

## Update August 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 0.39% in August, 1.36% for the quarter, and 6.18% over the past 12 months. The redemption unit price at the end of the month was \$1.344963<sup>1</sup>.

Price moves over August in financial markets were reasonably muted. Equity markets were generally higher, while government bond markets sold off slightly after a large rally in the months prior. Credit markets were broadly stronger in August, including domestically, with the Australian Itraxx CDS Index finishing the month 5bps tighter at 58.5.

Within the Australian credit market, new issuance within Structured Credit continues at pace as Non-Bank Financial Institutions look to access funding to support their expanding presence in domestic lending. Year to date public securitisation issuance is at its largest level in over 5 years, but despite the elevated supply of new bonds prices remains well supported as investors seek access to yield.

The corporate bond market saw the first senior, 5 year issue from a major bank since January 2020 and post the end of the RBA's Term Funding Facility (TFF). The TFF effectively provided banks with access to very low cost funding from the Federal Government, thus removing banks need to access capital markets. This in turn helped drive a rally in credit as investor demand outweighed issuer supply. In August, NAB issued \$2.75bn in a 5 year, senior issue (priced at BBSW + 0.41%) that was well supported by the market with an expectation that other major banks will follow suit at some point over the remainder of 2021.

Whilst the Fund's performance during the month was a beneficiary of the rallying market, the medium term outlook for returns is supported by its access to privately originated debt that currently offers stand out value relative to risk.

#### Further Information

For further information, please contact Alexander Funds:  
[info@alexanderfunds.com.au](mailto:info@alexanderfunds.com.au) (03) 9039 5050

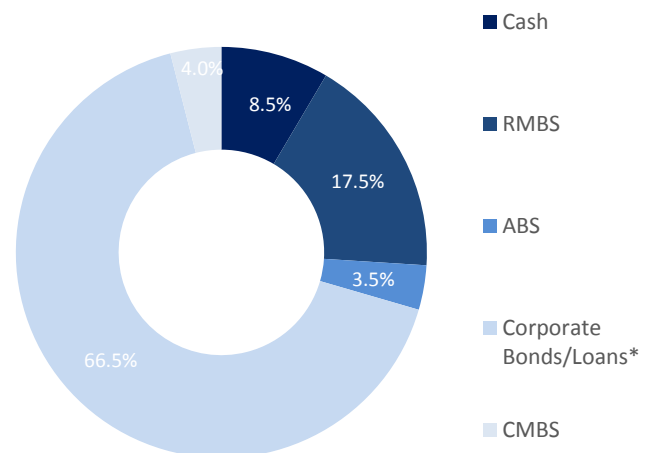
[www.alexanderfunds.com.au/alexander-credit-opportunities-fund/](http://www.alexanderfunds.com.au/alexander-credit-opportunities-fund/)

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	0.39%
3 Months	1.36%
12 Months	6.18%
3 Years	4.68% pa
5 Years	5.28% pa
Annualised Since Inception	11.75% 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. 57% is an indirect exposure to corporate credit through investments in underlying unit trusts.

Fund Statistics	
Fund Size (million)	\$244.95
Credit Duration (years)	1.55
Yield to Maturity (before fees)	5.69%
Interest Rate Duration (years)	0.06
Average Credit Rating	BBB
Australian Dollar Exposure	100%

## 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 <sup>1</sup> (distributions may be reinvested)
Minimum Applications	\$25,000
Management Fees	1.33% per annum of the Fund's weighted average Net Asset Value (NAV) <sup>2</sup>
Performance Fees	20.5% of return achieved above Fund Benchmark <sup>4</sup>
Buy/Sell Spreads	+0.25% on entry and - 0.25% on exit <sup>3</sup>
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