

Update April 2020

Alexander Credit Opportunities Fund

The Alexander Credit Opportunities Fund (the Fund) is a diversified portfolio of fixed income investments with a proven track record of delivering regular income, growth and capital stability for its clients.

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 2% per annum.

Fund Update

The performance of the Fund is determined by calculating the change in redemption price between two periods. At the end of March, the redemption or sell spread of the Fund finished at 1.5% from a starting point of 2.5%, reflecting the change in liquidity of credit markets. This change impacts the reported performance of the Fund but is not reflective of the performance of the underlying assets. In order to provide a more accurate representation of the performance of the Fund we have included the Fund's returns based on the change in mid-price, thereby excluding the impact of the change in sell spread.

Based on the mid-price, the Fund generated a negative return of -1.12% in March, -0.10% for the previous three months, and +3.52% compounded over the past 12 months. Based on the redemption price, the Fund has a negative return of -0.10% for the month, resulting in a return of 2.25% for the past 12 months. The Net Asset Value¹ (NAV) of the Fund as at 30 April 2020 was \$257m and the redemption price was 1.339524².

The Fund suffered its first negative monthly performance in over 8 years due to 2 factors: Firstly, the Fund holds some exposure to Virgin Australia which entered voluntary administration (VA) in mid-April. AFM have taken the conservative position of marking the price of the bonds at zero, therefore any positive outcome from the VA process will create positive returns for the Fund in the future. Secondly, we continued to build the hedging position in the Fund over April, which impacted portfolio performance as the equity market rallied strongly. AFM believes the potential long term impacts from COVID-19 on the global economy could be profound. As a result, there is a preference for maintaining elevated hedging levels to help protect capital value in the event of future large market declines.

Outside of these 2 factors, the portfolio performance was positive and in keeping with the current running yield of the Fund.

Further Information

For further information, please contact Alexander Funds:

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www.alexanderfunds.com.au/alexander-credit-opportunities-fund/

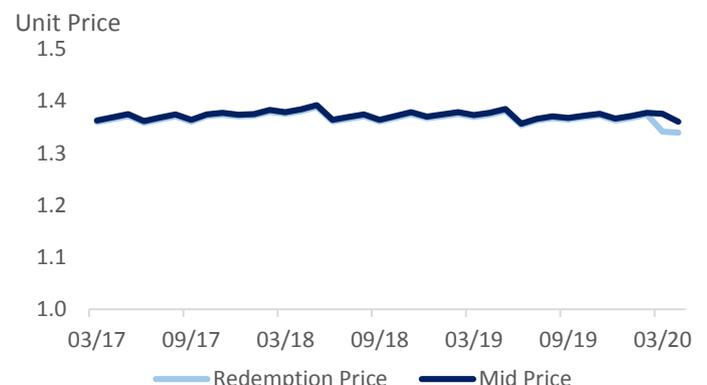
¹ The value of the Fund's assets less the liabilities of the Fund net of fees, costs and taxes.

² The redemption price is calculated by decreasing the NAV price by the sell spread (currently 1.5%). The NAV price is the NAV divided by the Units on issue.

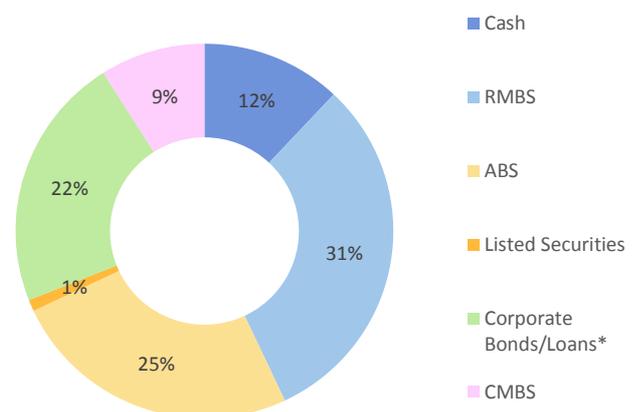
Fund Performance		
Period	Mid Price Return	Redemption Price Return
1 Month	-1.12%	-0.10%
3 Months	-0.10%	-1.33%
6 Months	0.94%	-0.30%
12 Months	3.52%	2.25%
3 Years	4.86%	4.44% pa
5 Years	5.84%	5.57% pa
Annualised Since Inception	12.55%	12.47%

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. The "Since Inception" return is a per annum return. Note that past performance is no indication of future returns. The Mid Price Return is for illustrative purposes only and does not reflect the actual return achieved if funds are redeemed.

Monthly Unit Price Since 2017



Portfolio Composition ^



^ net of hedges

*approx. 10% is an indirect exposure to corporate credit through investments in underlying unit trusts.

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