

Update January 31 2020

## Alexander Fixed Income Fund

The Alexander Fixed Income Fund (the Fund) aims to invest in a diversified portfolio of primarily investment-grade Australian fixed-income assets.

### Investment Objective

The Fund has an absolute return target above the benchmark in both rising and falling markets. The benchmark is the Bloomberg AusBond Bank Bill Index plus 1% per annum.

### Market Update

The Fund generated a return of 0.52% in January, 1.24% for the previous three months, and 6.36% compounded over the past 12 months. The Net Asset Value<sup>1</sup> (NAV) of the Fund as at 31 January 2020 was \$104.93m and the redemption price was 1.046979<sup>2</sup>.

Risk assets began the year on a strong note, as low rates and solid economic data continued to support both stocks and corporate bond spreads. The US S&P500 and Australian ASX200 approached all-time highs by the middle of the month, while the credit market indices, such as the Australian iTraxx, hit post Global Financial Crisis lows. In Australia, the unemployment numbers were strong, with the unemployment rate falling to 5.1%

Some fear appeared during the middle of the month in response to news surrounding the Coronavirus. The equity markets exhibited a bout of volatility that they hadn't shown for some time, while credit spreads generally moved wider. The Australian iTraxx backed up 7 basis points from its 46 basis point mid-month level.

The move wider in credit was quite sector specific. Spreads on Qantas credit default swaps, which is heavily exposed to Coronavirus fears, moved wider by around 11 basis points (a mild move compared to Qantas shares, which were down by almost 15% at one point), however Australian subordinated bank paper was actually tighter on the month. Bank Tier 2 paper rallied 8bps on the back of USD Tier 2 issuance from Westpac and ANZ which priced tighter when compared existing AUD Tier 2. Asset backed securities (ABS) and residential mortgage back securities (RMBS) also continued to perform well.

### Further Information

For further information, please contact Alexander Funds:

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<sup>1</sup> The value of the Fund's assets less the liabilities of the Fund net of fees, costs and taxes.

<sup>2</sup> The redemption price is calculated by decreasing the NAV price by the sell spread (currently 0.10%). The NAV price is the NAV divided by the Units on issue.

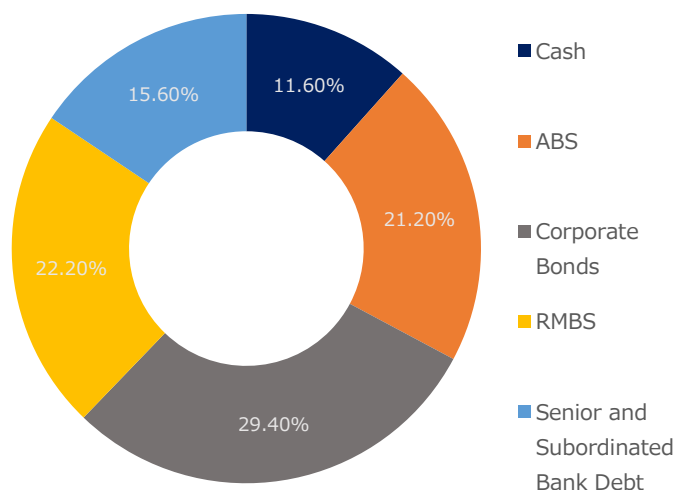
### Fund Performance

Period	Return	Benchmark	Outperformance
1 Month	0.51%	0.17%	0.35%
3 Months	1.24%	0.49%	0.75%
6 Months	2.25%	0.99%	1.26%
12 Months	6.36%	2.42%	3.94%

The monthly return is an actual return net of all fees, costs and taxes generated by dividing the redemption unit price by the previous month's redemption unit price.

Past returns are not a reliable indicator of future performance.

### Portfolio Breakdown



### Fund Statistics

Fund Size (million)	\$104.93
Credit Duration (years)	2.50
Running Yield (before fees)	3.90%
Interest Rate Duration (years)	0.11
Average Credit Rating	BBB
Investment Grade Allocation	81%

## The Fund at a glance

<b>Investment Manager</b>	Alexander Funds Management Pty Ltd
<b>Responsible Entity</b>	Equity Trustees Limited
<b>Fund Inception Date</b>	December 2018
<b>Recommended Investment Timeframe</b>	3-5 years
<b>Distribution Frequency</b>	Quarterly <sup>1</sup> (distributions may be reinvested)
<b>Minimum Applications</b>	\$25,000
<b>Management Fees</b>	0.65% per annum of the Fund's weighted average Net Asset Value (NAV) <sup>2</sup>
<b>Buy/Sell Spreads</b>	+0.10% on entry and -0.10% on exit <sup>3</sup>
<b>Applications/ Withdrawals</b>	Daily

1. Distributions are not guaranteed
2. Please consult the PDS for full explanation of fees and costs
3. These spreads may change depending on the liquidity of the assets within the fund at the time of entry or exit

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