Apostle Loomis Sayles Credit Opportunities Fund
Class A

LOOK BEYOND THE HORIZON

Monthly Fact Sheet, 30 June 2010

Investment Style

TACTICAL ASSET ALLOCATION – DEBT

Investment Objective

The Fund's investment objective is to seek to outperform 3 month US Dollar LIBOR by 400 basis points per annum (net of fees) over a market cycle.

Fund Investment Strategy

The Fund seeks to achieve its investment objective by following an opportunistic asset allocation strategy and shifting its allocation between Senior Loans (which have floating interest rates) and fixed income securities including Global High Yield Securities. It offers an alternative that heavily weights (generally at a level between 50% and 85%) either Senior Loans or Global High Yield Securities depending on global economic conditions. Over a market cycle, the Fund shifts its allocation between Global High Yield Securities and Senior Loans to seek to achieve its objective.

Characteristics

Unit Price	1.058606
Fund Size (AUD)	675,734,416
Actual Benchmark	3 Month USD LIBOR
Reporting Benchmark	3 Month USD LIBOR hedged into AUD
Fund Inception Date	22 December 2005
Legal Structure	Australian Registered Scheme
Valuation Frequency	Daily
Liquidity Frequency	Fortnightly
Responsible Entity	Apostle Asset Management Limited
Investment Manager	Loomis, Sayles & Company, L.P.
Total Management Fee	Available upon request
Portfolio Manager	Kevin Perry, John Bell, Matthew Eagan
Administrator	State Street Australia Limited
Custodian	State Street Australia Limited

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Performance◆ (% pa)

Cumulative Performance	1 mth	3 mths	CYTD	1 yr	3 yrs>	Inception> (22/12/05)
Fund (gross)	1.17	-0.15	4.45	17.31	0.80	3.26
Fund (net)	1.11	-0.32	4.09	16.49	0.10	2.54
Reporting Benchmark*	0.40	1.13	2.11	3.97	5.88	6.12

◆ Source: State Street Australia Ltd.
** USD LIBOR 3 Month in AUD*
> Annualised

Portfolio Analysis

Portfolio Characteristics (%)

	Bank Loans	High Yield	Fund
Effective Duration (yrs)	0.10	5.30	3.88
Margin over Libor (%) (USD)	3.23	N/A	N/A
Coupon Rate (%) (USD)	4.49	8.23	7.01
Current Yield (%) (USD) ■	4.67	8.92	7.52
Weighted Avg. Purchase Price (c/$)	94.52	N/A	N/A
Weighted Avg. Market Price (c/$)	96.15	92.31	93.20
Average Quality	Ba3	Ba3	Ba3
Issuers (names)	232	127	359
Issues	283	191	474

■ = Average Coupon Rate/ Weighted Avg Market Price

Quality Allocation (%)

	Bank Loans†	High Yield†	Fund
A	0.00	0.53	0.41
Baa	3.45	2.54	2.75
Ba	65.34	38.35	44.61
B	29.42	44.80	41.23
Caa & Lower	0.23	13.76	10.62
Not Rated	1.56	0.01	0.37

† Bank Loan quality: S&P. High Yield quality: higher of Moody's or S&P. Total is the weighted average.

Sector Allocation (%)

	Fund
Bank Loans	22.60
High Yield	74.85
Unrealised FX Hedge Gain/Loss	-3.33
Cash	5.87

Monthly performance (net % pa)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2010	1.38	0.51	2.48	1.83	-3.19	1.11							
2009	6.93	0.57	1.92	7.23	3.67	3.05	3.93	0.43	3.08	1.07	0.27	2.64	40.53
2008	-4.70	-4.28	0.42	4.66	1.63	0.33	-0.11	0.50	-5.00	-17.70	-5.81	-0.51	-28.09
2007	0.87	0.92	0.22	0.80	0.86	-0.46	-6.45	0.56	2.42	1.11	-2.60	0.48	-1.57
2006	0.87	0.64	0.67	0.25	-0.01	0.08	0.95	0.92	0.98	0.93	0.64	0.82	8.00
2005	--	--	--	--	--	--	--	--	--	--	--	0.17	--

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Bank Loan Investment Strategy

This Strategy seeks to accomplish its investment objective through investment primarily in a diversified managed portfolio of predominantly U.S. Senior Loans.

Portfolio construction is driven by bottom-up security selection and top-down macroeconomic analysis. Individual investment ideas are evaluated by the portfolio management team and credit research analysts based on investment return potential and contribution to overall portfolio risk.

High Yield Investment Strategy

This strategy seeks to exploit the insights identified by the Loomis Sayles Fixed Income credit research organization. Experienced Portfolio Managers collaborate with a team of in-house credit analysts to identify attractive total rate of return investment opportunities in the global corporate fixed income sector. Security selection is the primary driver of performance. Other drivers of return include allocations to non-benchmark sectors such as convertibles, emerging market debt, non-U.S. dollar issues, investment grade corporate debt and preferreds. The portfolio represents the group's best ideas and is expected to generate superior long-term investment performance when compared to the major high yield indices.

Bank Loans

June's performance returned to the pattern we witnessed through most of 2008. Returns were aligned by rating this month. The lower you ventured down the rating scale the more negative returns became. Although European risk continued to impact market performance, concerns over slowing economic activity in China also weighed on the market. Increased focus on the possibility of a double dip in domestic economic activity evaporated the bid-for-risk trade. June's returns for bank loans and stocks were negative. High yield bonds and some investment grade corporate bonds exhibited positive returns aided by a drop in interest rates over the month. The S&P All Loan index fell by 0.44%, their BB loan index fell by 0.23%, their B loan index fell by 0.64% and their CCC loan index fell by 1.09%. Although June's performance was negative it was an improvement over May's performance.

Loomis' conservative management style was again well rewarded in June on a relative basis. The Composite again outperformed all rating categories in the benchmark. The number of negative and positive days were, once again, equal. Their program of specific credit value rotation was aided by an active new issue market that gave them increasingly attractive pricing. Loomis had no defaults in June.

Three-month LIBOR was 0.53% at the end of June, essentially unchanged over the month. The 12-month forward LIBOR rate as of July 7, 2010 is 0.92%, down 37 basis points from the level a month ago.

High Yield

The Barclays High Yield Index gained 1.24% in June, demonstrating resilience and rebounding from its first loss in 14 consecutive months experienced during May. While overall performance was positive, mixed economic data and continued negative headlines on the European front reminded investors that volatility and growth concerns remain. High Yield lagged duration neutral Treasuries by 28 bps in June and is 40 bps behind on the year. OAS widened a bit to 700bps, up 21 bps month over end. New issuance reached $7bn in June, considerably smaller than the amount of deals that were pricing at the start of the year. Use of proceeds for acquisition and LBO's drew higher to nearly half and Refi's continued their decline, making up only 40% of June's supply. As corporate fundamentals continue to strengthen, recent spread widening in High Yield has made particular credit spreads even more attractive versus Treasuries and presents an opportunity to add exposure at a much improved risk/reward relationship.

Credit Opportunities Fund

While risk appetite is currently lower Loomis anticipates the economic forecast to remain intact and the recovery to continue in spite of a recent wavering in investor confidence. Their holdings in high yield credit outperformed loans, 1.15% vs. -0.11% during the month of June, and remains 1373 bps ahead of bank loans since the split last July. Loomis' longer dated high yield holdings experienced a rally as the yield curve shifted flatter. The current yield on the portfolio trended upward to 7.52% at the close of June. While some questions may still exist about the pace of growth over the remainder of the year, they believe their exposure to high yield will be highly additive to overall performance and continue to outperform bank loans as the economy continues to improve.

Outlook

Trailing 12-month default rates have fallen to mid-single-digits and may continue to decline over the balance of the year. The evolving nature of the Global Financial Crisis is likely to continue to weigh on the markets. The risk to economic expectations has increased and Loomis expect this to add volatility to markets. Many investors have delayed their expectations for the start of increasing interest rates. The next major demand driver for loans is still expected to be rising rates, though most market participants do not expect that catalyst to be a significant factor until at least late this year.