

Update October 31 2016

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 Index¹ plus 2% per annum.

Fund Update

The Fund returned 0.82% for October. It generated 2.16% for the previous three months, and 7.70% compounded over the past 12 months. The Net Asset Value (NAV) of the Fund, as at 31 October 2016, was to \$92m² and the ex-redemption price was 1.353541³.

The Fund celebrated its 7th anniversary on the 31st of October. The Fund started off as a wholesale fund available only to institutional and high net worth investors. However, in January of 2012 it became a retail MIS scheme that was then marketed to self-managed superfund (SMSF) clients. Since that time, the Fund has delivered solid annual returns with extremely low volatility (no negatively monthly returns since it became a retail MIS). This steady performance is one reason it has attracted a high level of inflows from the SMSFs, and as at 31 October more than 55% of the Fund are individual investors (rather than institutional investors). This is very high compared to other funds and provides a great level of stability.

In order to continue producing solid stable returns over the next 7 years the Fund needs to remain relatively small and nimble. To that end, we will cap its size at \$200 million to \$250 million. The Fund's NAV is currently at \$92 million and growing at about \$5 million per month so that cap should be reached in the next couple of years.

Further Information

For further information please contact Alexander Funds:
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1. Previously called the UBS Bank Bill Index.

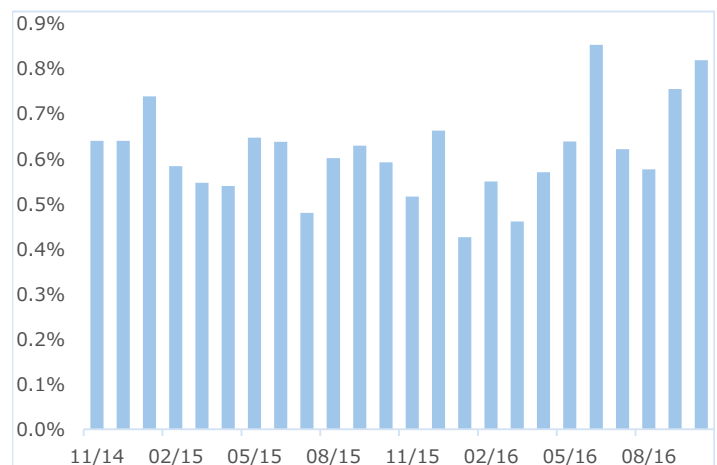
2 The value of the Fund's assets less the liabilities of the Fund net of fees, costs and taxes.

3. 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.

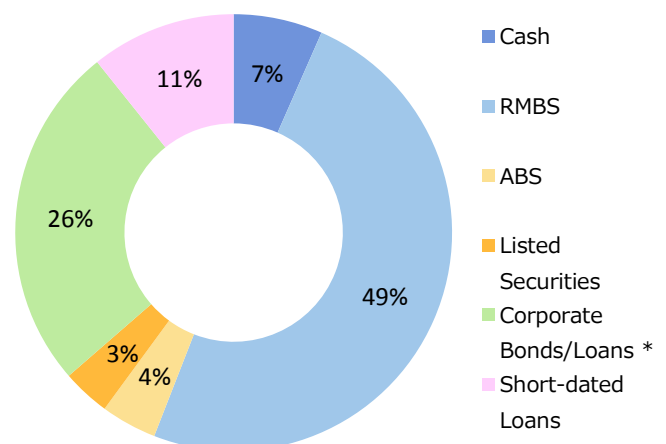
Fund Performance	
Period	Returns
1 Month	0.82%
3 Months	2.16%
6 Months	4.34%
12 Months	7.70%
3 Years	8.17% p.a.
5 Years	10.38% p.a.
Annualised Since Inception	16.56% p.a.

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.

Monthly Returns - Past Two Years



Portfolio Composition



*approx. 7% is an indirect exposure to corporate credit through investments in underlying unit trusts.

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