

Update February 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 0.50% in February, 1.49% for the previous three months, and 3.66% compounded over the past 12 months. The Net Asset Value¹ (NAV) of the Fund as at 28 February 2021 was \$243m and the redemption price was 1.358668².

The key financial market event during the month was the selloff in government bond markets. Whilst bond prices had been trending lower since late December, the pace of the decline accelerated over February, particularly in the final week. Domestic government bonds were among the most impacted globally and the Australian 10-year bond suffered one of its largest negative months in history.

While the bond markets and the credit markets both fall into the broader category of fixed income, they are quite distinct. AFM and the Fund are purely focused on the credit markets. The Fund does not have interest rate exposure and so its monthly returns were not impacted by movements in long end government bond rates.

Despite the volatility in interest rate markets, credit was generally well bid and primary market deal flow was easily absorbed. In general, we view the vanilla segments of the bond market as expensively priced and our focus remains on private markets.

Our deal pipeline within private assets remains active and we expect these transactions to protect the Fund's running yield despite anticipating of a prolonged environment of near zero cash rates.

At the end of the month the Fund had an average credit duration of 1.38 years and the yield-to-maturity of the portfolio was 5.91%³.

Further Information

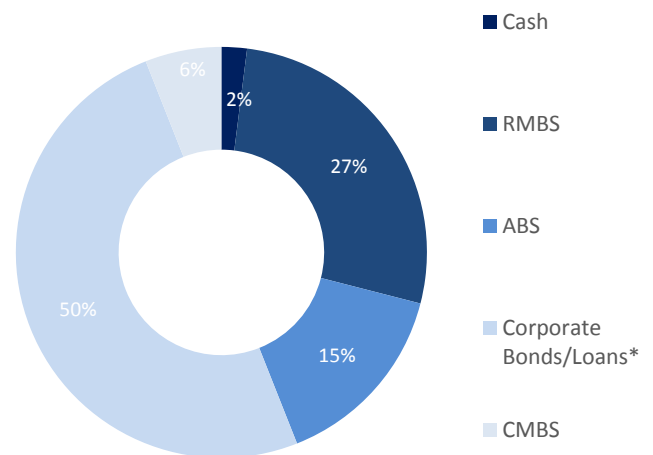
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www.alexanderfunds.com.au/alexander-credit-opportunities-fund/

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	0.50%
3 Months	1.49%
12 Months	3.66%
3 Years	4.75% pa
5 Years	5.50% pa
Annualised Since Inception	12.03% 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)	\$243.83
Credit Duration (years)	1.38
Yield to Maturity (before fees)	5.91%
Interest Rate Duration (years)	0.08
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