

Update January 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 0.44% in January, 1.65% for the previous three months, and 3.62% compounded over the past 12 months. The Net Asset Value¹ (NAV) of the Fund as at 31 January 2021 was \$245.7m and the redemption price was 1.351873².

The first month of 2021 in the domestic credit market saw a continuation of the trends that dominated the last half of 2020, namely; limited new supply and a market effectively competing with central bank funding and thus being forced to bid spreads tighter. While the impact of this dynamic has been most acutely felt in the vanilla segments of the bond market, January saw spreads on lower rated corporate debt generally outperform as investors looked for yield.

With the RBA committed to the current setting of monetary policy for the foreseeable future, it appears likely that the more commoditised segments of the credit market will remain expensive. In order to adapt to these circumstances, a broad skill set and network within credit markets will be crucial to ongoing success.

At present, AFM's efforts are heavily focussed on our pipeline of privately originated opportunities which still offer attractive nominal returns for investment grade risk. The ability to source, structure and manage these investments leaves the Fund well positioned to broadly sustain current portfolio yield despite the zero cash rate environment.

At the end of the month the Fund had an average credit duration of 1.34 years and the yield-to-maturity of the portfolio was 5.84%³.

Further Information

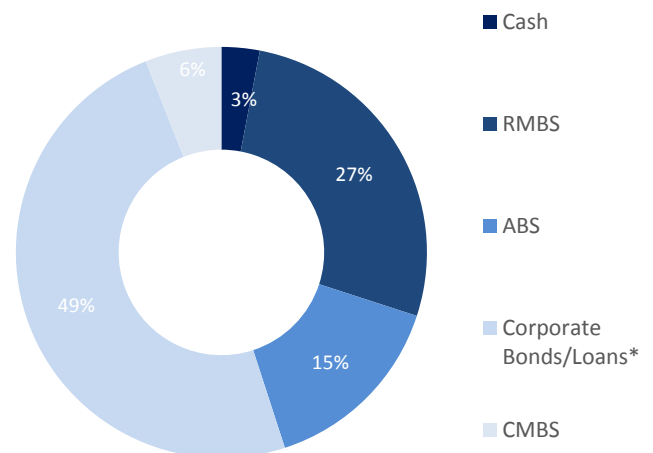
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 www.alexanderfunds.com.au/alexander-credit-opportunities-fund/

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	0.44%
3 Months	1.65%
12 Months	3.62%
3 Years	4.77% pa
5 Years	5.51% pa
Annualised Since Inception	12.08% 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)	\$246.1
Credit Duration (years)	1.34
Yield to Maturity (before fees)	5.84%
Interest Rate Duration (years)	0.07
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	+0.10% on entry and -0.10% on exit ³
Applications/ Withdrawals	Daily

Platform Availability
Hub24
Netwealth
Powerwrap
Praemium

Platform Availability

*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