

## Update April 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.

#### 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 -0.60% in March, -1.80% for the previous three months, and +2.41% compounded over the past 12 months. Based on the redemption price, the Fund has a return of 0.42% for the month, resulting in a return of 0.99% for the past 12 months. The Net Asset Value<sup>1</sup> (NAV) of the Fund as at 30 April 2020 was \$111m and the redemption price was 1.008785<sup>2</sup>.

The Fund suffered a negative monthly performance 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:  
info@alexanderfunds.com.au  
(03) 9039 5050

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

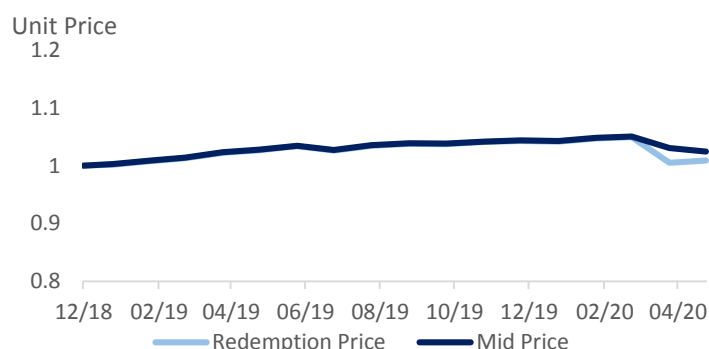
2. The redemption price is calculated by decreasing the NAV price by the sell spread (currently 1.50%). The NAV price is the NAV divided by the Units on issue.

#### Fund Performance

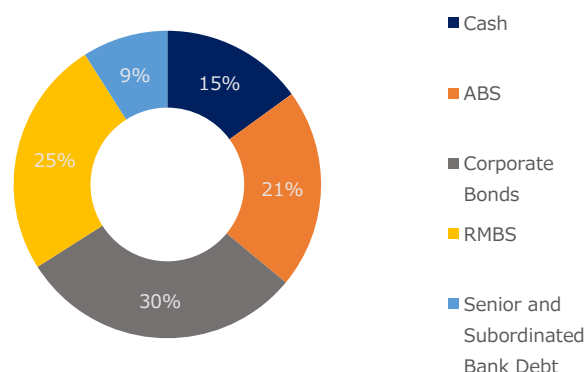
Period	Mid Price Return	Redemption Price Return
1 Month	-0.60%	0.42%
3 Months	-1.80%	-3.17%
6 Months	-0.58%	-1.96%
12 Months	2.41%	0.99%
Annualised Since Inception	3.89%	2.80%

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 performance is not a reliable indicator of future performance. 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 Inception



#### Portfolio Composition



#### Fund Statistics

Fund Size (million)	\$110.56
Credit Duration (years)	2.31
Yield to Maturity (before fees)	3.71%
Interest Rate Duration (years)	0.07
Average Credit Rating	A
Investment Grade Allocation	82%

## The Fund at a glance

Investment Manager	Alexander Funds Management Pty Ltd
Responsible Entity	Equity Trustees Limited
Fund Inception Date	December 2018
Recommended Investment Timeframe	3-5 years
Distribution Frequency	Quarterly <sup>1</sup> (distributions may be reinvested)
Minimum Applications	\$25,000
Management Fees	0.65% per annum of the Fund's weighted average Net Asset Value (NAV) <sup>2</sup>
Buy/Sell Spreads	+0.10% on entry and -1.50% on exit <sup>3</sup>
Applications/ Withdrawals	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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