

Featured Managed Fund Summary – Coolabah Long Short Opportunities Fund – September 2025



Inception Date: 1 May 2020	FUM: AU\$70.1M as of 31 July 2025	Yield: 7.77% as of 31 July 2025	Performance Fee: 20.5% of the excess return over RBA cash rate plus management and administration fees
Management Fees: 1.00% p.a.	Distribution: Quarterly	Minimum Subscription: AU\$1,000	Category: Alternative fixed interest

Coolabah Long-Short Opportunities Fund

The Coolabah Long Short Opportunities Fund is an absolute-return, alternative fixed-income strategy.

The investment manager, Coolabah, aims to generate returns by taking a long or short position on mispriced fixed income securities. The Fund primarily invests in senior and subordinated debt

securities (including government, semi-government and Supranational, sub-sovereigns and agency (SSA) bonds), hybrids and derivatives issued by Australian entities. It can also invest in these types of securities when they are issued by overseas entities (into the Australian market or offshore). The Fund aims to hold the majority of its portfolio in investment grade debt and hybrid securities.

Investment Objective

The Coolabah Long Short Opportunities Fund targets mid-to-high single-digit returns by exploiting mispricing in credit markets. It creates alpha through long and short positions on assets trading away from fair value, with selective use of leverage.

The Fund targets the RBA cash rate +8% p.a. (after fees) with lower volatility than the ASX All Ordinaries Index over rolling 3-year periods. Since inception (May 2020 to June 2025), realised volatility has averaged 3.3% p.a., versus the team's expectation of ~3%.

To meet these goals, the Fund prioritises high liquidity and minimal permanent capital loss risk by keeping low duration, credit default, and illiquidity exposure, aiming to generate capital gains from bond mispricing in addition to coupon income.

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Investment Details

Features	Coolabah Long-Short Opportunities Fund
1-Year Return	8.32%
Income distribution	Quarterly
Minimum Investment	AU\$1,000
Volatility	3.33% p.a.
Annualised yield to maturity	7.77%
Investment Universe	Senior and subordinated debt securities (including government, semi-government, supranational, sub-sovereigns and agency bonds), hybrids and derivatives issued by Australian entities
Benchmark	RBA Cash Rate + 8.0% p.a. (net of fees)

Key Fund Features

- ✓ **Relative Value Focus** The investment strategy is designed to exploit bond mispricing (relative value) rather than bet on interest rate duration, credit or illiquidity beta.
- ✓ **Diversified Yield Opportunities** The strategy is actively and opportunistically managed, benefiting from a broad opportunity set of instruments and exposures such as Australian term deposits, investment-grade floating-rate notes, and hybrid securities with a weighted-average credit rating of 'A+'.
- ✓ **Low-Risk Sustainable Liquidity** the Fund typically has a very low interest-rate sensitivity, a weighted average portfolio MSCI ESG rating of 'AA' and high levels of liquidity.

Track Record

As of July 2025, the Fund's FUM was approximately AU\$50.1M. CCI has FUM of approximately AU\$15.5BN for a predominantly institutional client base. As noted, CCI manages 51 portfolios, including retail funds, listed funds and separately managed mandates. According to the Manager, all the strategies use the same underlying 'alpha' engine, with each strategy's portfolio being driven by its specific risk parameters and mandate guidelines.

With the Manager's overseas expansion now well and truly afoot, and the associated launch of its global fixed-income products, CCI believes its overall FUM capacity across all the strategies is approximately AU\$50BN.

Performance snapshot as of July 2025:

- ✓ **1-Year Return:** 8.32%
- ✓ **Since Inception Return (p.a.):** 6.71%
- ✓ **Volatility:** ~3.33%
- ✓ **Sharpe Ratio:** 1.9x

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Period	Gross	Net	Benchmark	Cash Rate
1 month	1.47%	1.16%	0.98%	0.32%
1 year	10.49%	8.32%	12.66%	4.18%
3 years	11.31%	8.89%	12.31%	3.86%
5 years	9.31%	6.84%	10.66%	2.35%
Inception	9.18%	6.71%	10.54%	2.25%

*Returns greater than 1 year are annualised.
Source: Coolabah Capital Investments*

Coolabah Long Short Opportunities Fund

Unlike conventional fixed-income managers, CCI does not seek to repackage interest rate beta, credit beta or illiquidity beta. CCI is, as a result, only partly reliant on the yields of the underlying assets in its portfolios since these yields are typically less than half of the total return CCI generates. Instead, CCI is searching for mispricing across a highly inefficient asset class (listed and unlisted credit) through a combination of bottom-up and top-down quantitative valuation techniques fused with a range of other research insights, conventional credit research, and activist due diligence. The aim is to find mispricing, determine whether they have a high probability of normalising, and, if they do, execute with efficiency.

- The Fund may be leveraged, such that the Fund Gross Market Value may exceed the Fund Net Market Value. The Fund Gross Market Value must not exceed 7 x Fund Net Market Value.
- Cash and cash equivalent securities may comprise 100% of the Fund Net Market Value;
- The maximum absolute exposure the Fund may have to any one issuer is unlimited for Government and State Government bonds; 250% for any issuer rated AA- to AAA; 115% for any issuer rated A- to A+; 80% for any issuer rated BBB- to BBB+; 60% for any issuer rated below Investment Grade or unrated.
- The maximum aggregate portfolio exposure to securities issued by issuers rated Sub-Investment Grade is 175%.
- The maximum aggregate portfolio exposure to securities issued by unrated issuers is 175%, inclusive of a maximum of 10% (target maximum 5%) aggregate portfolio exposure to private credit securities/loans with a time to expected maturity that does not exceed 12-18 months.
- The maximum absolute exposure the Fund may have to any one physical security is 70%.
- The maximum aggregate portfolio exposure to listed common equity securities of banks and banking groups is 25%.

The Fund's key portfolio is tabulated below:

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Portfolio as of July 2025			
Strike Rate Net Monthly Returns > RBA Cash Rate	75%	Average Interest Rate (Gross Running Yield)	7.24%
Gross Portfolio Weight to Cash Securities	5.0%	Modified Interest Rate Duration	0.38 years
Gross Portfolio Weight to Bonds	95.0%	Permitted Gearing	Yes
Average Portfolio Credit Rating	A+	1-Year Average Gross Portfolio Weight to Cash	3.3%
Portfolio MSCI ESG Rating	AA	Gross Portfolio Weight to AT1 Hybrids	0.0%
Number of Cash Securities	13	Gross Cash Securities + RBA Repo-Eligible Debt	74.2%
Number of Notes and Bonds	133	Net Annual Volatility (Since Inception)	3.30%

Source: Coolabah Capital Investments

Investment Expertise

An experienced team drives the investment strategy with deep expertise in high-grade credit and active fixed-income management.

CCI's team has continued to grow strongly. As at March 2025, it comprised 53 full-time executives (47 last year), 11 portfolio managers/traders, and 21 analysts covering the functions of market technical/strategy, credit analysis, macro strategy and data science. The staff collectively have decades of fixed-interest trading, quantitative and credit-research experience.

CCI's investment team is large and very well resourced compared to many of its peers, reflecting the highly active and quantitatively complex nature of CCI's investment strategies. The CCI team is managed by Christopher Joye, who is both Chief Investment Officer and Senior Portfolio Manager.

The team is divided into 5 trading 'pods': USD Credit, European Credit, Asia-Pac Credit (including Australia), Sovereign, and the Hybrids pod.

PORTFOLIO MANAGERS

Team Member	Role	Experience
Christopher Joye	CEO, CIO and Senior Portfolio Manager	Christopher is a financial economist and funds management professional. He has led the investment team since its inception. His prior experience includes Goldman Sachs (M&A) and the RBA in special projects. He also established the quantitative research group Rismark, which managed asset-backed securities.
Roger Douglas	Deputy CIO, Senior Portfolio Manager and Co- Head of Interest Rates Trading	Roger Douglas joined Coolabah in 2022 as a Senior Portfolio Manager based in the London and Sydney offices. Roger was previously jointly responsible for EUR30BN in credit strategies at Deutsche Asset Management as a portfolio manager and Co-Head of Fixed-Income Solutions EMEA.
Ashley Kabel	Deputy CIO, Portfolio Manager and Quant Analyst	Ashley joined CCI in 2017. She was the Director of Quantitative Strategies at The Cambridge Strategy in London between 2012 and 2016, and prior to that, she was an investment analyst with PM responsibilities covering FX, equities and fixed-income.
Fionn O'Leary	Head of US and European Trading &	Fionn joined Coolabah in 2023 as a Senior Portfolio Manager based in London. Fionn previously spent over a decade in various senior interest-rate trading roles


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	Senior Portfolio Manager	at Deutsche Bank in London, where he originally started his career in 2002..
Matt Johnson	Senior Portfolio Manager and Co-Head of Rates Trading	Matt joined Coolabah in 2021 as a Portfolio Manager & Quant Analyst focussing on interest rate and sovereign bond strategies. His prior career was spent at UBS as a Managing Director and the Global Head of Rates Strategy.

Foresight Ratings

The Fund has been reaffirmed with a 'SUPERIOR' rating by [Foresight Analytics](#), indicating a high level of confidence in its ability to deliver a risk-adjusted returns proposition in line with investment objectives.




A Highly Rated Investment Opportunity

 Investment Rating: The Fund is rated **SUPERIOR**, reflecting the highest level of confidence that the Fund can deliver a risk-adjusted return in line with its investment objectives. The investment manager's support for this strategy is very well-resourced and continues to be enhanced.

 Complexity Indicator: The **MORE COMPLEX** rating stems from the fact that the Fund generates returns through a variety of non-standard investment strategies.

Explore Further

Ready to take your investment journey to the next level?

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