

Update June 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 returned 0.51% in June, 1.43% for the quarter, and 5.86% over the past 12 months. The Fund paid a distribution of 4.24 cents per unit for the June Quarter and the ex-redemption price was 1.333682¹.

Investment markets were fairly benign in June, despite the US Federal Reserve (Fed) raising its inflation expectations and bringing forward expected interest rate rises from 2024 to the back half of 2023. Contrary to this more aggressive view on rising interest rates by the Fed, in June the US 10-year government bond rate finished lower, while share prices continued to appreciate. Australian markets broadly followed suit with local shares also higher and bond yields lower.

The Reserve Bank's Term Funding Facility (TFF), aimed at providing cheap funding to banks for on-lending to customers, ceased at the end of June. On the back of the TFF, new local bond issues were down approximately 40% for the 2021 financial year and represented the smallest amount issued in Australia since 2008, with no expectation of a material pick up in the short term. As a result, the market prices of existing bonds in the market have risen strongly, effectively acting as a "rising tide that lifts all boats". However, this has left the future return outlook for segments of the fixed income market looking more challenged.

In RMBS/ABS markets, new offerings have been dominated by Non-Bank Lenders. Prices in this segment have also benefited from the lack of new bonds being issued by the major banks.

The Fund's focus continues to be using Alexander Funds' ability to unearth private loan deals that offer attractive reward for risk. Our access to these opportunities positions us favourably to deliver superior income returns to our investors despite the fact that large parts of the fixed income market is now most likely overpriced.

The Fund continues to have a very healthy running yield and a low credit duration that helps to protect against large downside moves in the Fund's unit price during periods of volatility.

Further Information

For further information, please contact Alexander Funds:

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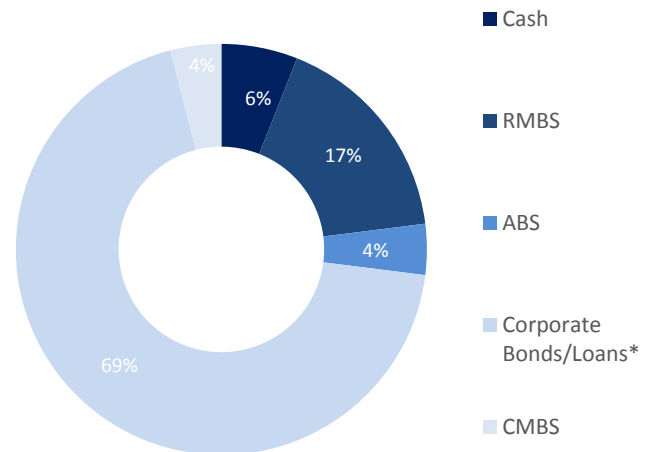
www.alexanderfunds.com.au/alexander-credit-opportunities-fund/

1. 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.

Fund Performance	
Period	Returns
1 Month	0.51%
3 Months	1.43%
12 Months	5.86%
3 Years	4.65% pa
5 Years	5.35% pa
Annualised Since Inception	11.84% 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. 63% is an indirect exposure to corporate credit through investments in underlying unit trusts.

Fund Statistics	
Fund Size (million)	\$246.15
Credit Duration (years)	1.41
Yield to Maturity (before fees)	5.93%
Interest Rate Duration (years)	0.06
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