

Update September 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 Fund generated a return of 0.35% in September, 0.89% for the previous three months, and 2.46% 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 30 September 2020 was \$245.67m and the redemption price was 1.326148².

After a significant rally from the low point of late March, global equity markets sold off in the first 3 weeks of September, led by a near 12% fall in the NASDAQ. A combination of COVID second wave in Europe, potential anti-trust measures in US tech and heightened political uncertainty approaching the US election factored in the downward move.

Credit markets remained largely immune from the equity market volatility with solid demand for primary issuance and strong secondary market volume. In general, new issuance premiums available in the primary market have moderated with increased supply and risk appetite from the market. Domestically the RBA's Term Funding Facility continued to exert influence on the domestic bond market with the spread on senior bonds issued by the major banks trading at post GFC tights and offering holders little in the way of coupon return.

After pursuing new issue premium in the bond market in the months following COVID, we have now turned our attention to a growing number of highly attractive private debt opportunities. These opportunities are typically more complex and time consuming to implement but offer investors an outsized reward for the underlying risk.

Whilst we remain vigilant to the many risks facing the global and domestic economy, we take comfort from the significant levels of support provided to global credit markets from central bank policy.

At the end of the month the Fund had an average credit duration of 2.14 years and the yield-to-maturity of the portfolio was 5.52%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.

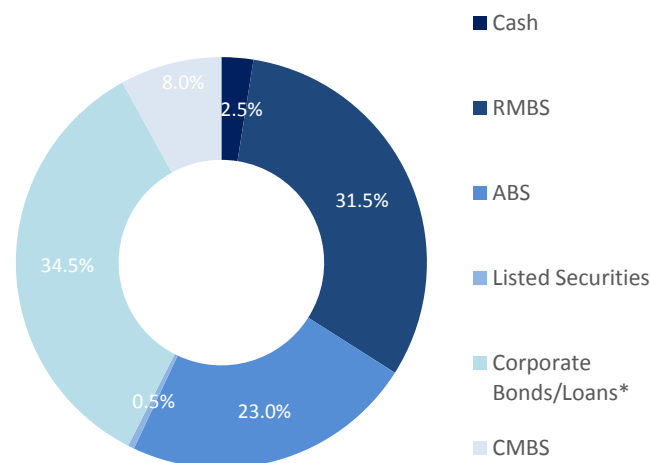
2 The redemption price is calculated by decreasing the NAV price by the sell spread (currently 0.50%). The NAV price is the NAV divided by the Units on issue.

3. before fees

Fund Performance	
Period	Returns
1 Month	0.35%
3 Months	0.89%
12 Months	2.46%
3 Years	4.44% pa
5 Years	5.45% pa
Annualised Since Inception	12.21%

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. 20% is an indirect exposure to corporate credit through investments in underlying unit trusts.

Fund Statistics	
Fund Size (million)	\$245.26
Credit Duration (years)	2.14
Yield to Maturity (before fees)	5.52%
Interest Rate Duration (years)	0.17

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