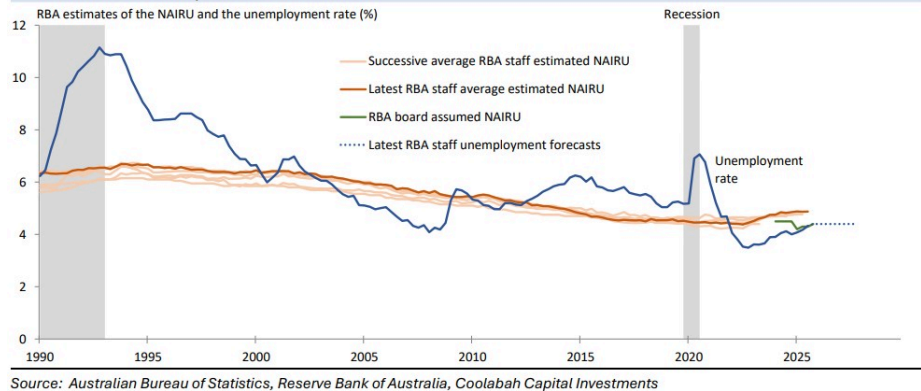
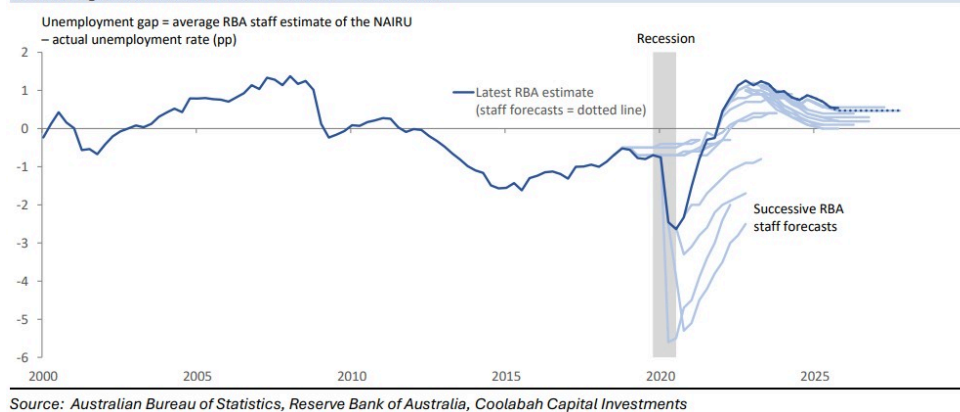


Figure 4: The RBA staff have not forecast spare capacity in the labour market – as defined by the unemployment rate being below the estimated NAIRU – since 2021





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