

Update March 2021

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 Fund generated a return of 0.41% in March, 1.36% for the previous three months, and 5.86% compounded over the past 12 months. The Fund paid a distribution of 0.75 cents per unit for the quarter. The Net Asset Value¹ (NAV) of the Fund as at 31 March 2021 was \$248m and the ex-redemption price was 1.356672².

A stabilisation in government bond rates and the continued roll out of aggressive fiscal expansion plans in the US created a supportive environment for risk assets during March. Domestically, despite growing momentum in house prices, the RBA has continued to publicly commit to its accommodative stance on monetary policy until there is sustained evidence of wage inflation.

Vanilla segments of the credit market remained well bid with primary issuance from the corporate sector attracting large book sizes despite tight spreads and an overall trend from issuers towards longer duration bonds. We anticipate this trend to persist as investors, faced with limited alternatives, are forced to pursue new opportunities despite aggressive pricing.

The Fund continues to focus on directly originated opportunities within the private debt market as a counter to tight spreads within vanilla public debt. As such, the yield of the Fund has remained steady over the past 12 months despite cash rates and credit spreads falling substantially.

The Funds credit duration sits below 1.5 years, reflecting a conservative stance on risk and the short maturity of many of the private debt opportunities. We believe the combination of a sustained running yield and short duration provides the portfolio with flexibility to adjust to changes in market conditions.

At the end of the month the Fund had an average credit duration of 1.48 years and the yield-to-maturity of the portfolio was 5.62%³.

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.

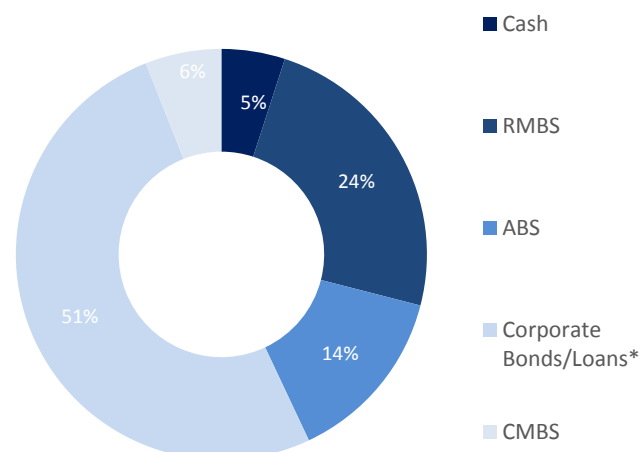
² The redemption price is calculated by decreasing the NAV price by the sell spread (currently 0.25%). The NAV price is the NAV divided by the Units on issue.

³ before fees

Fund Performance	
Period	Returns
1 Month	0.41%
3 Months	1.36%
12 Months	5.86%
3 Years	4.74% pa
5 Years	5.49% pa
Annualised Since Inception	11.98% pa

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.

Portfolio Composition ^



^ net of hedges

*approx. 33.5% is an indirect exposure to corporate credit through investments in underlying unit trusts.

Fund Statistics	
Fund Size (million)	\$250.05
Credit Duration (years)	1.48
Yield to Maturity (before fees)	5.62%
Interest Rate Duration (years)	0.13
Average Credit Rating	BBB

Alexander Credit Opportunities Fund

The Fund At A Glance	
Investment Manager	Alexander Funds Management Pty Ltd
Responsible Entity	Equity Trustees Limited
Fund Inception Date	October 2009
Recommended Investment Timeframe	3-5 years
Distribution Frequency	Quarterly ¹ (distributions may be reinvested)
Minimum Applications	\$25,000
Management Fees	1.33% per annum of the Fund's weighted average Net Asset Value (NAV) ²
Performance Fees	20.5% of return achieved above Fund Benchmark ⁴
Buy/Sell Spreads	+0.25% on entry and - 0.25% on exit ³
Applications/ Withdrawals	Weekly

Platform Availability
Hub24
Netwealth
Powerwrap
Praemium

*Disclaimer and Confidentiality

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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
4. Performance fee is subject to a High Water Mark